



# Blending Other Program Funds with Weatherization

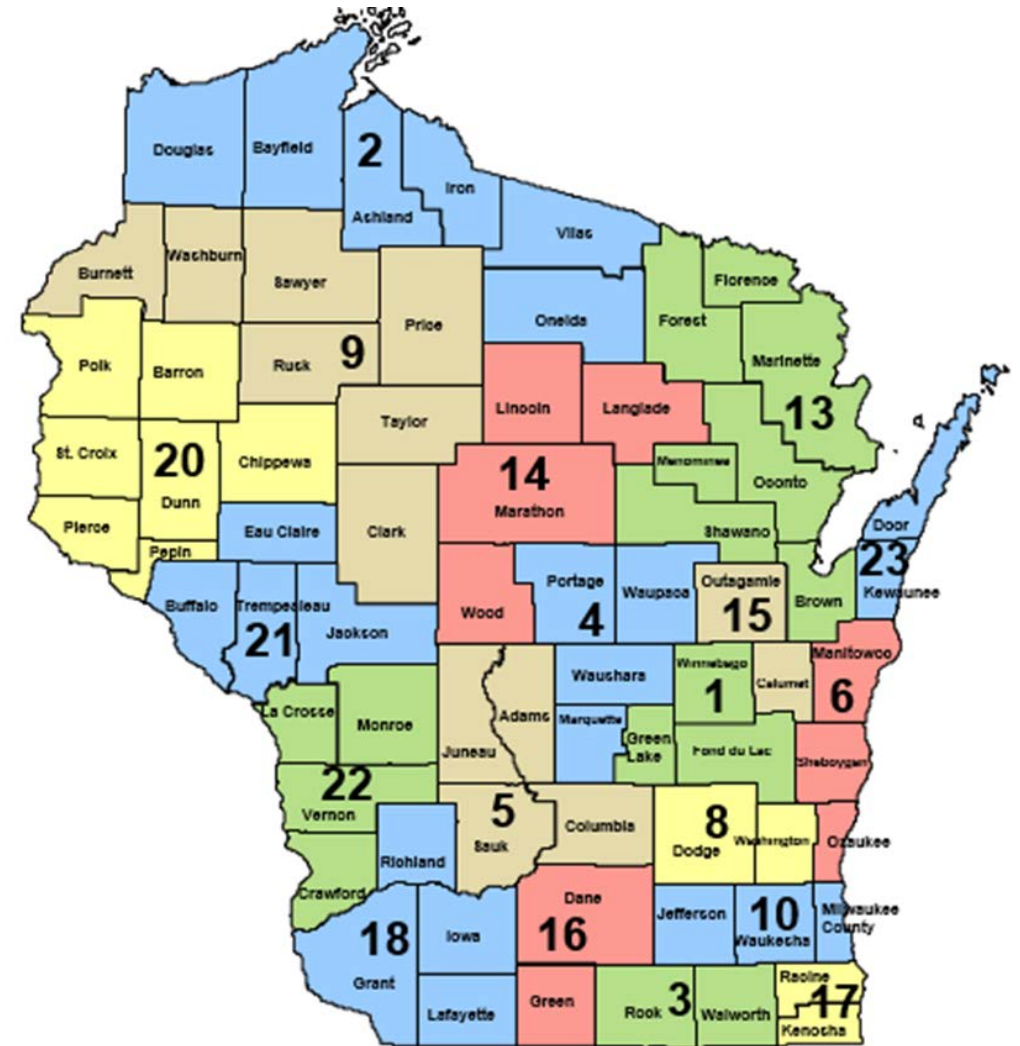
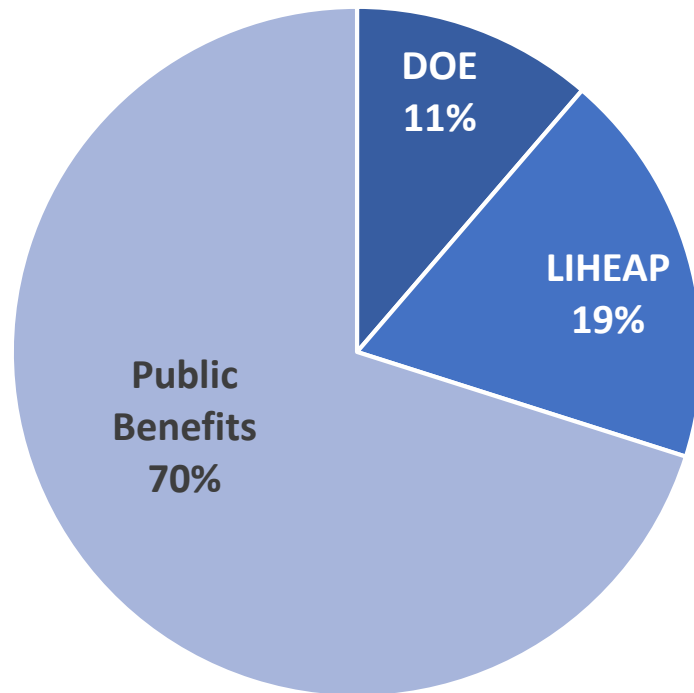


