MANAGING COORDINATED ENERGY PROGRAMS

CAP Management and Leadership Training Conference | January 2019

Amy Klusmeier, WAP State Assistance Director
National Association for State Community Services Programs (NASCSP)
Overview of Leveraged Funds & State Examples - NASCSP

Managing Multiple Funding Streams in New Hampshire
- **Ryan Clouthier**, Deputy Director, Southern New Hampshire Services

Designing and Managing Programs in Minnesota
- **Laura Milbrandt**, Weatherization Housing Director, Prairie Five Community Action Council
- **Jeff Gladis**, Housing Director, United Community Action Partnership

Round Table Discussion
About NASCSP

NASCSP provides research, analysis, training and technical assistance to State CSBG and WAP grantees, Community Action Agencies, and State Associations in order to increase their capacity to prevent and reduce poverty and build economic and energy security.

https://nascsp.org/  @NASCSP
Leveraged Partnerships Project

Funded by the U.S. Department of Energy to offer training and assistance to WAP subgrantees and their associations in designing private partnerships and programs that leverage the WAP.

https://communityactionpartnership.com/energy-partnerships/
Mission Statement of the Weatherization Assistance Program (WAP)

“To reduce energy costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety.”

- 40+ Years of Success
  - Operating since 1976
  - Over 900 local agencies, All 50 states, DC, territories
  - Over 7.4 million homes weatherized
WEATHERIZATION | WHAT WE DO

MECHANICAL MEASURES
- Clean, tune, repair, or replace heating and/or cooling systems.
- Install duct and heating pipe insulation.
- Repair leaks in heating/cooling ducts.
- Install programmable thermostats.
- Repair/replace water heaters.
- Install water heater tank insulation.
- Insulate water heating pipes.

BUILDING SHELL MEASURES
- Install insulation where needed.
- Perform air sealing.
- Repair/replace windows/doors.
- Install window film, awnings and solar screens.
- Repair minor roof and wall leaks prior to attic or wall insulation.

HEALTH & SAFETY MEASURES
- Perform heating system safety testing.
- Perform combustion appliance safety testing.
- Repair/replace vent systems to ensure combustion gas draft safely outside.
- Install mechanical ventilation to ensure adequate indoor air quality.
- Install smoke and carbon monoxide alarms when needed.
- Evaluate mold/moisture hazards.
- Perform incidental safety repairs when needed.

ELECTRIC & WATER MEASURES
- Install efficient light sources.
- Install low-flow showerheads.
- Replace inefficient refrigerators with energy-efficient models.

CLIENT EDUCATION ACTIVITIES
- Educate on potential household hazards such as carbon monoxide, mold & moisture, fire, indoor air pollutants, lead paint and radon.
- Demonstrate the key functions of any new mechanical equipment or appliances.
- Discuss the benefits of using energy-efficient products.
Leveraging is ____________________

offering the assets of your WAP to a funder in order to attract additional, complementary resources.

- Trained and skilled workforce
- Whole-house energy retrofit
- Quality assurance
- Quantifiable savings
- Accountability
- Established administrative processes
- Relationships and reputation
WAP Funding

Figure adapted from:
Oak Ridge National Lab
WAP Evaluation, ORNL
TM-2013/188
How much has been leveraged?

- Funding Survey from State WAP Offices
- Trends in DOE, LIHEAP & “Other” Funds
- Leveraging report from Sub-grantee & State Association Interviews
- Leveraged funds coordinated with WAP

First joint funding report published in February 2018
Leveraged Funds in Report

Utility Ratepayer Funds
► Public Benefit Fund
► Merger or settlement (one-time)

State Taxpayer Funds
► Fees/taxes in state revenue

Private Funds
► Foundations and charities
► Hospitals or health insurance companies
► Other
WAP Funding
PY 2016

Figure adapted from:
Oak Ridge National Lab
WAP Evaluation, ORNL
TM-2013/188

Leveraged Funds
$236.3 Million

GRANTEES
States & Territories
Some funds retained and spent by Grantees

PASS THROUGH

SUBGRANTEES
CAAs & local agencies

Leveraged Funds
$122.3 Million

FEDERAL
DOE $221 M
LIHEAP $408 M
WAP Funding
PY 2016

$358.6 MILLION IN NON-FEDERAL FUNDS LEVERAGED IN 2016

$1.62 in non-federal leveraged funds for every $1 DOE

<table>
<thead>
<tr>
<th></th>
<th>DOE</th>
<th>LIHEAP</th>
<th>Leveraged</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollars (in millions)</td>
<td>$221.5</td>
<td>$408.3</td>
<td>$358.6</td>
<td>$988.4</td>
</tr>
<tr>
<td>Percent of total</td>
<td>23%</td>
<td>41%</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Number of Grantees</td>
<td>59</td>
<td>48</td>
<td>39</td>
<td></td>
</tr>
</tbody>
</table>

Leveraged Funds 36%
Why leverage and coordinate programs?

What is the benefit for...

