



National Community Action Foundation

Connecting Communities to Washington Since 1981

Committee on Energy and Commerce
Subcommittee on Energy
2125 Rayburn House Office Building
Washington, DC 20515

April 9, 2019

Dear Chairman Rush and Ranking Member Upton,

I am the co-founder and Executive Director of the National Community Action Foundation (NCAF) which represents Community Action Agencies (CAAs or CAPs). CAAs are the local organizations that use the federal Community Services Block Grant to design and run programs that coordinate public and private resources to fight the cause of poverty in 99 percent of the counties in the nation.

Our members deliver 80 percent of the Weatherization Assistance investment in eligible homes and maintain close ties to the other non-profit organizations participating in delivering the program. Collectively, CAAs have leveraged nearly \$400 million in non-federal, predominantly regulated utility funds for low-income home weatherization. Regulators and state policymakers choose Weatherization Assistance organizations to deliver their investments because of the DOE program framework and its investment discipline, transparent finances and high work quality requirements. They have learned an additional benefit of using local WAP organizations to implement their own efforts is that our trusted, community-based organizations have no trouble being accepted into homes and outreach costs are virtually nothing. This is a sharp contrast to the barriers the energy industry has encountered in these same communities that they have called “hard-to-reach.”

We support HR 2041 because it takes important steps toward our goal of turning the venerable Weatherization Assistance Program into a 21st century tool for giving lower-income



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communities and families access to the best efficiency and clean energy technology and techniques. In a multi-year consultation process with our members, we identified modernization provisions we believe to be “musts” for this reauthorization, and most are addressed in this Bill. All but one, the authorization, are no-cost.

1. The authorization at \$350 million for four more years, is the exactly the affirmation of the program’s value for which we hoped.
2. The inclusion of renewable and advanced energy technology on the definition of weatherization materials is an important update. We believe additional technical amendments may be needed to fully apply this important change.
3. Just as important, we applaud the provision that authorizes DOE to revise the formula that determines the investment in each home by including some of the evidence-based value of achieving all three of the program’s statutory goals on “benefit” side of the benefit-to-investment ratio.
4. The program is complex at the local delivery level and technically challenging at both state and local levels; the welcome, but modest, increase in administrative funding will help cover more of the true cost of running intense Quality Assurance over a technical workforce and maintaining sophisticated cost allocation systems to account for the many types of funding CAAs blend to deliver one-stop-shop service. The utility industry overhead costs for delivering their residential programs are typically considerably higher.
5. The clarification of current law prohibiting re-weatherizing a home to allow our teams to work with the residents to educate them on the feedback from their meters or other utility sources and on how to manage their systems to save money are essential. 21st century efficiency technology is as much information-based energy services and controls as it is



equipment replacement and upgrades. The new policy will significantly improve the persistence of savings over the life of the building as the inhabitants remain current on the knowledge needed to operate equipment at times or in ways that reduce costs and take advantage of utility incentives.

6. Section 3 of the bill addresses the concern our member organizations share regarding the complexity or, in some cases, the impossibility, of combining utility or other state or private funds in a DOE job. We believe DOE should be authorized to waive some of the WAP regulations and in some cases, federal cost allocation rules when a coordinated project would have greater benefits than under conventional, siloed requirements. We look forward to working with Members on the provision.

7. Innovation. The program needs funding for testing innovations that will improve its already positive outcomes. For example, the ORNL evaluations of the program identified areas of weakness; the Department moved quickly to upgrade management and work quality weaknesses, but some of those that require more complex solutions are;
 - o different approaches to mobile home retrofits,
 - o better pre-treatment data on homes from utilities and other sources and
 - a. more effective client energy education approaches.

NCAF believes the financial assistance laid out in Sec.2 (e) could serve the purpose if thoughtfully implemented by DOE. We look forward to working with the Committee as these measures are further refined.

One of NCAF's priorities not addressed in the bill is ensuring appropriated funds flow from DOE to grantees in a timely manner and that grantees reimburse the delivery agencies promptly to keep the contractors paid and purchase materials to install. We would support adding the provisions of Sen. Shaheen's Bill S.185 to this measure and applying the same provisions to grantees [states and territories] as it applies to DOE.



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Finally, although our organizations did not originally have this idea on our “essential changes” list, we believe the provisions regarding contractor “optimization” are good public policy. While they reflect the practices already in effect in most of the WAP programs today, they will assist in aligning and strengthening nationwide practice.

We look forward to providing experts, resources and any kind of assistance the Committee would requires as it moves forward considering this legislation.

Sincerely,

David Bradley
Executive Director
NCAF