

Organization: National Association for State Community Services Programs (NASCSPP)
Appropriations Subcommittee: Energy and Water Development
Agency: U.S. Department of Energy

**OUTSIDE WITNESS TESTIMONY OF
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NATIONAL ASSOCIATION FOR STATE COMMUNITY SERVICES PROGRAMS
(NASCSPP)**

**BEFORE THE U.S. SENATE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT**

**FISCAL YEAR 2019 APPROPRIATIONS
U.S. DEPARTMENT OF ENERGY, WEATHERIZATION ASSISTANCE PROGRAM
(WAP) AND STATE ENERGY PROGRAM (SEP)**

DUE MARCH 30, 2018

As Energy Services Director for the National Association for State Community Services Programs (NASCSPP), I am pleased to submit testimony in support of the Department of Energy's (DOE) Weatherization Assistance Program (WAP) and State Energy Program (SEP). We are seeking an FY 2019 appropriations level of \$253 million for the WAP, and of this amount that Congress specify not less than \$248 million as formula funds for state grantees, with \$5 million reserved for DOE training and technical assistance activities. We also seek \$70 million for the State Energy Program (SEP) for base formula funding to focus on high priorities such as energy efficiency, renewable energy, energy emergency preparedness and response, and cyber security. NASCSPP believes these funding levels are essential to support these truly effective state grant programs on a nationwide scale.

NASCSPP is the member organization representing the State grantees of the WAP in all 50 states, DC, and 5 U.S. territories on issues related to the WAP and energy efficiency. We also provide training and technical assistance to help states implement management best practices. The state offices represented by our organization would like to thank the members of this committee for their support of WAP over the years as well as in the recent FY 2018 Omnibus package.

The WAP is a model example of a successful Federal-State-Local partnership, a fact I can personally attest to having worked for 30 years in various roles within the WAP. I began my career on a weatherization crew in southern Indiana, climbing under mobile homes and through crawl spaces and into attics. I later became a state monitor, working to ensure quality across the program statewide. I eventually became the WAP State Manager in Indiana, serving in that role for approximately five years prior to coming to NASCSPP. I have witnessed firsthand the impact that weatherization has 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 jobs and small businesses.

The WAP has weatherized over 7.4 million homes since its inception in 1976. Weatherization measures like insulation, air sealing, high efficiency HVAC systems are investments that pay off for the life of the home, reducing energy waste and saving families money month after month, year after year. Families with low-incomes pay a larger portion of their income towards home energy costs than their higher income counterparts- about 16% of income versus just 3% according to Oak Ridge National Lab¹. According to an Oak Ridge National Lab evaluation², the WAP reduces heating bills by 30% on average in cold weather states. On average, a family saves \$283 in energy costs each year after weatherization and many households report much higher savings. With lower energy bills, families increase their usable income and can buy other essentials like food, education, and healthcare.

In addition to reducing the energy burden in our communities, the WAP also supports jobs and small businesses in those very same communities. 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 living wage jobs that cannot be exported. Additionally, because of the advanced diagnostics and technology developed within the WAP, the program stands as the foundation for the larger home performance industry, which employs thousands of contractors who complete energy efficiency retrofits across the entire residential sector. Over its 41-year history, WAP has supported research and development, serving a mechanism for identifying emerging technologies and techniques. Blower doors, infrared scanners, and other tools that are now standard energy efficiency technology in the home performance industry were first developed and integrated in the field as part of the WAP.

The benefits of WAP extend beyond energy savings and jobs - WAP also improves the health and safety of homes. Environmental contaminants and unsafe heating sources are more likely to be found in low-income housing. However, weatherization mitigates dust, mold, and other pollutants that negatively impact health. As a result, weatherized homes experienced fewer asthma, allergy, and cold symptoms, which Oak Ridge National laboratory found ultimately led to fewer emergency room visits and hospitalizations³. Similarly, after the health and safety improvements of weatherization, children miss fewer days of school and adults miss fewer days of work. The WAP also minimizes the risk of carbon monoxide poisoning and fires by addressing faulty heating equipment, as well as dangerous heating sources like kerosene or space heaters.