<table>
<thead>
<tr>
<th>Weatherization Programs</th>
<th>Utilities and Funders</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Serve more households</td>
<td>• Quality Work Plan</td>
<td>• Comprehensive services</td>
</tr>
<tr>
<td>• Additional measures</td>
<td>• Network Capacity</td>
<td>• Local CAAs and providers</td>
</tr>
<tr>
<td>• Innovation</td>
<td>• Reduce administrative barriers</td>
<td>• “One-stop-shop”</td>
</tr>
<tr>
<td>• Support larger workforce</td>
<td>• Quantify savings</td>
<td></td>
</tr>
</tbody>
</table>
Coordinated Program Goals

- Serve More Homes
- Provide Additional Services
- Make Homes Weatherization Ready
- Innovation
  - Healthy Homes/Weatherization Plus Health
  - Renewables
- Other?
Activity #1

- Peer Exchange Handout
State Examples - Program Structures

Utility Management
- Third-Party Administrator

State Management
- Annual Plan Options
  - DOE - Develop budget to maximize flexibility
  - DOE - Use a portion of DOE funds to support leveraging activities
  - LIHEAP - “Mostly DOE” or “Mostly LIHEAP” rules
2016 LIHEAP & WAP Offices
Blending Funds

Combining DOE funds with LIHEAP and leveraged funds

The Goal is Braided Funding Streams for a Larger Program with Greater Impact

Washington and Wisconsin - Summary

Similarities
- Leveraged funds flow through state office
- DOE funds braided with leveraged funds
- One reporting system for all funds

Differences
- State legislation
- LIHEAP Plans
- Program goals & leveraging strategies
- Lead agencies
Washington

Department of Commerce

28 Local WAP Providers
### Recommended Measure Funding Priorities

This matrix provides guidance for recommended payment by Weatherization Program measure type. The funding sources are shown from highest priority at the top to lowest at the bottom. Use local discretion as funding sources and leveraging opportunities allow.

<table>
<thead>
<tr>
<th>Priority</th>
<th>WX/M</th>
<th>H&amp;S</th>
<th>WRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Utility</td>
<td>MM</td>
<td>MM</td>
</tr>
<tr>
<td>2.</td>
<td>DOE</td>
<td>HHS</td>
<td>HHS</td>
</tr>
<tr>
<td>3.</td>
<td>BPA</td>
<td>BPA</td>
<td>BPA</td>
</tr>
<tr>
<td>4.</td>
<td>HHS</td>
<td>Utility</td>
<td>Utility</td>
</tr>
<tr>
<td>5.</td>
<td>MM</td>
<td>DOE</td>
<td>DOE</td>
</tr>
</tbody>
</table>

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#### Activities/Measures

<table>
<thead>
<tr>
<th>Allowable Expense?</th>
<th>Specifics/Limitations/Allowances</th>
<th>Include cost in SIR?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Air Sealing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy 5.3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DOE</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>HHS</td>
<td>Yes</td>
<td>No-11/1/18 - 6/30/19</td>
</tr>
<tr>
<td>BPA</td>
<td>Yes Electric heat and BPA service territory only</td>
<td>Yes</td>
</tr>
<tr>
<td>MM</td>
<td>Yes</td>
<td>No-11/1/18 - 6/30/19</td>
</tr>
<tr>
<td><strong>Appliances</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DOE</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>HHS</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>BPA</td>
<td>Yes Clothes Washer Replacement, and Microwave Ovens New or Replacement, May include non-electrically heated, low-income homes in BPA service territory.</td>
<td>No</td>
</tr>
<tr>
<td>MM</td>
<td>Yes For Tier 1, health and safety only. Allowed for Tier 2.</td>
<td>No</td>
</tr>
<tr>
<td><strong>Health &amp; Safety Measures</strong></td>
<td>Up to 14.7% of program budget allowed.</td>
<td>No</td>
</tr>
<tr>
<td>Policy Chapter 9</td>
<td>Up to 25% of program budget allowed.</td>
<td>No</td>
</tr>
<tr>
<td>BPA</td>
<td>Up to 30% of program budget allowed. Electric heat and BPA service territory only.</td>
<td>No</td>
</tr>
<tr>
<td>MM</td>
<td>Up to $10,000 Total IMC limit for each unit, for Tier 1. Up to $25,000 for Tier 2. For rentals refer to Section 5.8.2</td>
<td>No</td>
</tr>
</tbody>
</table>
Washington Strategies

LIHEAP Flexibility

- Repairs exempt from Savings-to-Investment calculation
- The package of services proposed for each home must be cost effective
- DOE and LIHEAP income eligibility limits

Additional Measures

- Weatherization Plus Health
- Renewable Energy
**Utility Funds**

- BPA funds target electrically-heated homes
  - Additional measures - microwaves, clothes washers
  - No restrictions on dwelling age or frequency of services
- Weatherization-related health and safety and repairs
- Matchmaker program provides a total allowance for installed measures

**Additional State Allocation**

- [Weatherization Plus Health](#)
Wisconsin

DOE
- Foundation for program policy
- Leverages state utility dollars

LIHEAP
- Mostly follows DOE rules
- LIHEAP and WAP in same office

Utility Public Benefits
- Annual Report

State Fiscal Year 2018 Allocations
$58.5 Million Total
March – April
Contract Planning Workbook
Tool used by subgrantees to submit budget request for upcoming fiscal year.

