

Weatherization Assistance Program Creating Jobs in Michigan Recovery and Reinvestment Act

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Weatherization Assistance Program

Purpose

- To permanently reduce energy costs for low income families, particularly for the elderly, people with disabilities, and children, through installation of household energy-efficiency measures, while ensuring their health and safety.



Weatherization Assistance Program

Implementation



Department of
Energy
Headquarters and
Project
Management
Center



50 State Weatherization
Assistance Offices,
The District of Columbia,
And Native American
Tribal Organizations
*(anticipated to begin
services in the
U.S. territories in PY09)*



Over 900
Local
Agencies



Low-income
Americans



Weatherization Assistance Program - \$5B

- The program helps low-income households improve the efficiency of their homes
- Funds are allocated to the states, which distribute funds to local agencies
- Low-income families save an average of \$350 or more each year on their energy bills after their homes have been weatherized.
- \$243.4M for MI

MARCH 12, 2009

DOE Announced Nearly \$5 Billion for Weatherization



Weatherization Assistance Program

Funding

- \$5 billion disbursed to state weatherization assistance offices based on formula per each state calculated using:
 - Low income population (200% of federal poverty level)
 - Climatic conditions (number of heating/cooling degree days)
 - Residential energy expenditures by low income households (financial burden of energy costs)



Weatherization Assistance - \$5B

- Presidential Initiative
- Recovery Act Changes to Program
 - Income level amended from 150% of poverty to 200%
 - Cost per home was raised from \$2,500 to \$6,500
 - T&TA raised from 10 percent to up to 20 percent
- New Opportunities
 - DOE/HUD Agreement
 - Foundation for reaching all homes



Training and Technical Assistance (T&TA) in the Weatherization Assistance Program

Objective: Facilitate training and technical assistance (T&TA) for development of a workforce that supports the Weatherization Assistance Program ramp up

Funding: Recovery Act (FY 2009-11) – ~\$1,000M for Weatherization T&TA

- ~\$850M for State-directed T&TA activities (allocated according to formula)
- ~\$150M for DOE HQ-directed activities



Grantee-directed T&TA

- Grantees use funds to support training for Grantee and local Weatherization staff in program operations (including monitoring), management, and technical topics.
- Grantees' T&TA plans are submitted as part of their overall State Weatherization Plan.
- The training delivery mechanisms vary by State.
 - State-operated Training Centers
 - National and Regional Conferences
 - hands-on workshops
 - on-the-job training



DOE-directed T&TA

- DOE-directed activities support grantees in their T&TA plans
- DOE plans include:
 - Benchmark technical curricula, including classroom, hands-on, and on-the-job training
 - Train-the-Trainer strategy
 - Increased networking among Weatherization trainers
 - Support for development of Training Centers (or alternative approaches such as community colleges)
 - Training to Grantees and sub-grantees on topics including program management, procurement, monitoring, and client education
 - National and Regional conferences providing hands-on training



Job Types in Weatherization

Job Title	Core Competencies*	Time to Training	Job Description
Crew Members (Installer)	Installer competencies	6-8 wks.	Install weatherization measures
Crew Chief	Installer plus add'l	promote - 2 mos.	Manage crews and production
Auditors	Installer, Crew Chief, plus add'l	promote - 3 mos.; new - 8 mos.	Perform energy audits; recommend Weatherization measures
Inspectors	Installer, Auditor, plus add'l	promote - 3 wks.; new - 2-4 mos.	Conduct post-Weatherization tests to ensure work quality
Technical Monitoring	Auditor, Inspector, plus add'l	6-8 mos.	
Trainers	Auditor, Inspector, plus add'l		Provide training
Eligibility Testing		4-6 wks.	Determine proper eligibility
State & Local Office Staff	Dependent on job type		Manage State and Local operations

****Search for “Core Competencies” at www.waptac.org**



Beyond Weatherization Market Transformation

- What about the other 80 million homes??
- 3-Part Solution:
 1. Financing models
 - Emphasize strategies that stretch amortization periods, buy down risk, and attach value to property, not owner
 2. Comprehensive programs
 - Triggers and incentives that bring more participants in
 3. Policy drivers at Federal-state-local levels
 - Need a seamless policy framework that builds on jurisdiction's strengths and responsibilities



Deeper Savings - Financing Models

- **Obstacles**
 - First cost barrier
 - Owner discounting future value of energy and \$ savings
 - Expensive to borrow money
- **Strategies**
 - Amortize loan over longer period
 - Property tax assessments
 - On-bill financing – utilities or municipalities
 - EE Mortgage products
 - Access to low or no cost money
 - Buy down interest rate
 - Reduce administrative and transaction costs through aggregation
 - Risk reduction – secure/guarantee loans



More Participants – Comprehensive Programs

- Obstacles
 - Voluntary participation – restricted to “Early Adopters” 12-20%
 - High transaction costs
- Strategies
 - Permit or loan triggers audits and improvements
 - Time-of-Sale
 - Renovation permits
 - Property tax assessments
 - Aggregation
 - ESCOs
 - Forward Capacity Markets (ex: ISO New England)
 - Turn key efficiency services from big box/retailers – including financing
 - Expand existing programs
 - Weatherization, HPwES, community development