Given the scope of the WAP's impact, it is clear that the federal investment in weatherization pays off. Oak Ridge Laboratory found that every DOE dollar resulted in \$4.50 in benefits - \$1.72 in energy savings and \$2.78 in health and safety. Looking at our nation's healthcare costs, the savings potential as a result of WAP is substantial. For example, the Centers for Disease Control (CDC) estimate that asthma alone costs the U.S. \$56 billion per year. The Oak Ridge study found that families in weatherized homes reported decreased out of pocket medical

¹ Oak Ridge National Lab, "Weatherization Assistance Program Technical Memorandum Background Data and Statistics On Low-Income Energy Use and Burdens", 2014.

https://weatherization.ornl.gov/pdfs/ORNLTM2014_133.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 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

expenses by an average of \$514 and that the total health related benefits for each unit is estimated to be \$14,148. A recent Massachusetts study found significant potential for Medicaid and Medicare savings as a result of weatherization⁴.

It is also important to highlight that the work performed under WAP meets extremely rigorous quality standards set forth by DOE. Over the past five years, DOE has developed and implemented Standard Work Specifications and Guidelines for Home Energy Professionals that ensure all homes receive the highest quality weatherization services. There are over 1,600 Building Performance Institute certified Quality Control Inspectors (QCIs). This workforce of QCIs ensure that 100% of units weatherized with DOE funding are inspected for quality. Additionally, the WAP State Grantees inspect 5% of those units ensuring another layer of review and quality assurance. The Standard Work Specifications undergo a yearly review and comment process soliciting feedback from WAP managers, trainers, and technical experts to ensure that the latest building science is being incorporated into the program. These quality benchmarks serve as the “Gold Standard” for the entire home performance industry.

In many States, the WAP and the State Energy Program (SEP) are housed in the same division of government. The State Energy Program enables states to assist with the development of energy efficiency and renewable energy projects, such as improving the efficiency of hospitals and schools, working with utilities and energy service companies to install clean energy and energy efficiency projects, developing energy emergency response plans, and supporting private sector energy innovations through business incubators and job training. SEP also plays a critical role in promoting energy emergency preparedness and improving cybersecurity. The Oak Ridge National Laboratory found that for every dollar of federal funding, SEP leverages over \$10 for energy related economic development⁵.

Despite WAP and SEP’s robust records of success, wide ranging benefits, high quality standards, and proven cost effectiveness, the Administration’s FY 2019 Budget once again zeroed out both programs, citing that WAP and SEP are “more appropriately funded at the state level”. Department of Energy funding continues to serve as the backbone of the WAP, allowing close to 40,000 homes to be weatherized each year at current levels. DOE funding also plays a key role in leveraging funds from other sources, notably from private partners such as utility companies. With additional leveraged funding, the WAP is able to touch even more homes, closer to 100,000 per year. However, without the funding and reputation of DOE, States would have an extremely difficult time attracting and retaining these private partners. Additionally, incredible need for residential energy efficiency remains. Our nation’s housing stock is aging and inefficient, with at least 40% of homes built before 1970 and a median home age of 37 years according to the U.S. Department of Housing and Urban development. In 2016, for every DOE dollar spent, the weatherization network leveraged close to \$2 of non-

⁴ Three3 , Inc., NMR Group, “Massachusetts Special and Cross-Cutting Research Area: Low-Income Single-Family Health- and Safety-Related Non-Energy Impacts (NEIs) Study”, 2016. <http://ma-eeac.org/wordpress/wp-content/uploads/Low-Income-Single-Family-Health-and-Safety-Related-Non-Energy-Impacts-Study.pdf>

⁵ Oak Ridge National Lab, “National Evaluation of the State Energy Program: An Evaluation of Select Activities Conducted Under the State Energy Program”, 2015. <https://weatherization.ornl.gov/SepReportspdfs/ExecutiveSummarySEP.pdf>

federal funds⁶. With an increased DOE investment in WAP, States could attract more partners, increase production, and serve more families.

In closing, we ask the committee to fund the WAP at no less than \$253 million for FY 2019, the funding level necessary to grow and sustain this nationwide program with a 41-year record of success. NASCSP also supports the appropriation of \$70 million in FY 2019 for the State Energy Program. DOE investment in WAP and SEP has proven to attract private partners and bring other funds to the table. NASCSP looks forward to working with Committee members in the future to ensure that the Weatherization Assistance Program continues to deliver cost effective results that support our economy and make a difference in the lives of the most vulnerable in our communities.

Respectfully submitted,

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⁶ NASCSP, "Weatherization Assistance Program PY 2016 Funding Report", 2017.
<http://www.nascsp.org/data/files/weatherization/publications/nascsp%202016%20wap%20funding%20survey%20final-web%20display.pdf>