THE FEDERAL LOW-INCOME WEATHERIZATION ASSISTANCE PROGRAM AND ITS PARTNERSHIPS: $1.1 BILLION IN 2018



Helping People. Changing Lives.
community Action PARTNERSHIP
AMERICA'S POVERTY FIGHTING NETWORK

SNAPSHOT OF WEATHERIZATION ASSISTANCE PROGRAM (WAP) ANNUAL SURVEY

Approximately 700 local organizations are responsible for installing the U.S. Department of Energy Weatherization Assistance Program (WAP) measures in the homes of lower-income households. Nationwide, they delivered over $1.1 billion in energy efficiency services in 2018. The results of the annual national survey of funds expended by the WAP network of state government and local community organizations are shown in Table 1.

Table 1: Sources of 2018 Funds Coordinated Locally in the Weatherization Assistance Program

While the majority of funding was from the federal WAP and Low-Income Home Energy Assistance Program (LIHEAP) combined, nearly $408 million, or 37%, was not funded by these national programs. Instead, partnerships with private and public utilities, state and local governments and/or charitable organizations contributed to programs in 38 states to enhance the federal program. In Table 1., these non-federal contributions are grouped as "other."

Source	2018 funds (in millions)	Percent of 2018 Funds
US Dept. of Energy	$247.1	22%
US HHS (LIHEAP)	$453,1	41%
Other: i.e. not federal	$407.7	37%
2018 Total	**$1,108**	**100%**

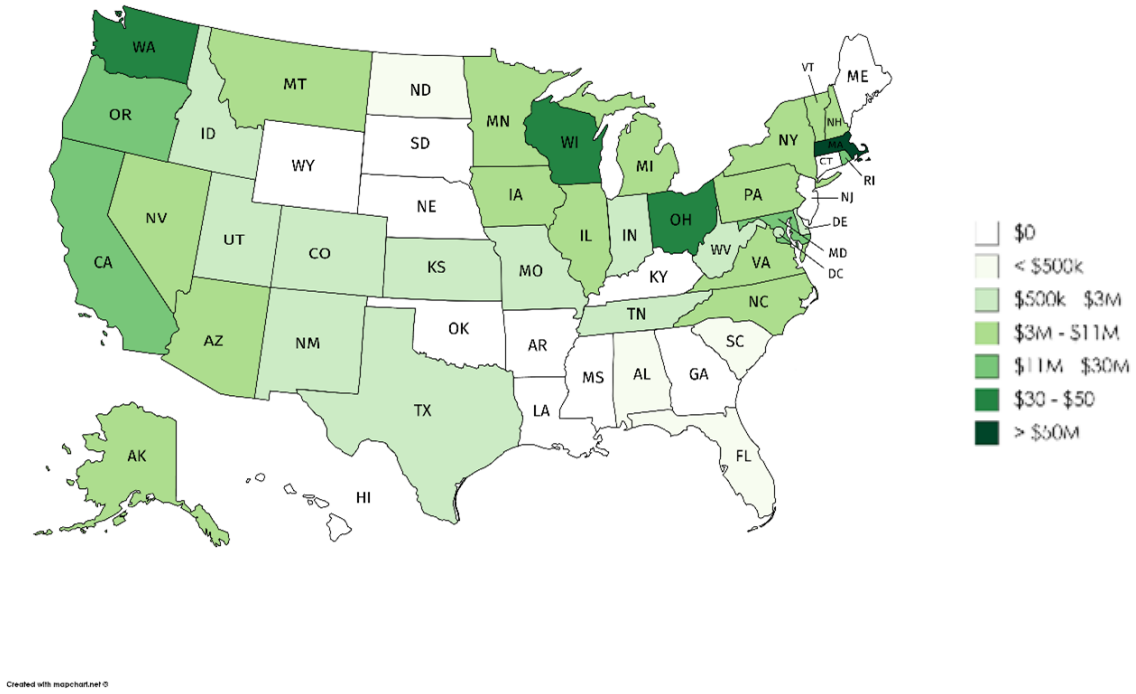
Source: NASCSP-CAP 2018 Weatherization Funding Report

Table 2 shows the breakdown of "other" funders by type with the amounts contributed. Clearly, utility low-income efficiency programs, initiatives funded by ratepayers of the electric and gas distributors, were the predominant source. There were vast differences among states in the amounts contributed by partners. Massachusetts had the highest non-federal funding at $130 million from utility efficiency programs, while nine states' weatherizers had partnerships and raised less than $1 million.

