

Leveraging Funds and Designing Programs to Complement WAP

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Why Leveraging?

- More demand for services than one funding source can provide.
- Ability to provide clients with more comprehensive services.
- Experiment with new and innovative technologies.
- Help meet a variety of public policy goals:
 - Mitigate the impact of utility rate increases.
 - Comply with energy efficiency resources standards.
 - Reduce housing costs for low income households.
 - Improve the health and safety of families we serve.
 - Neighborhood revitalization.
 - State Implementation Plans – air quality goals.
- Ensure equity in access to energy efficiency and renewable energy technologies.

WAP Leveraging Statutory Authority

42 USC § 6864a

Private sector investments

(a) In general The Secretary shall...provide financial assistance to entities receiving funding from the Federal Government or from a State...for the development and initial implementation of partnerships, agreements, or other arrangements with utilities, private sector interests, or other institutions, under which non-Federal financial assistance would be made available to support programs which install energy efficiency improvements in low-income housing.

(b) Use of funds Financial assistance provided under this section may be used for—

- (1) the negotiation of such partnerships, agreements and other arrangements;
- (2) the presentation of arguments before State or local agencies;
- (3) expert advice on the development of such partnerships, agreements, and other arrangements; or
- (4) other activities reasonably associated with the development and initial implementation of such arrangements.

LIHEAP Leveraging Statutory Authority

42 USC § 8624

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Creating a Leveraging Program

- **You have to have something to sell.**
 - Quality, Quality, Quality.
 - Accountability.
 - Deliver the savings – that's what utilities count.
- **Work with States to set aside leveraging funds.**
- **Choose a lead organization.**
 - State Association.
 - Set up a specialized nonprofit made up of all agencies – a parallel to the state association.
 - Choose a lead agency.
- **Nuts and bolts –**
 - Reporting systems.
 - Monitoring.
 - Training.
- **Funding needs to be patient – it can take several years to bear fruit.**

Structuring a Program Funded by Leveraged \$

- **Add the Funding to WAP**
 - Include funding in state plan submitted to DOE.
 - All DOE rules apply to the funding – its just like you got a bigger grant
- **Run Funding through the State but Not through WAP**
 - Use WAP Standard Work Specifications but retain flexibility on cost-effectiveness, health & safety.
- **Funder Manages Program**
- **Third-Party Administrator Manages Program**

New Leveraging Opportunities on the Horizon

- **Health Care**

- National evaluation and other studies have made it clear that weatherization can be a ‘treatment’ for certain conditions: asthma; COPD; heart disease; hypertension.
- Partners are health care funding entities and provider networks -- improve patient outcomes at a lower cost.
- Focus of activities:
 - Indoor air quality, including moisture issues.
 - Slip and fall.

- **Renewables**

- Solar is hot, but only in certain states.
- In 14 states solar has a potential SIR of greater than 1.
- Significant limitations in use of WAP for solar.
- Use WAP to make homes ‘solar ready’.



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The Story of Washington's Leveraging Dollars

