

Utilizing Virginia RGGI Revenue to Support Existing Low-Income Energy Efficiency Programs by Addressing Health & Safety Needs of the Weatherization Assistance Program Providers

Drafted by Community Housing Partners (CHP) Energy Solutions
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Energy efficiency and weatherization programs serving low-income, elderly, individuals with disabilities, and other energy burdened populations in Virginia have evolved dramatically since 2015. Federal resources through U.S. Department of Energy’s Weatherization Assistance Program (WAP) and U.S. Department of Health & Human Services’ Low-Income Home Energy Assistance Program (LIHEAP), administered through the Virginia Department of Housing & Community Development (DHCD), have served as the foundational resource for weatherization services provider operations. In 2015, providers saw an increase in utility-sponsored energy efficiency programs which are designed to serve the same client base. In 2021, utility-sponsored programs will have increased by 19-times from their 2015 funding levels, exceeding the federal resources available for weatherization for the first time in Virginia’s history.

Breakdown of funds for weatherization work from federal sources and utilities programs (est.)
Estimated available health & safety funds are noted in white
2015-2021

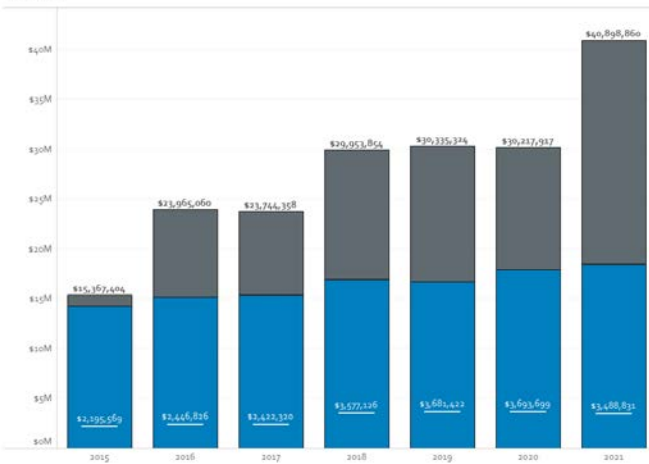


Figure 1. Historic Funding Levels for Low-Income Energy Efficiency Programs in Virginia by Source, 2015-2021

While encouraging progress has been made to serve thousands more energy burdened households in Virginia, weatherization providers face challenges in service delivery to nearly 1 in 5 households that apply for their programs according to a 2020 survey by the Association of Energy Conservation Professionals (AECP) – the local trade association of weatherization providers in Virginia.

All 17 subgrantees in Virginia DHCD’s weatherization program responded to the survey for the federal weatherization program year 2018 – the most recent program year uninterrupted by the COVID-19 pandemic. The survey revealed providers had to defer weatherization services to 525 households of the 2,901 applications received that year.

Deferral issues vary in scope and scale, but the core is consistent: weatherization providers do not have the resources needed to address health and safety and other incidental repairs required prior to the installation of weatherization and energy saving measures.

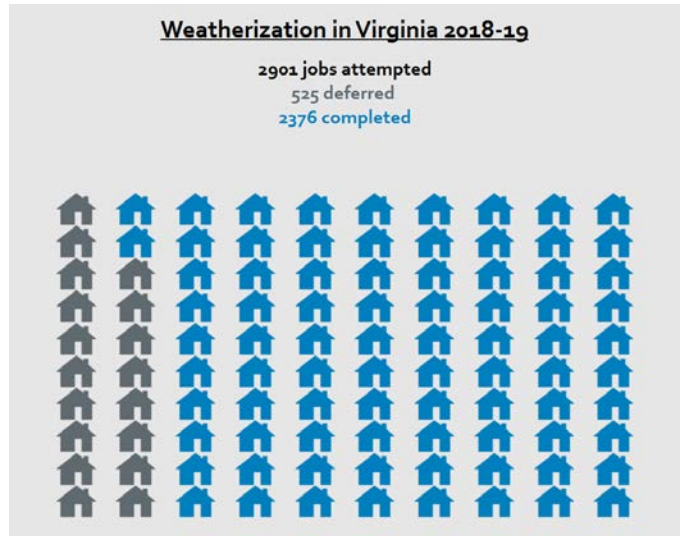


Figure 2. AECP Weatherization Deferral Rate Survey Results for Program Year 2018-2019

The most frequently cited reason for deferral in the survey was roof repairs or replacement needed. Other commonly reported deferrals were for structural repairs, moisture and other biological hazards, electrical issues, and more. These repairs are needed before weatherization providers can provide energy saving measures to these energy burdened households. Attic insulation, for example, cannot be installed if a leak in the roof may result in the insulation being compromised before the end of its expected useful life.