**Amy Klusmeier**

**Wisconsin**

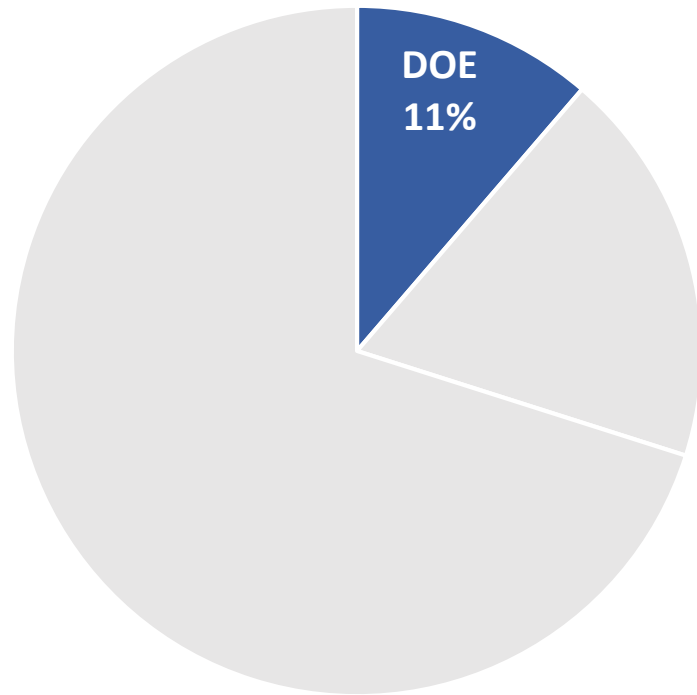
# Wisconsin Weatherization (WisWAP)

State Fiscal Year 2018 Allocations  
\$58.5 Million Total



# Allocated Funds - DOE

State Fiscal Year 2018 Allocations  
\$58.5 Million Total

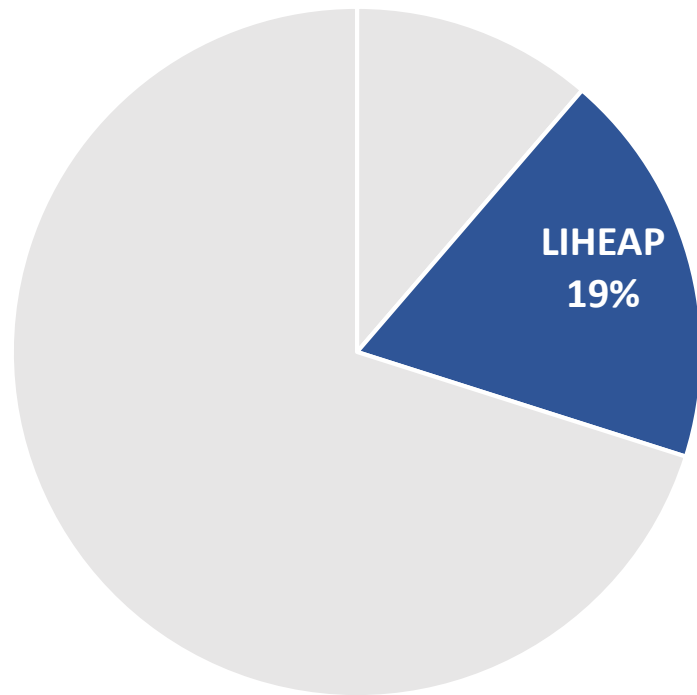


## DOE FUNDS

- Provide foundation for program policy
- Shape health and safety policy
- Important for leveraging state utility dollars

# Allocated Funds - LIHEAP

State Fiscal Year 2018 Allocations  
\$58.5 Million Total

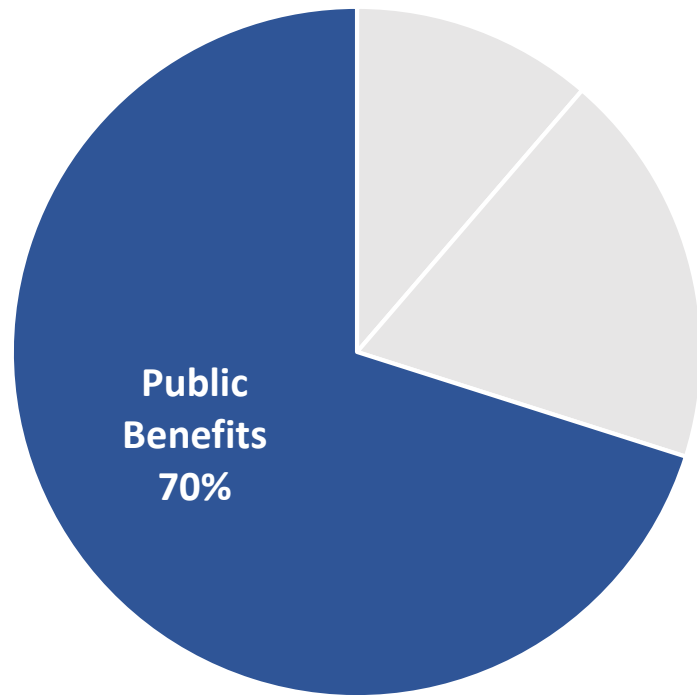


## LIHEAP FUNDS

- 15% transfer to weatherization
- LIHEAP and WAP in same office under one Bureau Director

# Allocated Funds – Public Benefits (PB)

State Fiscal Year 2018 Allocations  
\$58.5 Million Total



## PB FUNDS

- 1999 Wisconsin Act 9
  - [Electric Utilities](#)
- Utility bill fee

# Blending Funds – The Process

**March – April**

## Contract Planning Workbook

Tool used by subgrantees to submit budget request for upcoming fiscal year.