Table 2. Source of Non-federal Funds	2018 Total In Millions
UTILITY RATEPAYERS	**$388.93**
STATE User Fees/Taxes	**$13.95**
LOCAL GOV'T.	**NA**
CHARITABLE	**$4.84**
TOTAL	**$407.72**

Map: Non-Federal WAP Funds

Map 1 shows the variation in scale of non-federal WAP funding by state. The state-by-state totals can be accessed on page 21 of the **funding report**.



UTILITY PROGRAMS AND WAP: HOW PARTNERSHIPS WORK

U.S. electric and gas utilities spent slightly more than $560 million nationwide on 2018 efficiency programs that were directed solely to lower-income customers . WAP local agencies delivered about 69% of that total in 32 states. Utility programs are financed by ratepayers pursuant to state legislation and regulation. In general, gas utility programs fund whole-house retrofits like those funded by DOE's WAP, while most electric utilities pay the local agencies for installing individual measures that reduce baseload electric use or that fully weatherize an electrically-heated home. Utility partnerships contributed more than 95% of the non-federal funding for the network.

How Local Utility and Federal Program Investments Are Coordinated

Utility ratepayers' funds for efficiency programs in some states go to the state government office which oversees federal WAP, and in others, WAP local agencies receive funding under contracts from the utilities. In many states, there is a mix of both program types. At the 'front line' where a Community Action or other WAP agency sends out skilled teams to assess eligible homes and install the upgrades, it takes sophisticated management systems to combine several utility programs with two federal programs into a customized package of services for each home. Each organization combines, or "braids," the items and services which the skilled installation team will deliver, using resources from each contributor under the respective programs' rules.



The partnerships with the highest sustained impact have generally adopted policies that align utility requirement and protocols with the WAP program operational requirements.

Philanthropic, State, or Local Government Funds Contributed to 2018 WAP Projects

Three percent of non-federal funds came from state user fees or general tax revenues. Donations from corporate foundations or local community foundations added up to nearly $5 million.

State funding is a consistent addition to the WAP in Alaska, Vermont and Colorado. In 2018, three more states also funded small additions to the WAP. Table 2 above shows the 2018 funding that came from these sources. In recent years, philanthropies associated with corporations, such as health insurance companies and utilities' own foundations have invested in project partnerships with local weatherizers. Typically, the charities' programs are short-term projects; most test delivery of a new service or measure added to those allowed by federal WAP regulations; and some fund homes that WAP could not reach. These joint ventures can lead to long-term programs after a testing period.

Promising Innovations Funded by Charitable Sources in Recent Years Include:

- Correcting unhealthy housing conditions that contribute to asthma, allergies and other respiratory conditions



- Home improvements to make dilapidated units weatherization-ready



- Testing new measures in hard-to-weatherize units



- Connecting lower-income customers to renewable energy



Q: How Can My WAP Organization Establish Such Funding Partnerships?

ANSWER: Take the approach that the WAP network in every state highlighted on the map has done in the past: organize a strong local and statewide coalition with a commitment to energy equity and expertise in delivering energy services to low-income communities; learn the performance requirements for your utilities and figure out how your organization's WAP-based capacities will help them achieve their policy goals; and take your plan to decision makers in the companies and in the regulatory and legislative bodies that set energy policies. Participate in every setting where offers can be made, where planning goes on, and where decisions get made.

Pay for the staff time to do the research, presentations and to sit in long meetings using WAP programmatic dollars, which will have been set aside in your state's plan.

LET THE CAP WEATHERIZATION LEVERAGED PARTNERSHIPS PROJECT SHOW YOU HOW TO ESTABLISH FUNDING PARTNERSHIPS

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Opportunities Ahead!

Expand WAP's Efficiency Investments

- Access the $160 million in utility spending on low-income efficiency that is not yet coordinated with the WAP
- Persuade states with no ratepayer-funded efficiency investments to adopt this mainstream industry practice
- Engage more publicly-owned utilities and power authorities
- Engage more affordable housing owners, including Public Housing Authorities, as co-investors

Build WAP-enhancing Companion Programs

- Renewable energy investments and distributed production using emerging financing tools
  - Community Solar for WAP-eligible homes in OR and VT
- Healthy Home upgrades supported by insurers, including Medicaid and health care systems
  - WA WAP and Community Health Centers, TN hospital-CAP-utility partnership
- Rural Housing Repair, Expiring-Use Section 8 properties
  - MN whole-community project, MT home repair
- Workforce Development
  - MO returning citizen construction training, WV community college program
- Water efficiency programs
  - MA gas utility, WAP, LA Water Deptartment