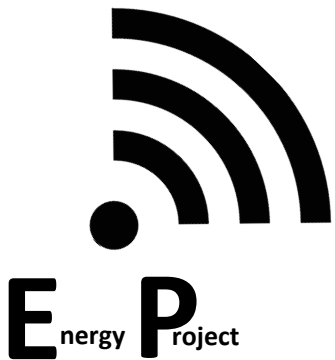


September 20, 2017

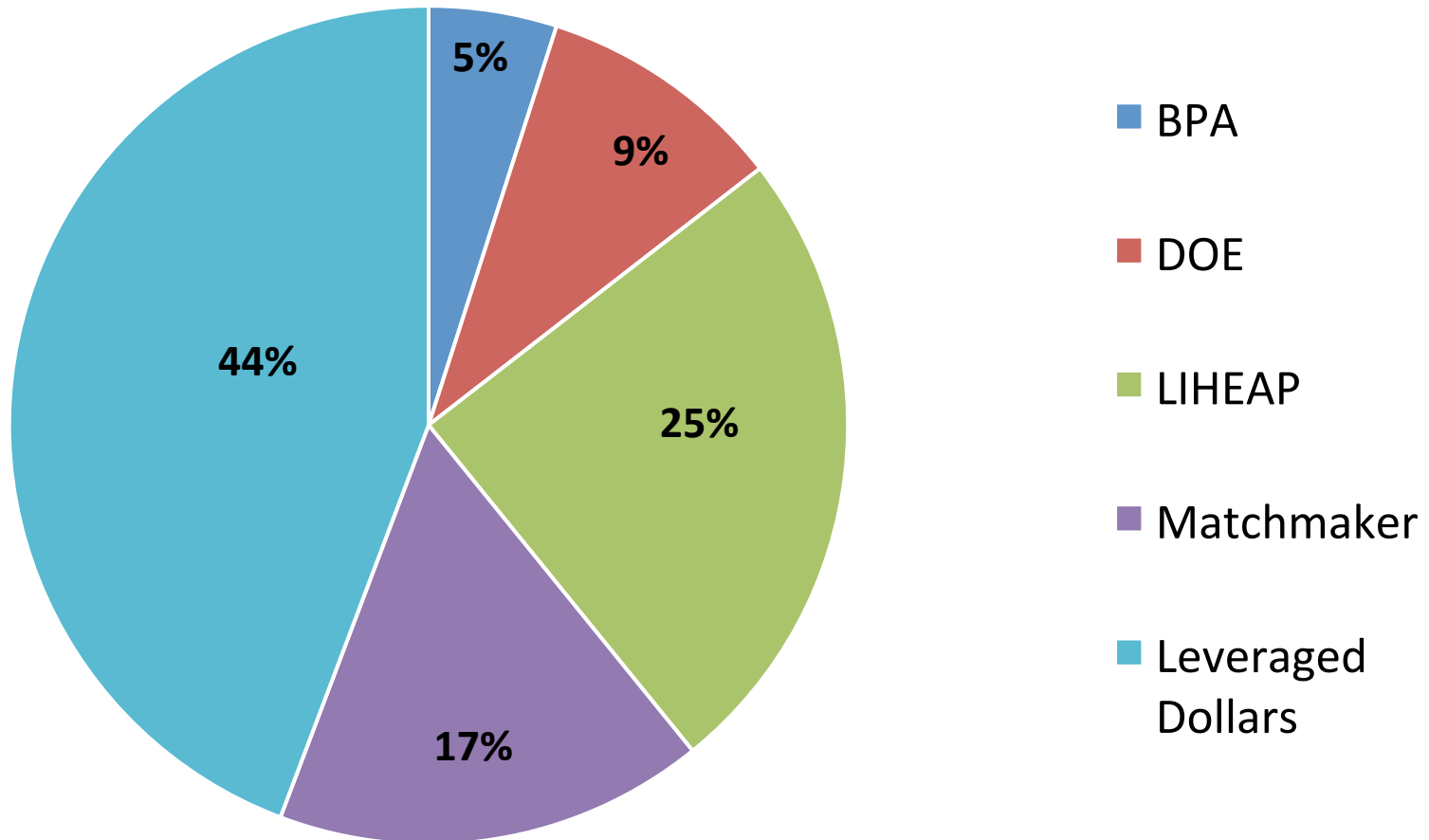
Leveraging Program Framework



**Local
Weatherization
Agencies**



