

EWR Low Income Workgroup – Special LIHEAP Session

November 18, 2021



Agenda

- Welcome and Introductions
Brad Banks, MPSC
- Funding the Weatherization Assistance Program
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LIHEAP and Weatherization in Michigan

11/18/2021

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Objectives for Today

Hear

Hear impact stories about how Weatherization (Wx) and LIHEAP helps low-income families

Overview

Quick overview of Weatherization Program and how LIHEAP makes this program viable

Challenges

Review the major challenges for Weatherization in Michigan

Help

Learn how you can help!

IMPACT STORIES



Weatherization Overview and History

Program created in 1976

Program utilizes partnerships with the Department of Energy and state and local level Weatherization agencies

Operates in all 50 States, D.C., and among Native American Tribes

Local agencies provide weatherization services to every county in the nation

Oldest and largest residential energy efficiency program in America

Mission of Weatherization

Increase

Increase the energy efficiency of dwellings occupied by low-income Americans

Reduce

Reduce monthly heating and cooling expenses

Safeguard

Safeguard the health and safety of household occupants

Prioritize

Prioritize those households with elderly residents, individuals with disabilities, and families with children

The Problem → Unequal Burdens

- ▶ Low-income households carry a larger burden for energy costs, typically spending 13.9% of their total annual income versus 3.0% for other households (2020 ORNL study).
- ▶ What does that mean?
- ▶ Often, it means that they must cut back on healthcare, medicine, groceries, and childcare to pay their energy bills.
- ▶ Energy Burden is also a racial equity issue, with burden being spread disproportionately to BIPOC households

Benefits for Low Income Families

- Provide economic boost and create more disposable income in low-income communities.



Benefits for Low Income Families Continued

- ▶ Weatherization helps alleviate heavy energy burden through cost-effective building shell improvements such as insulation and air sealing, HVAC systems, lighting, and appliances.
- ▶ Educate consumers in energy efficient practices.



Non-Energy Benefits

- ▶ Non-energy benefits represent tremendous benefits for families whose homes receive Weatherization services.

- ▶ After Weatherization:

Families have homes that are more livable, resulting in fewer missed days of work (i.e. sick days, doctor visits) and

- ▶ Decreased out of- pocket medical expenses by an average of \$514.



Impact on Communities

- ▶ Weatherization not only helps households, it also helps revitalize communities by spurring economic growth and reducing environmental impact.
- ▶ **Weatherization returns \$2.78 in non-energy benefits for every \$1.00 invested in the Program (National Evaluation).**





WHAT ROLE
DOES LIHEAP
PLAY IN
WEATHERIZATION?



Funding

Core funding for the Wx program is provided by the Department of Energy (DOE) and the Low Income Home Energy Assistance Program (LIHEAP) block grant

This funding allows states and local agencies to leverage additional funding from:

- State and local government
- Rental property owners
- Utilities
- Other housing programs

Funding Facts Continued

- ▶ Nationally -- In 2015, DOE funding was supplemented by state authorized mechanisms, providing an additional \$883 million, or **\$4.62** for every dollar invested by DOE (NASCSP Funding Survey 2015).
- ▶ In Michigan, the ratio between DOE Weatherization funding and LIHEAP funding is **\$3.33** for every dollar.
- ▶ Department of Energy's Average Cost Per Unit for Weatherization's adjusted average expenditure limit for PY 2021 is **\$7,776**.



Needs Assessment

- ▶ Approximately 35,000 homes are weatherized each year nationally
- ▶ 1,386 of those homes were in MI in the past program year





Michigan Weatherization By the Numbers

- Weatherized households with **elderly occupants**
 - **42.3%**
- Weatherized households with **handicapped occupants**
 - **50%**
- Weatherized households with children
 - **38.2%**
- Weatherized Households with **annual income under 125% Federal Poverty Level**
 - **55.2%**



Michigan Weatherization By the Numbers Continued

- Homeowners vs. Renters
- While renters are as eligible for the program as owners, they are a relatively small percentage of Wx jobs completed.
- Weatherized Households that are Renters
 - **7.6%**



The
Challenges
that Lie
Ahead

How you can
help





Questions and Discussion

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Close & Adjourn

Thank You!



Michigan Public Service Commission