Organization: National Association for State Community Services Programs (NASCSP) **Appropriations Subcommittee**: Energy and Water Development

Testimony of Amy Klusmeier, WAP Director, National Association for State Community Services Programs (NASCSP)

Opening

As Weatherization Director for the National Association for State Community Services Programs (NASCSP), I am pleased to submit testimony for today's hearing on the Department of Energy's (DOE) Weatherization Assistance Program (WAP). NASCSP is the member organization representing the weatherization grantees in all 50 States, DC, 1 Native American Tribe and 5 US territories on issues related to the WAP. The state offices represented by our organization would like to thank this Committee for its support of the WAP over the years.

I have been working in weatherization for over ten years, starting my career on a weatherization crew in south central Wisconsin. The WAP is a whole-house retrofit program, and as a crew person that meant climbing through every crawl space and attic to air seal and insulate. Like most WAP workers I was trained on-the-job to perform the rigorous work of insulating homes, and also to use advanced tools and technologies to diagnose home performance—WAP field workers are highly skilled building analysts. I later served as the lead WAP Program and Policy Analyst at the State of Wisconsin, working closely with our local Community Action Agencies and service providers to ensure effective and efficient delivery of the program statewide. I have witnessed firsthand the successes and achievements of the WAP, most notably its impact on America's most vulnerable households. The WAP is a proven investment in our communities, not only reducing families' energy costs, but also making homes healthier and safer while supporting job creation, workforce development and small businesses. As we head into Program Year 2019, we see numerous opportunities for continued innovation and to build on the program's record of success.

Department of Energy Funding- The Core of the Program

The Department of Energy funding appropriated by Congress has allowed over 7.4 million homes to be weatherized since the program's inception in 1976. Each home receives a site-specific suite of energy efficiency measures to be installed, such as insulation, air sealing, and high efficiency HVAC systems. DOE requires that the suite of measures installed in each home has a Savings to Investment ratio of 1.0 or greater to ensure the program is delivering cost-effective services to eligible households. By improving the energy efficiency of the home, these long-term investments save families money, month after month, year after year. With lower energy bills, families can increase their usable income and buy other essentials like food, clothing, medicine, and health care. This energy savings impact is the core of the Weatherization Assistance Program mission.

Another critical benefit of the WAP is its positive effect on the health and safety of families. In homes that are cold and drafty, or affected by mold and excess moisture, there is an increased risk of recurring illnesses. What we have learned over the years is that the non-energy benefits of weatherization result in a healthier living environment. An evaluation by the Oak Ridge National Laboratory Evaluation¹ found that residents of weatherized homes experienced fewer asthma, allergy, and cold symptoms, as well as fewer missed days of work and school. Weatherization mitigates factors that can trigger an asthma attack, resulting in fewer emergency room visits and hospitalizations. WAP measures can also prevent other life-threatening events such as carbon monoxide poisoning and fires from unsafe heating sources. These outcomes pay off — every weatherization dollar spent returns \$2.78 in non-energy benefits². The Oak Ridge Evaluation found that families reported decreased out of-pocket medical expenses by an average of \$514 and the total health and household-related benefits for each unit is estimated to be \$14,148.

Additionally, incredible need for residential energy efficiency remains. Our nation's housing stock is aging and inefficient, with at least 50% of homes built before 1970 and a median home age of 37 years³. According to the Energy Information Administration⁴, 37 million American homes are energy insecure. 25.3 million homes reported reducing or forgoing food or medicine to pay energy costs and 12.8 million homes reported leaving home at unhealthy temperature. 6.1 million homes reported being unable to use heating equipment, 6.9 million reported being unable to use cooling equipment.

State Role- Oversight, Leveraging, and Workforce Development

The State WAP Grantee plays a critical role in administering the program and ensuring a successful federal, state, and local partnership. To ensure timely and appropriate use of tax payer dollars, state WAP offices provide oversight with comprehensive quality assurance programs that include fiscal monitoring, administrative reviews, on-site inspections of field work and training and technical assistance. Certified local agency staff inspect all units weatherized with DOE funds to verify homes receive the highest quality weatherization services. The state grantee monitors at least 5% of these units to provide an additional layer of assurance.

States also work diligently to cultivate partnerships with utilities and leverage additional funding into the program. In 2017, 29 state WAP offices reported leveraging over \$255 million in additional funding from utilities and other non-federal sources. This funding allows for greater flexibility and comprehensive services, while maximizing the number of households served by

¹ Oak Ridge National Lab, "Health and Household-Related Benefits Attributable to the Weatherization Assistance Program", 2014. https://weatherization.ornl.gov/Retrospectivepdfs/ORNL TM-2014 345.pdf

² Oak Ridge National Lab, "Weatherization Works - Summary of Findings from the Retrospective Evaluation of the U.S. Department of Energy's Weatherization Assistance Program", 2014. https://weatherization.ornl.gov/Retrospectivepdfs/ORNL TM-2014 338.pdf

³ National Association of Home Builders, "Eye on Housing", 2018. http://eyeonhousing.org/2018/08/half-of-us-homes-built-before-1980/

⁴ US Energy Information Administration, "Residential Energy Consumption Survey", 2015. https://www.eia.gov/consumption/residential/data/2015/hc/php/hc11.1.php

weatherization. State WAP offices also manage other federal programs such as the Low-Income Home Energy Assistance Program (LIHEAP) and the State Energy Program (SEP), creating numerous opportunities for collaboration and integration. For example, U.S. Department of Health and Human Services (HHS) regulations allow 15% of a state's LIHEAP funds to be transferred to WAP. LIHEAP funds used for weatherization are subject to rules specified by States in their LIHEAP plans approved by HHS allowing states to enhance their weatherization services.