Wisconsin - Blending Funds Process

May – June
State splits fund line items for contract
### Reporting Guide

#### What will each fund source pay for?

<table>
<thead>
<tr>
<th>Code</th>
<th>Name</th>
<th>Measure Detail</th>
<th>Reporting Tips</th>
<th>Allowable Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCFL005</td>
<td>CFL Bulb</td>
<td>Replacement of incandescent bulb with a compact fluorescent lamp.</td>
<td>Report the number of bulbs installed and total cost. WisWAP will calculate the cost per bulb. All bulbs regardless of style can be reported in one measure.</td>
<td>DOE, EAP, PB</td>
</tr>
<tr>
<td>PCFL010</td>
<td>Halogen Torchiere Replacement</td>
<td>Replacement of a halogen torchiere with a compact fluorescent floor lamp.</td>
<td>Report the number of lamps installed and total cost.</td>
<td>EAP, PB</td>
</tr>
<tr>
<td>PCFL015</td>
<td>LED Exit Light</td>
<td>Replacement or installation of an LED Exit Light in a multi-family building.</td>
<td>Report the number of lamps installed and total cost.</td>
<td>EAP, PB</td>
</tr>
<tr>
<td>PCFL030</td>
<td>Fixture Replacement</td>
<td>Replacement of existing incandescent lighting fixture with a light emitting diode fixture. LED fixtures shall only be installed if participating in a Division approved pilot project.</td>
<td>Report the number of fixtures installed and total cost.</td>
<td>PB</td>
</tr>
</tbody>
</table>

Wisconsin Goals

- Comply with state and federal guidance
- Maximize Savings to Investment ratio
- Ave. annual cost savings to customer $400 or greater
- Minimize deferral rates

Wisconsin Strategies

- Simplify program administration
  - Single eligibility criteria
  - Streamlined application process
  - Coordinated outreach & marketing
  - Data sharing
  - System-enforce rules when possible
Wisconsin Strategies

Leveraged funds provide:

- Additional Measures
- Reworks
- Equipment and Vehicle Purchasing and Leasing
- Training and Technical Assistance
- Pilot Programs and New Measure Research
- Special Subgrantee Projects
Wisconsin Strategies

Leveraged funds support:

- Complementary Programs
  - Baseload Program
  - Home Energy Plus Furnace Program
    - Emergency Services, Health and Safety Referrals

- Program Evaluation
  - Audit quality assurance analysis
  - Savings evaluations
  - Additional reports/analysis as needed
State Examples - Lessons Learned

Design and manage programs for maximum flexibility

- Do not include leveraged funds in DOE state plan
- Use some DOE funds to pay for leveraging assistance with utilities
- Maximize flexibility for local providers to do what is right for their communities

Collaborate to establish goals and performance measures

- Lead agency needed to coordinate stakeholders and develop/build relationships
- Engage stakeholders and subgrantees early and often in the DOE annual plan process
State Examples - Lessons Learned

Ensure capacity to meet goals

- Administration, Health and Safety, Training and Technical Assistance
  - Planning, evaluation, purchase of equipment

Quality assurance

- Monitoring to make certain funds are spend in accordance with rules
- Clear guidance for allowable costs
- Invoicing system
  - Segregate and track fund types
  - Allow for switching funds / corrections
  - Robust reporting to enable analysis and evaluation
State Examples - Lessons Learned

Data management and sharing

- MOU or Agreement with Utility
  - Pre-weatherization
    - Targeting services to high-priority households
    - Savings-to-investment calculation
  - Post-weatherization
    - Evaluation of actual savings

- Track your deferral reasons

- Report all completions, savings and leveraged funds to each funder
Managing coordinated energy programs to increase impact
Resources


http://homeenergyplus.wi.gov/
Resources

CAP Weatherization Leveraged Partnership Project
https://communityactionpartnership.com/energy-partnerships/

Meg Power, President and Executive Director
Economic Opportunity Studies (EOS)
http://www.opportunitystudies.org/

NASCSP Annual Funding Reports
https://nascsp.org/wap/weatherization-publications/

Amy Klusmeier, WAP State Assistance Director, NASCSP
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Resources

DOE Weatherization Program Guidance
Search “Leveraging” and sign up for notifications
https://www.energy.gov/eere/wipo/weatherization-program-guidance

DOE Resource Summary: Leveraging WAP Funds for Greater Impact

LIHEAP Clearinghouse - Coordinating LIHEAP and WAP (July 2016)
Upcoming Webinar: The Intersection Between Energy and Health

The National Safe and Healthy Housing Coalition is hosting a webinar on the intersection of energy efficiency and health outcomes on January 22, 2019, from 1-2 p.m. Eastern. The conversation will include both an introduction to the connection between energy and health and dispatches from ongoing projects and case studies, so we encourage anyone with interest or experience in this topic to attend!
Your opinion is very important to us! Please take a moment to evaluate this workshop in the 2019 CAP MLTC mobile event app.

Thank you!