



# **ARRA Impact on Virginia's Weatherization Assistance Program**

**Presentation to  
Virginia Commission on Energy and the  
Environment  
June 24, 2009**

# **Virginia's Weatherization Assistance Program Background**



- **Funded from two federal sources –**
  - **U. S. Department of Energy's Weatherization Assistance Program**
  - **U. S. Department of Health and Human Services' Low Income Home Energy Assistance Program (LIHEAP)**
- **U. S. Department of Energy (DOE) initiated the Weatherization Assistance Program in 1976**

# **DOE Weatherization Program**

- **DOE program focuses on reducing dependency on foreign oil and decreasing energy costs for low income families while improving health and safety**
- **On average weatherization reduces home energy consumption by 32 percent**
- **Annual cost savings of approximately \$350 for a low income family after weatherization**
- **\$94.1 million new funding for Virginia included in ARRA stimulus bill**

## **DHHS LIHEAP Funding**

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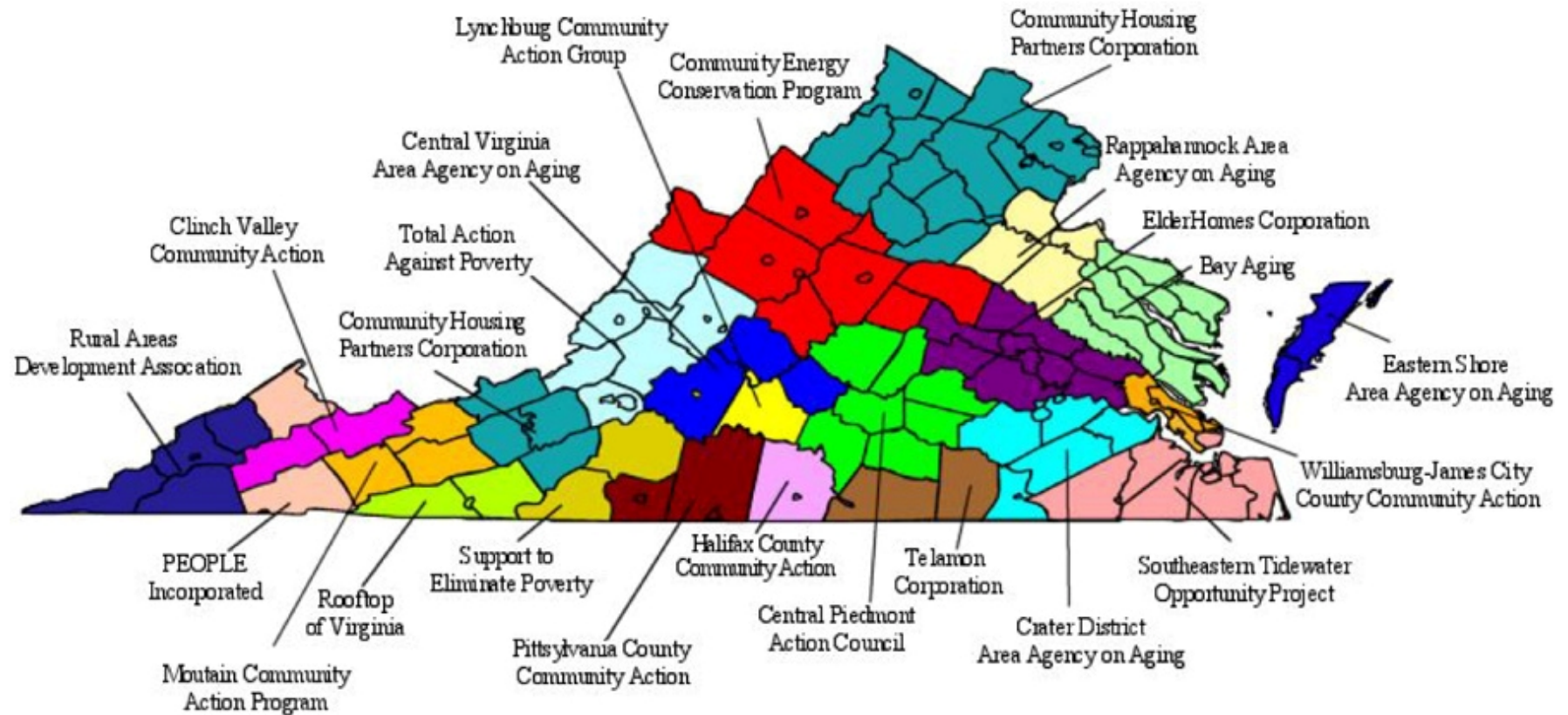
- **LIHEAP provides energy assistance to low income families**
- **In 1998, the General Assembly directed that 15 percent of Virginia's LIHEAP funds go to weatherization improvements for income eligible families**
- **Administered by DHCD through same delivery system as DOE funding and provides some increased flexibility**

# **Current Weatherization Delivery System**

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- **Weatherization assistance is provided regionally by 22 non-profit organizations**
- **Funds are allocated to providers based on the federal weatherization formula - low income population, number of heating and cooling days and residential energy expenditures by low income households**
- **Federal guidelines limit improvements to an average cost per unit**
- **1,500 to 2,200 homes are weatherized each year in Virginia**

# Weatherization Providers



# **Weatherization Eligibility**

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- **Eligibility is determined through an intake process**
- **Clients must be income eligible**
- **Priority is given to elderly, disabled, households with children, households with high energy costs**
- **Energy savings must be feasible within allowable costs**

## Income Eligibility

Household Size	75% State Median Income
1	\$30,581
2	\$39,991
3	\$49,400
4	\$58,810
5	\$68,219
6	\$77,629



# Weatherization Process

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- **An energy audit is performed to determine where and how energy loss is occurring**
- **Prioritized work specifications are developed based on weatherization activities that will result in the greatest level of energy savings**
- **Work may be accomplished directly by providers and through sub-contractors**
- **Once the work is completed, another energy assessment is done to document the level of energy savings**

# Changing Program Parameters

	2008 Program	2009 Program	ARRA
Funding	\$4 million - DOE \$6.5 million - LIHEAP	\$8 million - DOE \$18 million - LIHEAP	\$94.1 million - DOE
Cost per unit	\$2,966 - DOE \$3,200 - LIHEAP	\$3,055 - DOE \$12,000 - LIHEAP	\$6,500 - DOE
Income eligibility	150% of poverty - DOE 130% of poverty - LIHEAP	75% state median income - DOE & LIHEAP	75% state median income - DOE

## **Current Status of Stimulus Funding**

- **DOE guidelines express preference for using existing network of service providers**
- **Initial contracts for 40% of funding sent in anticipation of federal funding**
- **Expect release of production funds from DOE within 30 days**
- **Already accessed ramp-up funds for additional staff, training and equipment**
- **Training initiatives under negotiation with New River Center for Energy Research and Training (NCERT) and Virginia Community College System**

## **New Opportunities Created by Stimulus**

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- **Increase outsourcing to private contractors**
- **Addressing multi-family housing developments**
- **Expanding training and capacity building efforts**

## **Our Challenges**

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- **Limited time for implementation – completion by March 31, 2012**
- **Focusing partners on performance outcomes and increased production**
- **Need for new approaches and partnerships at local and regional levels**
- **Increased accountability and compliance monitoring**