Access to home repair funds that could prevent these deferrals is sparse and inconsistent throughout the Commonwealth. Federal funds and utility-sponsored programs have limited health and safety and incidental repair funds available, averaging approximately 11-percent of the total funds available statewide, which have been further strained by additional personal protective equipment (PPE) needs resulting from the current pandemic. Those funds also come with many restrictions and are often insufficient to resurrect a weatherization applicant from deferral. Other funding sources include a handful of municipalities or private donations. Community Housing Partners (CHP), Virginia’s largest non-profit weatherization provider, sets aside nearly \$200,000 of internal funds each year to address health and safety issues and/or incidental repairs needed to unlock weatherization

candidates' households to then deliver energy saving weatherization services. Even with the application of those extra funds, CHP still had to defer 197 jobs during the reporting period.



Figure 3. Weatherization Deferral Due to Roof Issues Resulting in Ceiling Damage

Based on the feedback in the survey responses, Virginia's weatherization providers estimate an average range of \$5,000-\$8,000 is often needed to bring a weatherization candidate back from deferral status. With the increase in funding available in 2021 and beyond, Virginia's weatherization provider network expects to complete an estimated 8,500 comprehensive weatherization retrofits per year for the foreseeable future. At current weatherization deferral rates, the weatherization providers can expect to defer more than 1,500 households each year. Each deferral uses the network's limited administrative resources and valuable energy auditing time – resources and time that providers are not able to recover. At an average of \$7,500 per household in health and safety and/or incidental repair funds serving 1,500 households per year, the weatherization network would like to leverage \$11,500,000 of RGGI revenues each year in support of Virginia's most effective and shovel-ready energy efficiency program serving low-income, elderly, and individuals with disabilities to reduce their household energy burdens.

Considering new utility-sponsored programs beginning in 2021 will allow weatherization providers to braid federal resources to serve more multifamily properties, particularly in urban areas where gas heating and water heating are more prevalent and prone to health and safety issues, deferrals due to combustion safety hazards are expected to rise that were not captured on the AECp survey. Rough estimates anticipate an additional 20-percent of the projected \$11,500,000 of RGGI revenues could be leveraged to address health and safety

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issues arising from gas appliances in disrepair at multifamily properties driving the leveraged funding request closer to \$14,000,000 per year.

Commonly reported reasons for deferral

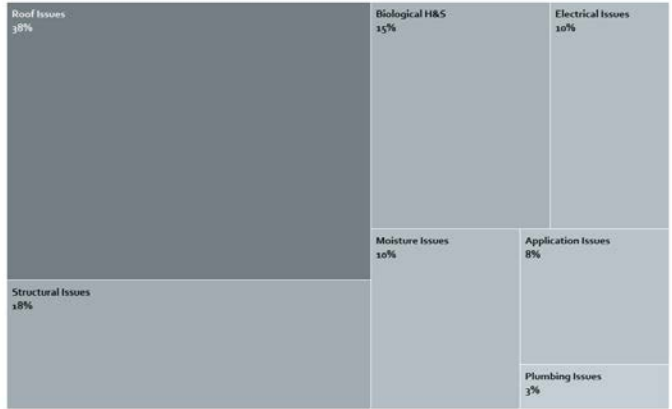


Figure 4. Commonly Reported Reasons for Deferral from AECp Survey

From historic records, the typical weatherized home in Virginia realizes approximately 28.54 MMBtu of energy savings annually, unlocking the energy efficiency potential of more than 1,500 households that would otherwise be weatherization deferrals could translate into an additional 43,000 MMBtu energy savings each year, offsetting greenhouse gas emissions while fulfilling the legislative intent of the 2020 House Bill 981 by supporting low-income energy efficiency programs. The weatherization network has demonstrated its ability to scale operations through the American Reinvestment and Recovery Act stimulus funding in 2009, and today amidst an increase in utility-sponsored programs that can be leveraged with federal resources.

Furthermore, with roof repairs being the most prevalent deferral issues among weatherization providers, the opportunity to repair or replace low-income weatherization clients' roofs will create additional opportunities to consider those households for distributed rooftop solar – complementing efforts like 2019 House Bill 2789's low-income solar and energy efficiency program and the work of the Virginia Clean Energy Advisory Board – to have a fair and equitable clean energy transition in Virginia.

The weatherization provider network requests the Virginia DHCD RGGI Stakeholder Advisory Group and all participating stakeholders consider the energy efficiency potential of this proposal while taking into account how RGGI revenues used for this purpose aligns with the intention of the legislation.

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