Additionally, each state must create and implement a training and technical assistance plan to build capacity in their state network and maintain a skilled workforce that has the necessary Department of Energy certifications. The WAP provides robust workforce development in the very same communities in which it is delivering energy efficiency services. The energy efficiency work of the WAP supports at least 8,500 jobs in weatherization and thousands more across the supply chain of material suppliers, vendors, and manufacturers. These are good, living wage jobs that provide fulfilling and rewarding careers — something I can personally attest to. Additionally, because of the advanced diagnostics and technology developed in WAP, the program stands as the foundation for the home performance industry (HPI), which employs thousands of contractors who complete energy efficiency retrofits across the entire residential sector, contributing to the overall 2.25 million energy efficiency jobs nationwide⁵.

Opportunities for Innovation

The State WAP grantee is also a key driver of innovation and enhancement of the WAP. There are numerous examples of States across the country building on the success of the WAP and maximizing the impact of weatherization.

• Weatherization Plus Health

Washington and Vermont are leaders in the adoption of a "Weatherization plus Health model". This means that in addition to the inherent health benefits of WAP, these states are using the weatherization delivery network to incorporate additional healthy homes measures such as hard surface flooring, duct cleaning, advanced ventilation, mold abatement, accessibility improvements and more. Local WAP agencies have partnered with community health workers to provide enhanced client education on energy and health. Combined with basic weatherization measures, Weatherization Plus Health can target those with chronic health conditions that result from in-home factors.

⁵ E4TheFuture, "Energy Efficiency Jobs in America", 2018. https://e4thefuture.org/2-25-million-energy-efficiency-jobs-in-u-s/

⁶ Vermont Department of Health, "Weatherization + Health: Health and Climate Change Co-Benefits of Home Weatherization in Vermont", 2018.

http://www.healthvermont.gov/sites/default/files/documents/pdf/ENV CH WxHealthReport.pdf

• Renewables Integrated with WAP

The Department of Energy released WAP Memorandum 024 in January of 2017 which specifies a path for states to incorporate solar into their WAP programs⁷. This was largely a result of the innovation of the Colorado WAP which has been leading the way on integrating solar into their WAP since 2016. Colorado WAP has also partnered with utilities to leverage solar rebates to fund and expand solar work. While there are challenges in the low-income solar space, Colorado has been successful implementing both rooftop solar and community solar. Rooftop PV clients are projected to save an additional \$400 per year over standard weatherization.

• Pre-Weatherization Programs

Occasionally, severe conditions in a home can cause a home to be deferred from receiving WAP services because the conditions would render the weatherization measures unsafe or ineffective. For example, standing water in a basement that affects the performance of appliances, old electrical wiring that may cause a fire hazard if covered with insulation, and major structural or roofing deficiencies that do not allow for effective installation of insulation materials. States have taken the lead with innovative "Pre-WAP" programs utilizing leveraged (non-DOE) funding sources to make homes "weatherization- ready". Pre-WAP programs are generally run by the State WAP Office or administered in partnership with another state office.

Delaware- The program is funded by Regional Greenhouse Gas Initiative (RGGI) and administered by Delaware Sustainable Energy Utility (DESEU) in partnership with State WAP Office. Network of local providers is the same for Pre-WAP and traditional WAP. In PY 2017, Pre-WAP brought 104 deferred WAP homes back into the WAP to receive the full complement of services⁸.

Ohio- The program is funded by Low-Income Home Energy Assistance Program (LIHEAP) funds. US Department of Health and Human Services (HHS) regulations allow 15% of LIHEAP funds to be transferred to WAP (up to 25% with waiver)⁹. LIHEAP funds used for weatherization are subject to rules specified by States in their LIHEAP plans approved by HHS. Some LIHEAP waiver programs are addressing prominent reasons for deferral such as moisture/mold issues, roof damage, overall structural problems, and electrical wiring issues.

⁷ Department of Energy, "WAP Memorandum 024: The Use of Solar PV in the WAP", 2017. https://www.energy.gov/eere/wipo/downloads/wap-memorandum-024-use-solar-pv-wap

⁸ Delaware Department of Natural Resources and Environmental Control, "Annual Report- Program Year 2017", 2018. http://www.dnrec.delaware.gov/energy/Documents/Weatherization/2018-wap-annual-report.pdf

⁹ U.S. Department of Health and Human Services, "Weatherization Overview." https://liheapch.acf.hhs.gov/wxview.htm

Closing

In closing, I would like to underscore the critical need for continued Department of Energy funding for the Weatherization Assistance Program (WAP). NASCSP strongly supports innovation in the WAP while also maintaining a robust formula allocation to ensure all states have the capacity and resources needed to continue WAP's record of success. NASCSP encourages the committee to build on the recent funding increases provided in FY 2018 and FY 2019. Leveraging additional resources is critical to sustaining the WAP at its current nationwide scale and sustaining the WAP's current impact. However, without the funding, programmatic quality standards and reputation of the Department of Energy, States would have a difficult time attracting and retaining these private partners.

NASCSP applauds DOE's commitment to continuous improvement, especially the efforts to publish the allocations and a redline version of the annual application instructions in a timely manner. NASCSP supports additional funding for national program evaluation. Robust data is needed to inform policy decisions and to continue development of savings estimates on the impacts of non-energy benefits to guide innovation in the program.

We look forward to working with Committee members in the future to ensure the WAP continues to deliver cost effective results that support our economy and make a difference in the lives of the most vulnerable in our communities.

Thank you.

Respectfully submitted,

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