### FIXED AMOUNTS

|                              |             |                      |             |   |
|------------------------------|-------------|----------------------|-------------|---|
| Total Allocation:            | \$3,951,665 | Liability Insurance: | \$39,002    |   |
| T&TA Allocation:             | \$64,151    | Financial Audit:     | \$35,000    | Baseload Units                                    |
| Program Allocation:          | \$3,887,514 | BASELOAD:            | \$118,000   | 60  |
| Project 1:                   | \$0         | <b>Budget Lines</b>  |             |   |
| Project 2:                   | \$0         |                      |             |   |
| Total with Special Projects: | \$3,887,514 | Admin.:              | \$377,895   | 9.7%  |
|                              |             | Program Support:     | \$955,045   | 39.4%   |
|                              |             | Health & Safety:     | \$749,519   | 10.1%   |
|                              |             | Operations:          | \$1,613,053 |   |
|                              |             | SUM                  | \$3,695,512 | Prog. Alloc. - Liab. Ins. - Fin. Audit - Baseload |

= Entry required

= Auto-calculated

= Hybrid

*Must be between 0 - 10%*

*Must be between 15 - 45%*

*Must be between 12 - 20%*

May – June  
State splits  
fund line  
items for  
contract

| Contract Line Item Amount       |                     |                  |
|---------------------------------|---------------------|------------------|
| Fund                            | Line Item           | Line Item Amount |
| <a href="#">DOE</a>             | Administration      | \$27,934.00      |
| <a href="#">EAP</a>             | Administration      | \$77,256.00      |
| <a href="#">Public Benefits</a> | Administration      | \$272,705.00     |
| <a href="#">DOE</a>             | Operations          | \$229,052.00     |
| <a href="#">EAP</a>             | Operations          | \$358,437.00     |
| <a href="#">Public Benefits</a> | Operations          | \$1,025,564.00   |
| <a href="#">DOE</a>             | Liability Insurance | \$2,835.00       |
| <a href="#">EAP</a>             | Liability Insurance | \$9,674.00       |
| <a href="#">Public Benefits</a> | Liability Insurance | \$26,493.00      |
| <a href="#">DOE</a>             | Financial Audit     | \$7,251.00       |
| <a href="#">EAP</a>             | Financial Audit     | \$6,046.00       |
| <a href="#">Public Benefits</a> | Financial Audit     | \$21,703.00      |
| <a href="#">DOE</a>             | Health & Safety     | \$27,085.00      |
| <a href="#">EAP</a>             | Health & Safety     | \$140,890.00     |
| <a href="#">Public Benefits</a> | Health & Safety     | \$581,544.00     |
| <a href="#">DOE</a>             | TTA                 | \$34,278.00      |
| <a href="#">Public Benefits</a> | TTA                 | \$29,873.00      |

# Blending Funds – The Policy

- Energy Audit required on all regular weatherization units
  - NEAT for 1 – 24 unit buildings
  - TREAT for 25+ unit buildings
  - MHEA for Manufactured Housing with primary fuel other than natural gas
- Single program manual and policy with exceptions for DOE funds

# Blending Funds – The Policy

| Housing Type       | Public Benefits | LIHEAP | DOE |
|--------------------|-----------------|--------|-----|
| Single Family      | ✓               | ✓      | ✓   |
| 2 to 4 Units       | ✓               | ✓      | ?   |
| Multifamily (5+)   | ✓               | ✓      |     |
| Manufactured Homes | ✓               | ✓      |     |



# Completed Units (July 1, 2015 – June 30, 2017)

| Housing Type       | Total         | # DOE        | % DOE      |
|--------------------|---------------|--------------|------------|
| Single Family      | 7,164         | 1,693        | 24%        |
| 2 to 4 Units       | 2,244         | 0            | -          |
| Multifamily (5+)   | 737           | 0            | -          |
| Manufactured Homes | 1,437         | 0            | -          |
| Shelter            | 3             | 0            | -          |
| <b>Total</b>       | <b>11,585</b> | <b>1,693</b> | <b>15%</b> |

# DOE Only Rules

## Operations

- ASHRAE 62.2
- Quality Control Inspections
- Historic Review

## Administrative

- Interest earned on advances

# Blended Funds – WisWAP Operations

- Additional Measures
- Reworks
- Equipment and Vehicle Purchasing and Leasing
- Tier 2 Training
- Pilot Programs and New Measure Research
- Special Subgrantee Projects

# Blended Funds – WisWAP Administration

























[WisWAP Administrative Functions](#) - Demonstration

# WisWAP – The Future

## Measure: Air Sealing

*Test system example only, not actual policy*

DOE

|                       | Single family house   | 2 to 4 Units  | Apartment, multi-unit building  | Mobile home   |
|-----------------------|---|---|---|---|
| <b>Electric</b>       |    |    |    |    |
| <b>Fuel Oil</b>       |    |    |    |    |
| <b>Natural Gas</b>    |    |    |    |    |
| <b>Propane (LP)</b>   |    |    |    |    |
| <b>Wood and Other</b> |   |   |   |   |
| <b>None</b>           |  |  |  |  |

# Blended Funds – Other Uses

- Complementary Programs
  - Baseload Program for deferrals
  - Home Energy Plus Furnace Program
    - Emergency Services, Health and Safety Referrals
- Program Evaluation
  - Audit quality assurance analysis
  - Annual savings evaluation
  - Additional reports/analysis as needed

# Set Goals

- Comply with all state and federal guidance
- Whole-house approach to providing service
- Average annual cost savings to customer \$400 or greater
- Average savings-to-investment ratio of 1.0 or greater
- Minimize deferral rates
  - Provide referral resources when deferral is necessary

# Lessons Learned

- Engage subgrantee network in goal-setting
- System-enforce the rules when possible
- Seek additional funds and provide flexibility to subgrantees
  - Community Development Block Grant
  - Private Foundations



# Contact Information

**Amy Klusmeier**, Weatherization Policy Analyst

[Amy.Klusmeier@Wisconsin.gov](mailto:Amy.Klusmeier@Wisconsin.gov)

608-264-7981

**Jeff Heino**, Weatherization Program Manager

[Jeff.Heino@Wisconsin.gov](mailto:Jeff.Heino@Wisconsin.gov)