**WA Low-Income Weatherization Program
Annual Program Budget by Fund Source
FY 2016**



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Traditional fund sources



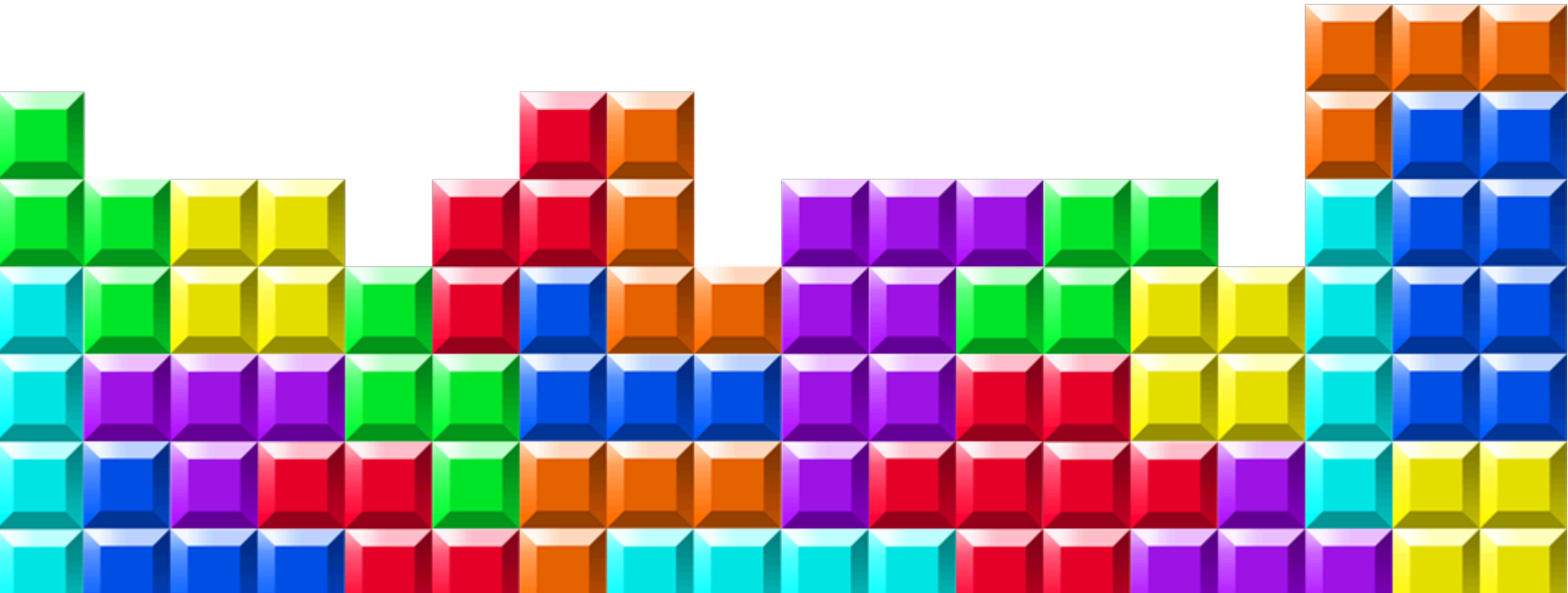
only cover certain
measures



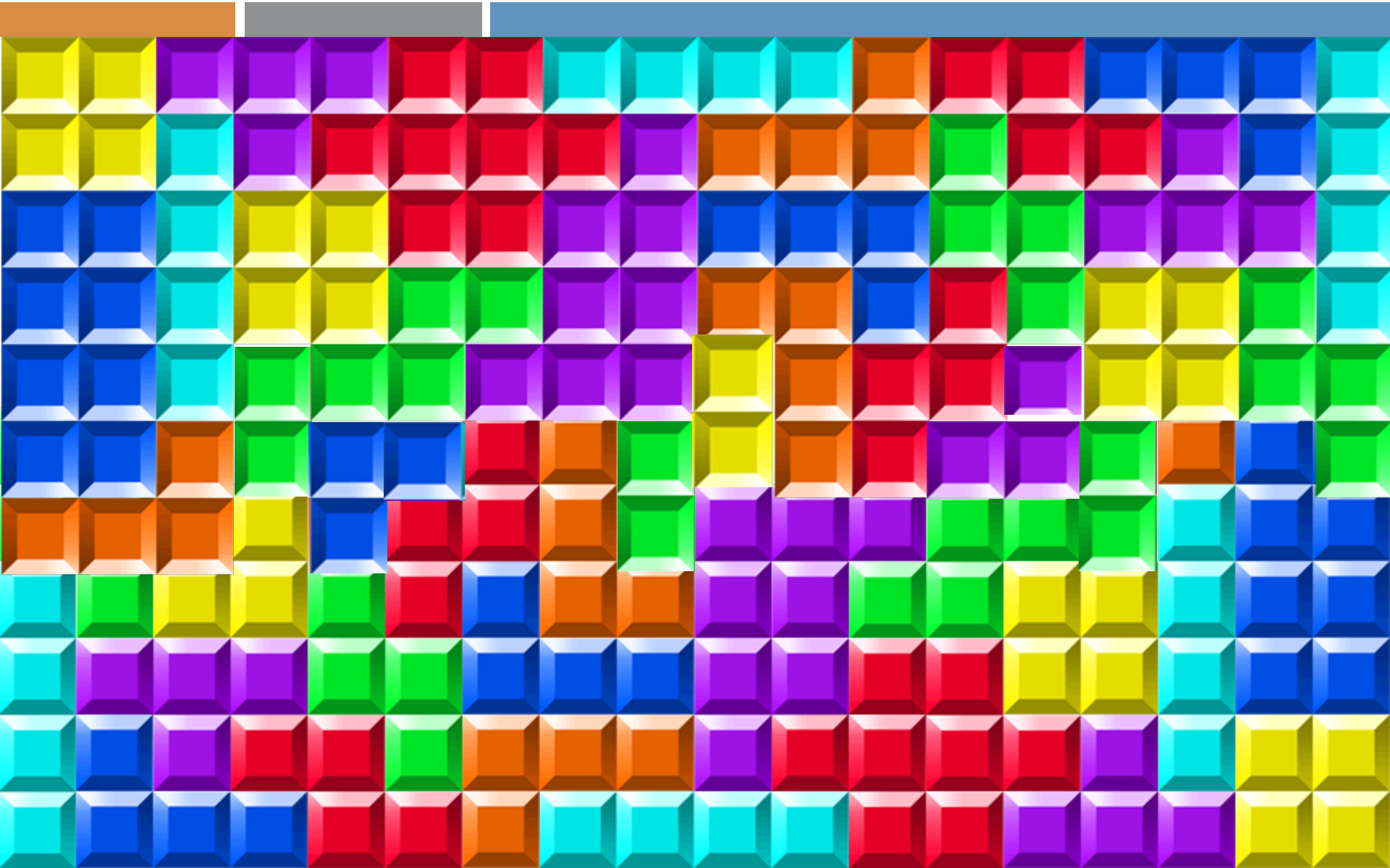
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Matchmaker funds