State and Local Examples

- State/Regional
 - RGGI
 - Public benefit funds
 - ISO New England Forward Capacity Markets
 - Oregon Trust and Efficiency Vermont
 - Pennsylvania Home Energy Loan Program Great Bear Bank/AFC First
 - California AB 811, AB 32, CPUC loading order
- Local (Clean Energy Municipal Financing)
 - Berkeley FIRST (CA)
 - San Francisco Clean Energy Loan Program (CA)
 - Palm Desert Independence Loan Program (CA)
 - Montgomery County HELP – Home Energy Loan Program (MD)
 - Boulder ClimateSmart Loan Program (CO)
 - Annapolis EZ (Energy Zone) Loan Program (MD)



Federal Level – National Scope

- Policy framework
 - EE portfolio standard
 - Carbon cap
 - Align utility rules to allow non-utility aggregators of EE to compete as power providers
- Sources of capital
 - Carbon cap (Markey/Waxman Clean Energy and Security Act)
 - National green bank (bonds) (Van Hollen bill)
 - National revolving loan fund (Van Hollen bill)
 - Loan guarantees
 - Recovery Act funds



Thank You

Department of Energy's Recovery Act Website

<http://www.energy.gov/recovery/>

Office of Energy Efficiency and Renewable Energy (EERE)

Weatherization and Intergovernmental Programs Website

<http://www.eere.energy.gov/wip>

Contact EERE's Information Center:

Submit your question via e-mail or web form

Website: <http://www1.eere.energy.gov/informationcenter/>

Call toll-free between 9 a.m. and 7 p.m. EST, Monday - Friday

Phone: 1-877-EERE-INFO (1-877-337-3463)



U.S. DEPARTMENT OF
ENERGY

Energy Efficiency &
Renewable Energy

SEP Slides



The State Energy Program

- Congress created the State Energy Program (SEP) in 1996 by consolidating the State Energy Conservation Program and the institutional Conservation Program to:
 - Encompass both renewable energy and energy efficiency technologies and address all sectors of the economy
 - Fund states to carry out their own clean energy programs and projects

MARCH 12, 2009

DOE Announced Nearly \$3 Billion under SEP



SEP Activities

- Can do
 - Demonstrations of energy efficiency and renewable energy technologies
 - Public education on EE/RE
 - Increasing transportation energy efficiency
 - Financing for EE/RE projects
 - Energy audits of buildings and industrial processes
 - Integrated State energy plans
 - Demand reduction
 - Training & incentives for builders & building designers
 - Can't do
 - Research
 - Utility rate demonstrations
 - New construction
 - Purchase land or buildings
 - Loan guarantees
 - Cannot supplant funds otherwise available for EE/RE programs
- See your training binders for a complete list of each.*



State Energy Program Accomplishments

In a typical year (2002) through their SEP grant, the States:

- Retrofitted 13,000 buildings – 153M square feet;
- Provided \$46M in tax credits for EE/RE measures;
- Awarded \$42M in loans and grants for EE/RE measures;
- Provided energy education to 600,000 K-12 students;
- Made 340,000 contacts recommending EE/RE measures;
- Adopted new residential (22 states) or commercial building codes (20 states);
- Provided workshops or training to 100,000 people;
- Purchased or converted 6500 AFVs;
- Added 205 alternative fuel refueling stations;
- Installed 73MW of wind or PV generating capacity.



State Energy Program - \$3.1 B

- Energy Offices Well Positioned
 - Plans target States unique energy needs, contribute to National goals, and reach every sector in their States' economy.
- States Target Achievement of EPACT 05 Goals
 - 25% reduction in per capita energy consumption by 2012 (1990 baseline)
 - renewable energy technology, transportation measures, industrial retrofits, Revolving loans, on-bill financing strategies, and performance contracting are strongly encouraged.
- Section 410 Requirement
 - Governor Assurances - Regulatory & Codes
- Investment Outcomes
 - Recovery Act funds save government, businesses and consumers \$22.3 billion and 3,400 trillion BTUs (ORNL peer reviewed methodology 2005)



Use of State Energy Program Funds

- SEP Recovery Act funds can be used for all eligible SEP activities
- States are encouraged to choose activities that will provide sustained benefits to their citizens
- States are encouraged to consider programs high impact areas



SEP and ARRA – Performance Metrics

- President Obama has committed to accountability in the use of ARRA funds. So, it is important that the activities carried out and the results achieved with those funds are tracked carefully and reported clearly and quantifiably. The results achieved with SEP ARRA funding will be assessed according to the following performance metrics:
 - Jobs created
 - Energy (kwh/therms/gallons/BTUs/etc.) saved
 - Renewable energy installed capacity and generated
 - GHG emissions reduced (CO2 equivalents)
 - Energy cost savings
 - Funds leveraged