608-264-8801



# Blending Other Program Funds with Weatherization



Amanda Rains

Washington



Department of Commerce

# Washington State's Approach to Blending Weatherization Funding



February, 2018

# Washington's Weatherization Funding



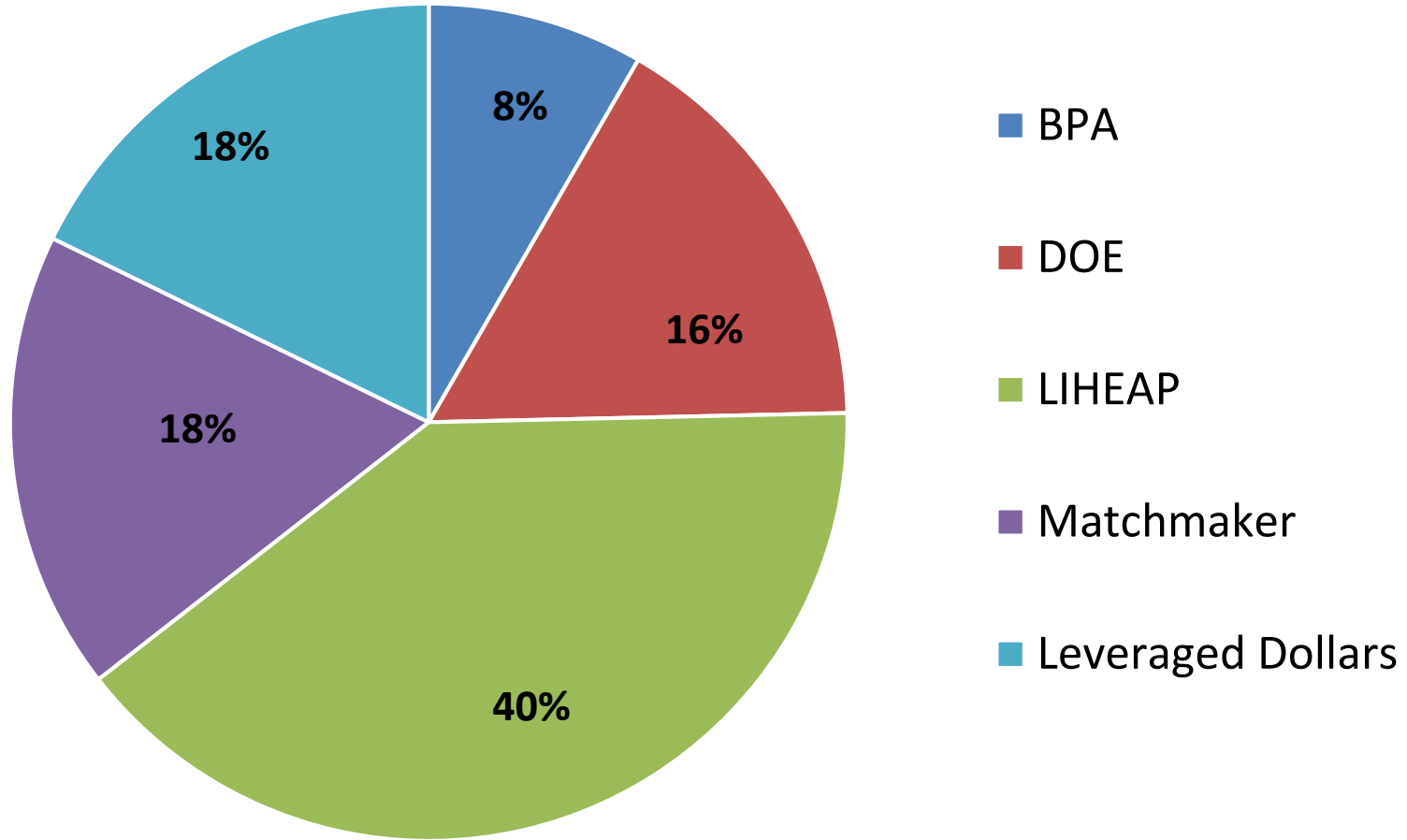
**Department of Commerce**



# Department of Commerce



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



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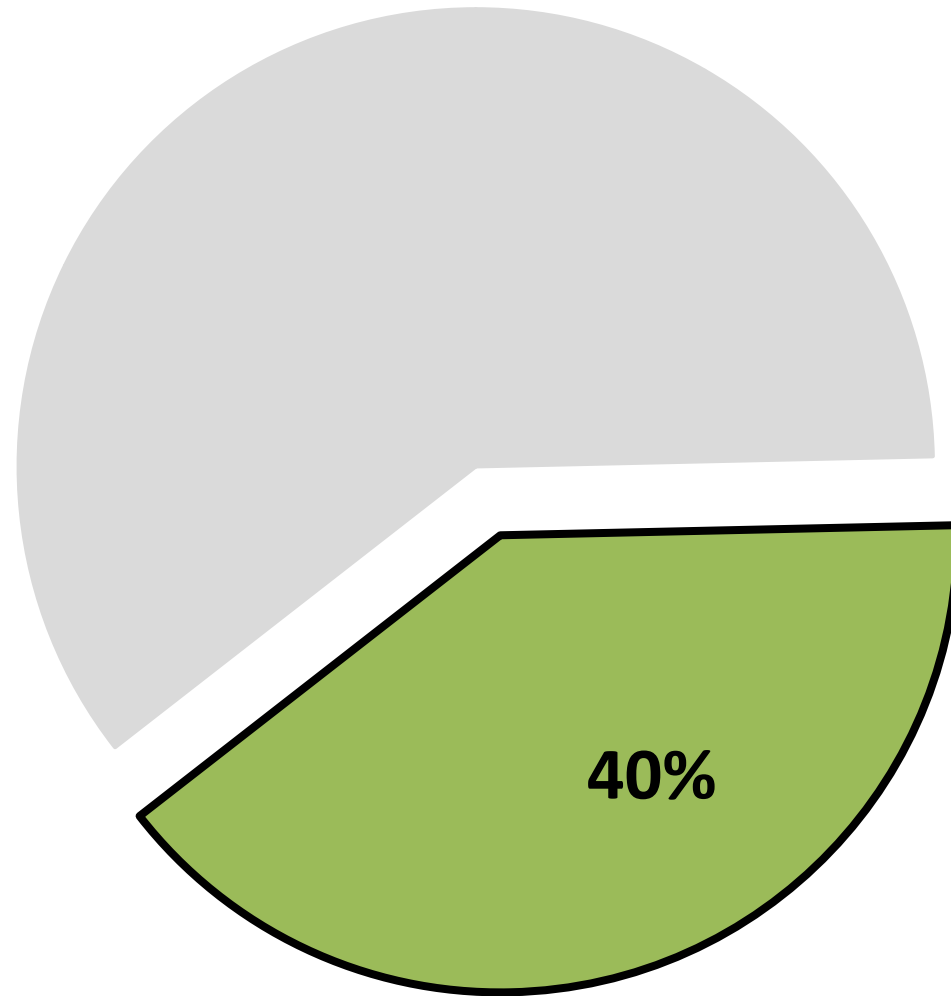
■ BPA