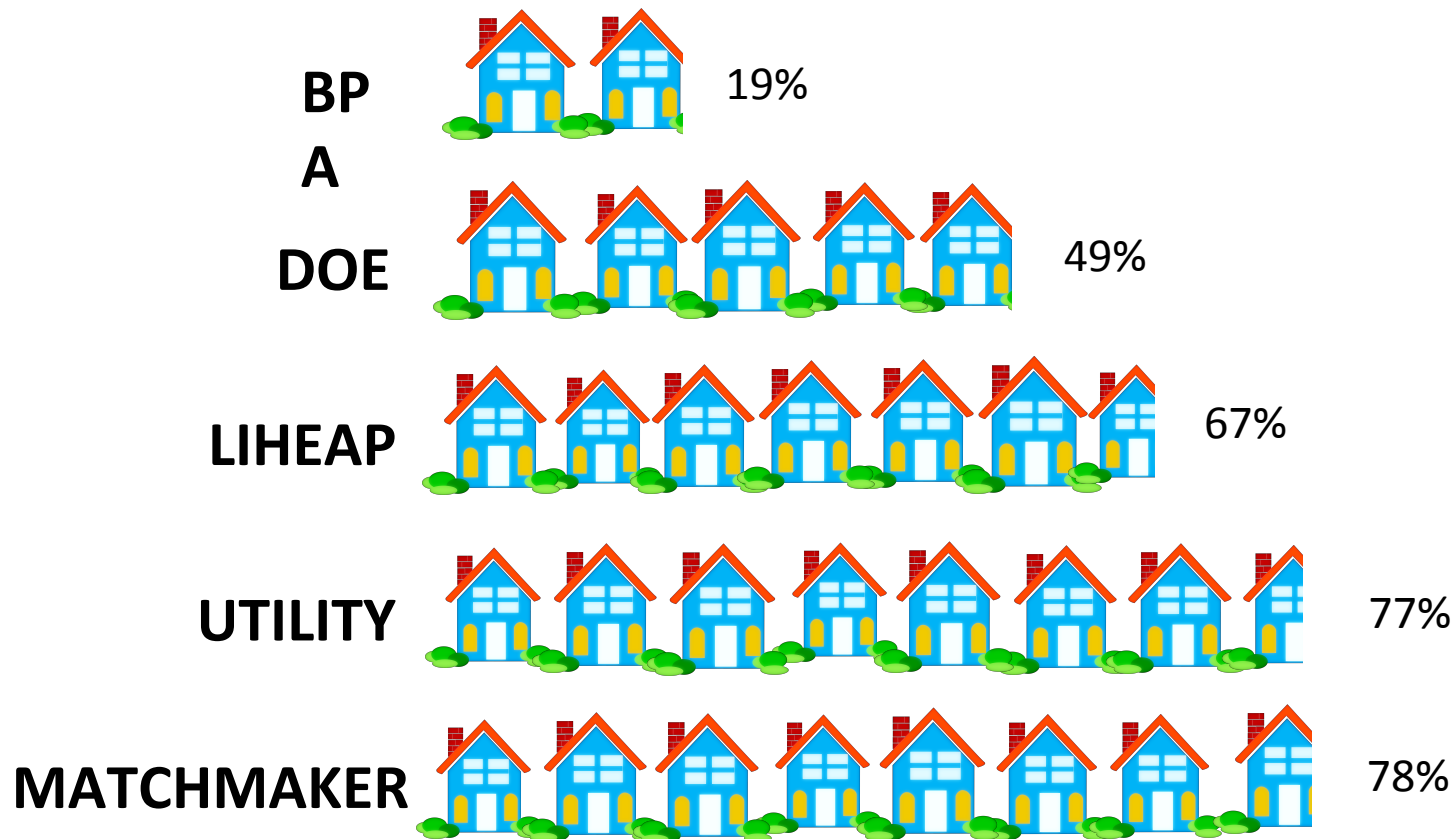
fill in the gaps



GenX reference – Not for Millennials!

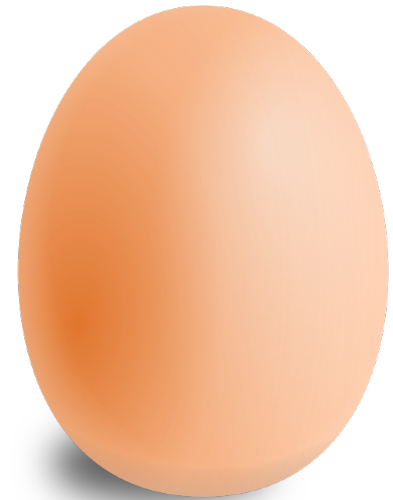


Percentage of homes each fund source touches





Matchmaker Origin



The year was 1987

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A gallon of gas cost 89 cents