■ DOE

■ LIHEAP

■ Matchmaker

■ Leveraged Dollars



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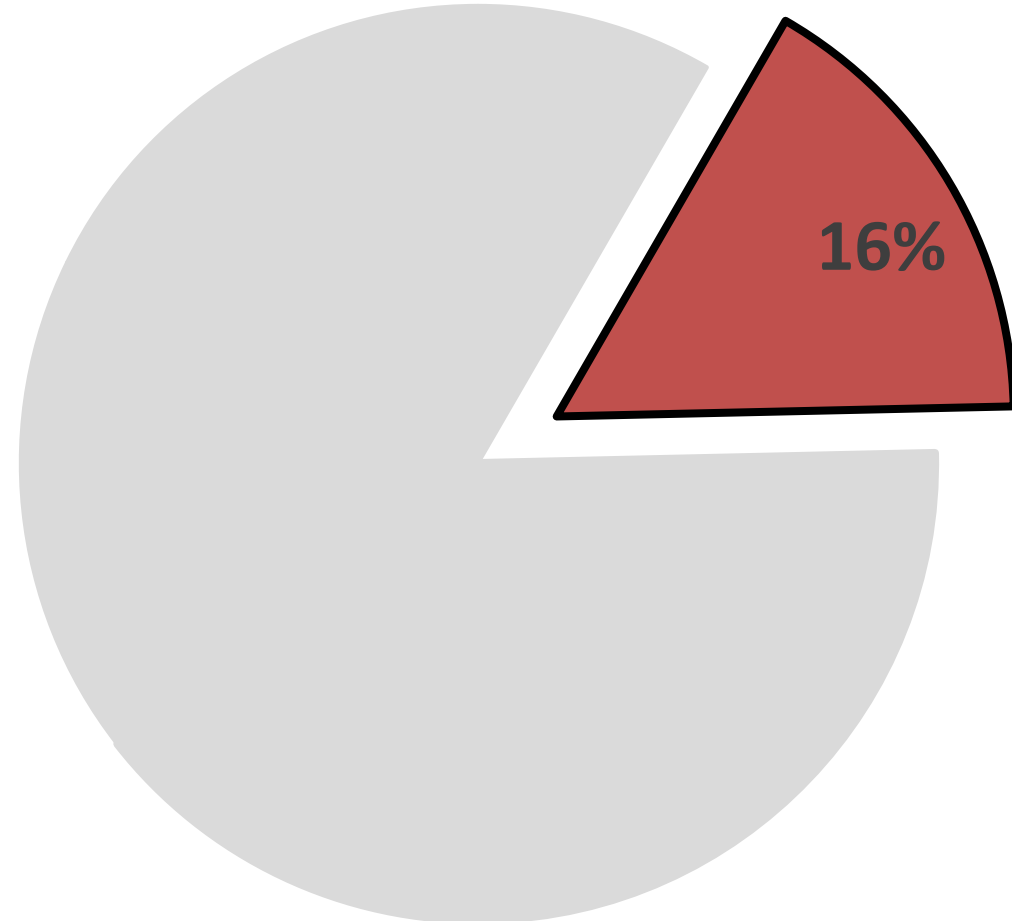
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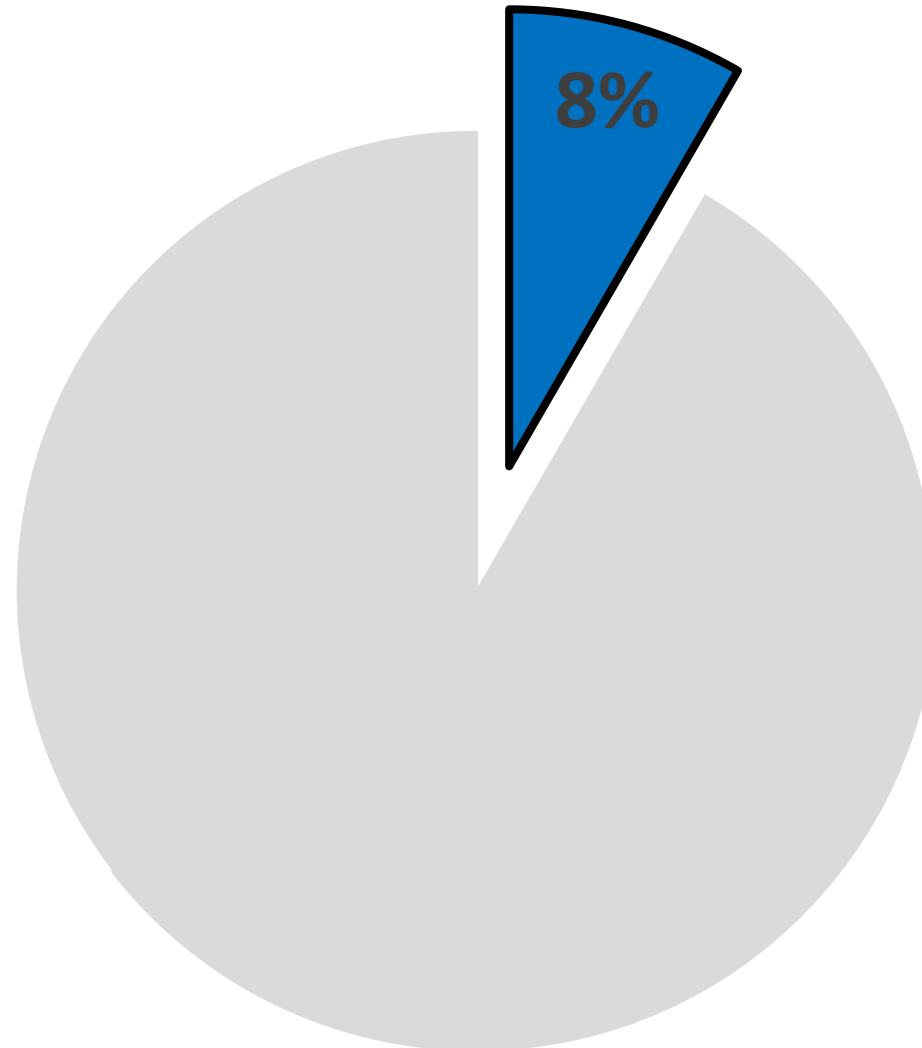
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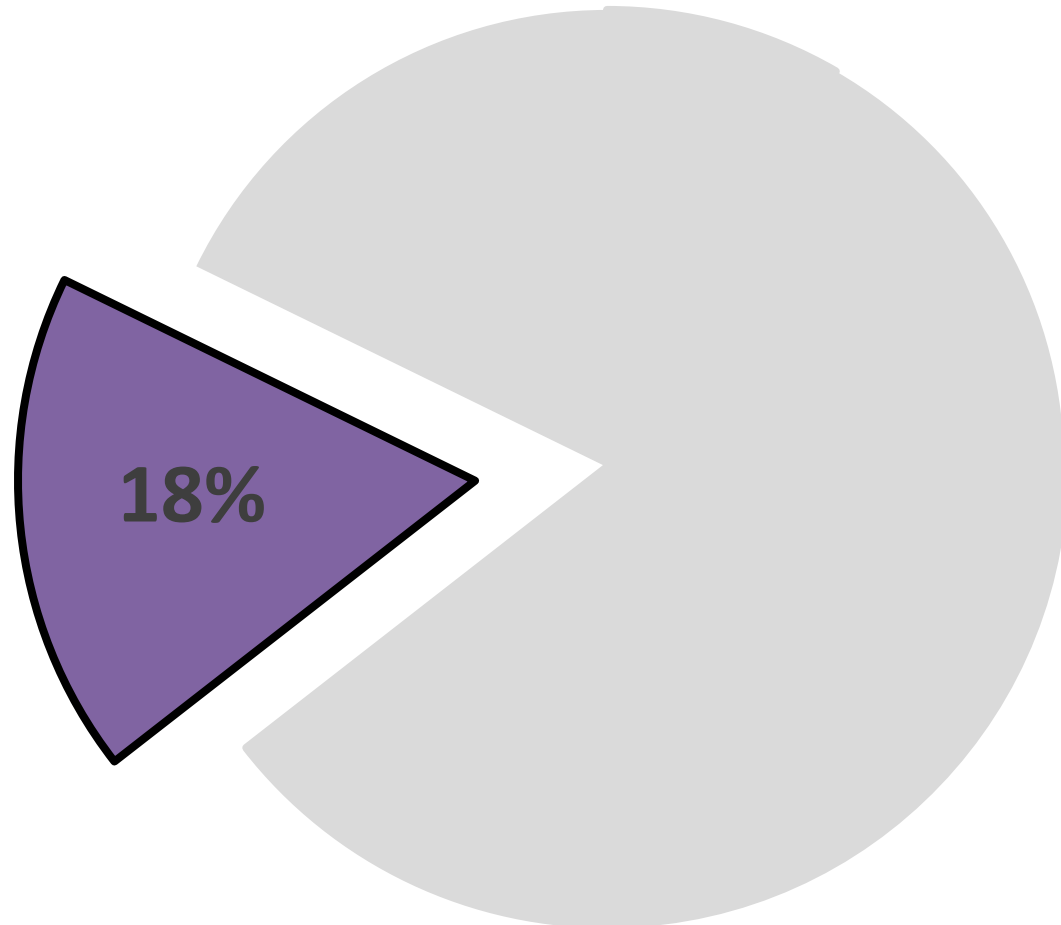
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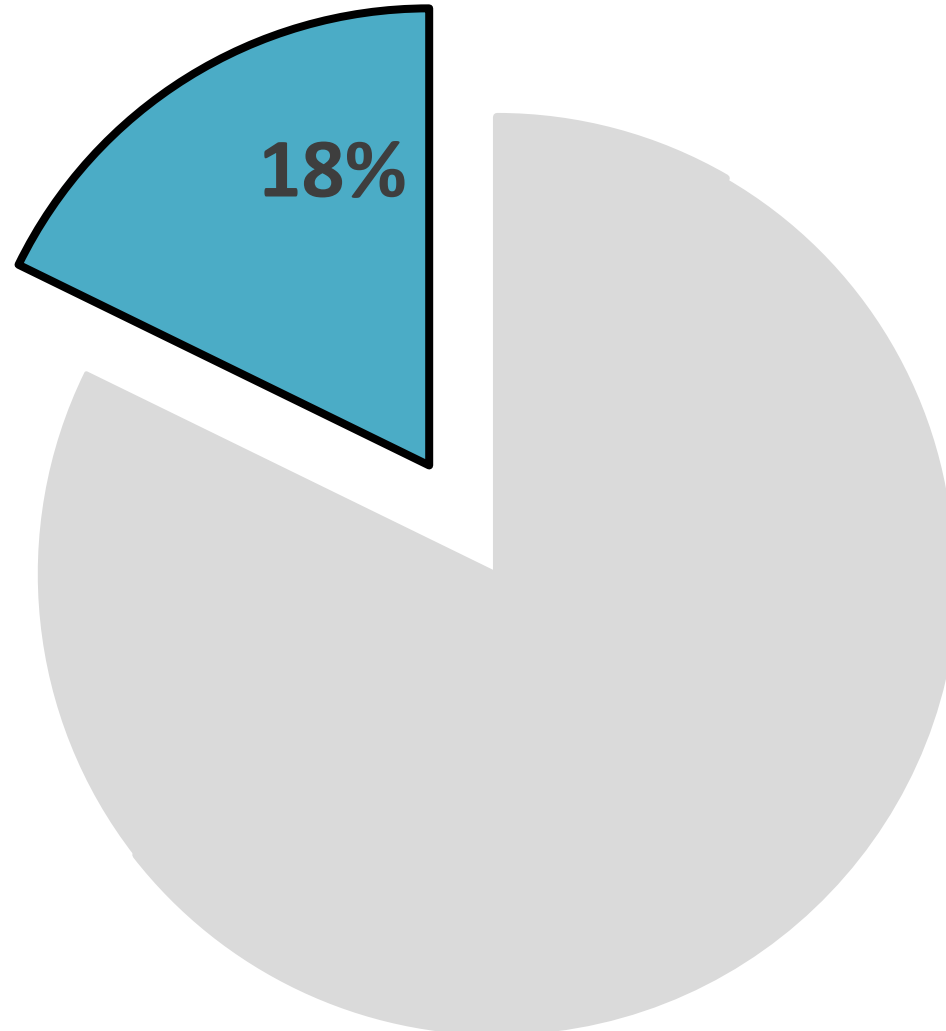