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A gallon of gas cost 89 cents

Microsoft released Windows 2.0

The year was 1987

A gallon of gas cost 89 cents

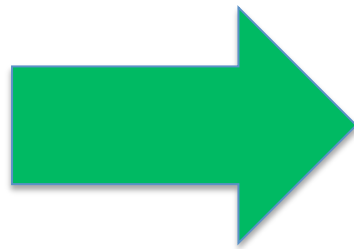
Microsoft released Windows 2.0

Michael Jackson's "I just can't
stop loving you" went to #1

The year was 1987

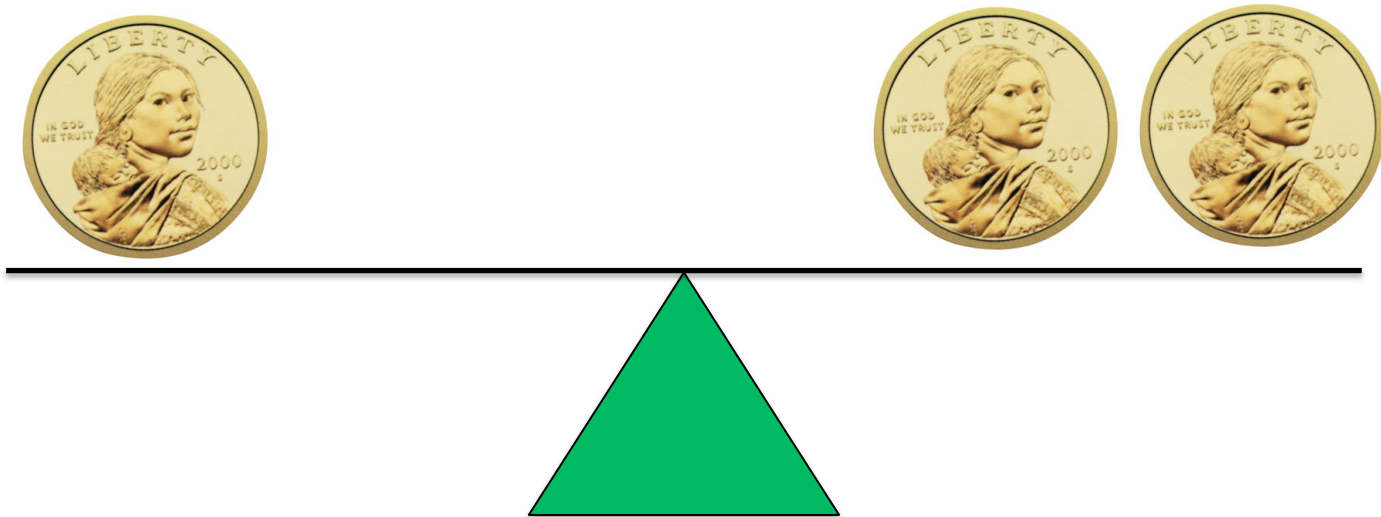


Matchmakers began when the legislature used oil overcharge settlement funds for low-income weatherization and home repair.

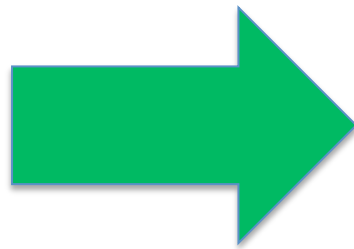


Why do we love Matchmakers?

It doubles the money we have to work with



In 1991 capital dollars became the primary funding source for Matchmakers



Utilities



How does this all fit together?



The Energy Project



The Energy Project



- Preserve/leverage new funds
- Build agency capacity
- Design/re-design programs
- Develop new programs
- Advocate for better energy policies that affect low-income
- Network, educate, negotiate



Leveraging Successes in 16/17



In the Community to Serve®



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Partnerships = Leveraging Successes



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