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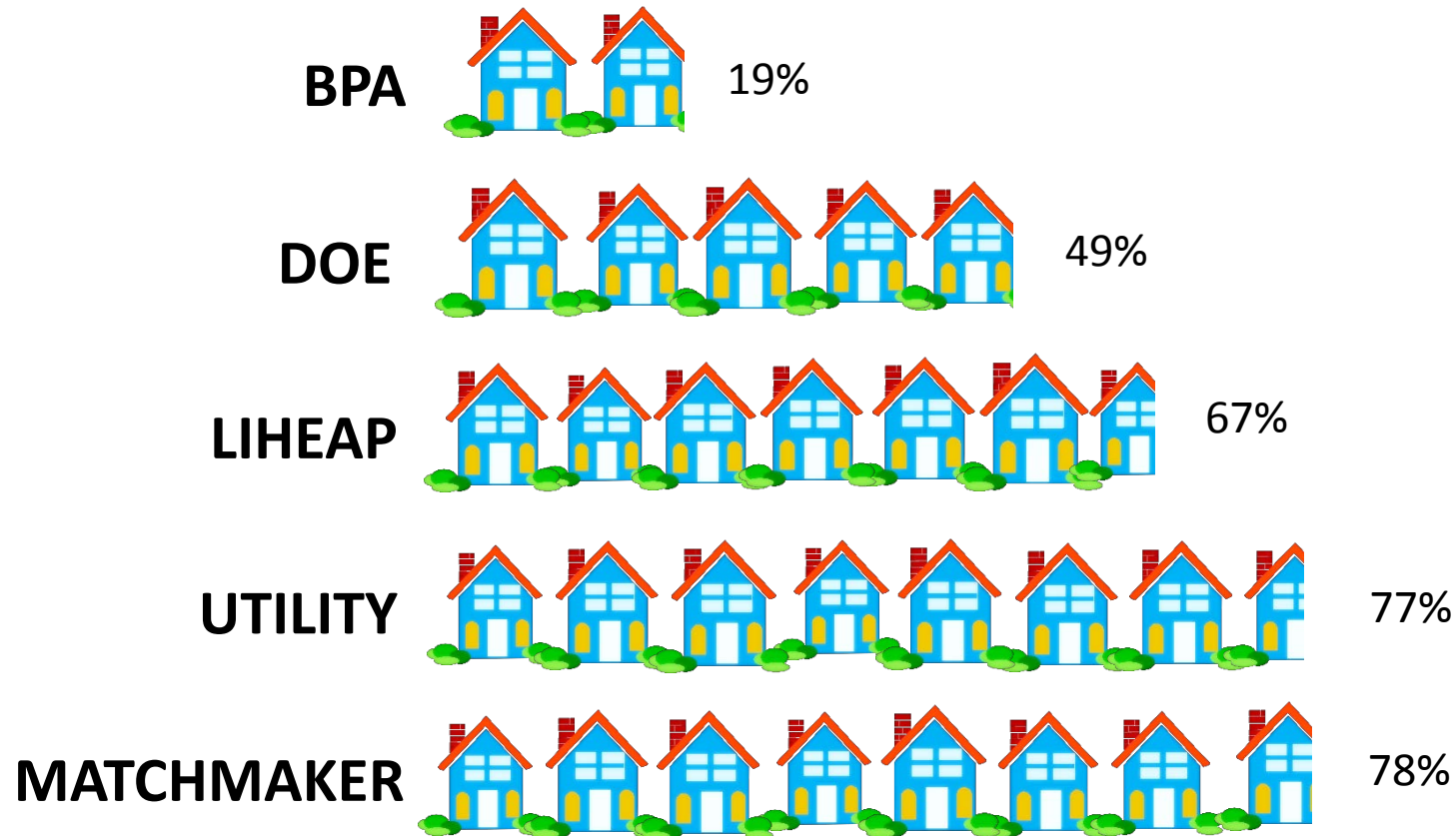
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# Percentage of homes each fund source touches



# How do grantees know what each fund source will pay for?

## On-line Auditing Tool



## Priority List

### Z1E1

| Measures                                   | SIR   |
|--|-------|
| 1. Showerhead                              | 11.98 |
| 2. Attic: Add R-19 (R-0 -> R-19)           | 7.18  |
| 3. Wall: 2x4 cavity no insulation-fill     | 4.94  |
| 4. Attic: Add R-16 (R-3 -> R-19)           | 3.21  |
| 5. Duct Sealing                            | 2.67  |
| 6. Floor: Add R-30 (R-0 -> R-30)           | 2.43  |
| 7. Duct: Add R-11                          | 2.4   |
| 8. Duct: Add R-19                          | 2.28  |
| 9. Floor: Add R-19 (R-0 -> R-19)           | 2.28  |
| 10. Wall: 2x3[1] cavity no insulation-fill | 2.25  |
| 11. Faucet Aerator                         | 2.07  |
| 12. Hot/Cold Water Pipe Insulation         | 1.97  |
| 13. Attic: Add R-12 (R-7 -> R-19)          | 1.89  |
| 14. CFL Bulb                               | 1.49  |
| 15. Attic: Add R-31 (R-0 -> R-31)          | 1.47  |
| 16. Priority Air Sealing                   | 1.46  |
| 17. Floor: Add R-23 (R-7 -> R-30)          | 1.44  |
| 18. Floor: Add R-12 (R-7 -> R-19)          | 1.3   |



# How do grantees know what each fund source will pay for?

## Fund Matrix

Page 1

*Revised July 1, 2016*

| Recommended Measure Funding Priorities  |         |         |         |
|---|---------|---------|---------|
| This matrix provides guidance for recommended payment by Weatherization Program measure type. The funding sources are shown from highest priority at the top to lowest at the bottom. Use local discretion as funding sources and leveraging opportunities allow. |         |         |         |
| Priority  | WxM     | H&S     | WRR     |
| 1.  | Utility | MM      | MM      |
| 2.  | DOE     | HHS     | HHS     |
| 3.  | BPA     | BPA     | BPA     |
| 4.  | HHS     | Utility | Utility |
| 5.  | MM      | DOE     | DOE     |

2016 DOE Average Cost Per Unit (ACPU) = \$5000.

This average includes units computed in a multi-family building of 5 units or greater.

DOE programs are the only Wx funding sources with an Average Cost Per Unit (ACPU) limit.

Budget categories included in Savings to Investment (SIR):

Weatherization Measures and Weatherization-Related Repairs.

Budget categories **NOT** included in SIR:

Health & Safety Measures, Program Support, Other Program Operations, Administration, and Training and Technical Assistance.

For PSE and PUD, see Special Terms and Conditions for each program.

**Note: All allowable expenses are contingent on current policies. See Chapter 5, Providing Weatherization Services.**

| Activities/Measures              | Fund Source | Allowable Expense? | Specifics/Limitations/Allowances  | Include cost in SIR? (Individual measure & total package) |
|----------------------------------|-------------|--------------------|---|---|
| <b>Air Sealing</b>               | DOE         | Yes                |   | Yes   |
|                                  | HHS         | Yes                |   | Yes   |
|                                  | BPA         | Yes                | Electric heat and BPA service territory only  | Yes   |
|                                  | MM          | Yes                |   | Yes   |
| <b>Appliances</b>                | DOE         | No                 |   |   |
|                                  | HHS         | No                 |   |   |
|                                  |             |                    | Clothes Washer Replacement, and Microwave Ovens New or Replacement. May include non-electrically heated, low-income homes in BPA service territory.                             | No  |
|                                  | BPA         | Yes                | For Tier 1, health and safety only. Allowed for Tier 2.   | No  |
| <b>LEDs, CFLs &amp; Fixtures</b> | DOE         | Yes                | Labor, hardware/bulb replacement a low-cost measure, does not require cost justification/Fixtures & torchiere lamps for energy efficiency allowable. No max limit on CFL bulbs. | Yes, if fixtures or torchiere lamps                       |
|                                  | HHS         | Yes                | Same as DOE   | Yes, if fixtures or torchiere lamps                       |
|                                  | BPA         | Yes                | Same as DOE May include non-electrically heated, low-income homes in BPA service territory.   | Yes, if fixtures or torchiere lamps                       |
|                                  | MM          | Yes                | Same as DOE   | Yes, if fixtures or torchiere lamps                       |

# How does this all fit together?



# How to have maximum flexibility with your grant funds



- Do not put other fund sources into your DOE state plan.
- Figure out where the flexibility lies within each fund source.
- Use some federal dollars to pay for leveraging assistance with utilities.





# Pro/Con Lists



## PRO

- Report more units to each funder.
- Maximizes flexibility which makes funds go further.
- Grantees can switch funds to spend out a specific grant.

## CON

- Have to make sure you and your grantees are not violating any fund source rules.
- Have to track multiple fund sources.
- Burdensome to track multiple fund sources.
- Tracking units and ensuring fund switching didn't violate the rules.



# Contact Information



Amanda Rains

HIP Unit, WA State Department of Commerce

[amanda.rains@commerce.wa.gov](mailto:amanda.rains@commerce.wa.gov)

(360)725-2980



Department of Commerce