Designing Partnerships to Leverage the Impact of WAP
Outline

• Introduction – NASCSP & CAP

• Susan Hill, Virginia

• Todd McVicker, Missouri
Weatherization Leveraged Partnerships Project

Funded by the U.S. Department of Energy to offer training and assistance to WAP subgrantees and their associations in designing private partnerships and programs that leverage the WAP.

https://communityactionpartnership.com/energy-partnerships/
WAP Funding

Figure adapted from: Oak Ridge National Lab WAP Evaluation, ORNL TM-2013/188
How much has been leveraged?

- Funding Survey from State WAP Offices
- Trends in DOE, LIHEAP & “Other” Funds
- Leveraging report from Sub-grantee & State Association Interviews
- Leveraged funds coordinated with WAP

*Joint funding reports published in February 2018 and 2019*
Leveraged Funds in Report

- **Utility Ratepayer Funds**
  - Public Benefit Funds
  - Merger or settlement (one-time)

- **State Taxpayer Funds**
  - Fees/taxes in state revenue

- **Private Funds**
  - Foundations and charities
  - Hospitals or health insurance companies
  - Other
37 Grantees
Braid Funds

20 Grantees
Keep DOE Separate
Utilities and WAP in Missouri

Todd McVicker
WAP Procedural Manager
Missouri Division of Energy
Missouri Low Income Weatherization Summary

• Statewide: ~ $18.2 million
  • DOE: ~ $6.5 million
  • LIHEAP: ~ $7.1 million
  • Utilities: ~ $4.6 million

• Missouri State WAP office
  • Administers: ~ $15.4 million
    • DOE, LIHEAP and utilities (~$1.8 million)
  • 18 Subgrantees, ranging from 220 homes/yr to 20 homes/yr
  • Around 1,400 homes weatherized annually
  • All homes follow DOE WAP rules
Missouri Utility Summary

- 10 Investor Owned Utilities (IOUs)
  - 4 Electric Utilities
  - 6 Natural Gas Utilities

- 40 Electric Co-ops
Missouri Utility Summary

• All 10 IOUs provide some form of weatherization funding
• All 10 IOUs follow at a minimum the DOE eligibility rules
• All 10 IOUs weatherization funds are rate based and therefore come from rate cases
  • Most started to be required to provide weatherization funds in around the late 90’s to early 00’s.
• No weatherization funds provided by non-IOUs

• Per NASCSP, only 30 states currently receive utility funds for weatherization
Different Relationships
Utility Weatherization Funds in Missouri

• Most IOUs do not voluntarily give money to weatherization.
  • Some are more open than others

• Those that are opposed to weatherization funding are due to a pay for performance for efficiency savings system in Missouri
  • Savings for weatherization are not included in the efficiency savings
  • Not included because these programs are voluntary and a utility can end the program that at any time.

• Since all weatherization funds come from rate cases, the removal of these funds becomes more difficult
  • Showing use of funds becomes extremely important
WAP and Utility Funds in Missouri

• Most states either distribute all or none of the weatherization funding
  • Missouri has a mixture.

• Up until this year, 6 of the 10 utility weatherization funds were administered by the State WAP Office.

• This year, two IOUs are now taking over administering their programs from the State WAP Office.
  • Leaving the State WAP Office administering 4 of the 10.

• Change is occurring due to rate case determinations

• The State WAP Office for Missouri is in the Missouri Division of Energy and the Division of Energy is involved in the rate cases
Pros and Cons of Utility funds not handled by State Office

**Pro**
- Utility can elect to be more flexible than DOE rules
- Subgrantees can sculpt the ability to use the funds to match their needs
- Potentially use funds for higher salaries for staff to increase retention

**Con**
- Little to no monitoring
- Issues with utilities providing funding and/or providing funding in a timely manner
- Higher likelihood that funds not fully spent
- Blending funds with DOE & LIHEAP to reduce avg. cost per home is more difficult
Non-State Office Weatherization Funds

• Use of the funds is typically very flexible

• Each subgrantee can negotiate with IOU to fill gaps in WAP funding
  • Install measures that do not reach a SIR of 1.0, but are needed
  • Install furnaces that would otherwise be health and safety
  • Use funds for home repair instead of deferral

• Typically subgrantees have to provide limited information to IOUs for reimbursement of expenses.
  • However, there are still limitations

“To maximize utility dollars, you have to have fiscal staff who can think outside the lanes” - quote from one of MO’s subgrantee WAP directors.
If Missouri had carte blanche with utility funds

• Re-weatherization
• Higher income eligibility levels (i.e. 300% of poverty)
• More ability to use utility funding for home repairs to allow for weatherization with DOE funds to occur
• Ability to replace heating systems that are extremely old, but ineligible for replacement with DOE funds
• Ability to install measures that are not allowable or are not cost effective
Re-Weatherization

• Can go back to homes that were weatherized since Sept. 30, 1994
• Only possible through utilities funds not administered by WAP State Office
  • All homes through state office are split funded with DOE
• Just starting this in Missouri for a few IOUs
• Issues and Concerns:
  • Equipment reimbursement/rental
  • Tracking of homes (software limitations)
So you have utility funds, good for you...

• Your state does not get any utility funds, what can you do to get WAP funding in rate cases:
  • Have the state WAP office file in rate cases
    • Missouri Division of Energy
  • Find out what government office files in rate cases and have discussions with them to file in rate cases
    • Missouri Office of Public Council
  • Find an advocate to file in rate cases on behalf of WAP
    • ReNEW Missouri
  • Research rate cases in other states and use those as part of testimony and example
Questions?

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Missouri Division of Energy
todd.mcvicker@ded.mo.gov
A More Humble Tale: Utility Programs and the WAP in Virginia

-Susan Hill
Virginia Department of Housing and Community Development
Commonwealth of Virginia: Map of Weatherization Providers
How Virginia Stacks Up in the EE Landscape

2018 State Energy Efficiency Scorecard Rankings

<table>
<thead>
<tr>
<th>Rank</th>
<th>Utility</th>
<th>Energy efficiency program performance (25 pts)</th>
<th>Energy efficiency programs (15 pts)</th>
<th>Targets, utility business model, and evaluation (30 pts)</th>
<th>Total (60 pts)</th>
<th>% of total points</th>
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<td>Duke NC</td>
<td>6.5</td>
<td>6.5</td>
<td>4</td>
<td>17</td>
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<td>32</td>
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<td>6</td>
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<td>CenterPoint</td>
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<td>7.5</td>
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<td>4</td>
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<td>39</td>
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* Most improved
  - Rank 1-10
  - Rank 11-20
  - Rank 21-30
  - Rank 31-40
  - Rank 41-51

www.nascsp.org

Winter Training Conference
February 13-15, 2019
Electric Service Territories

www.nascsp.org  Winter Training Conference  February 13-15, 2019
Who’s Funding and Administering Weatherization Programs in Virginia?

~$18 million between DOE and LIHEAP

~$10 million annually between 2 programs

~$1 million annually
• EnergyShare (shareholder funded)  
  $6 million/year  

• Income and Age Qualifying Program  
  (rate payer funded)  
  $4 million/year  

• Big volume, low touch  

• Documentation requirements can be a burden
And for veterans too!

## NON-ELDERLY

<table>
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<th>FAMILY OF 2</th>
<th>FAMILY OF 3</th>
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## ELDERLY (AT LEAST ONE FAMILY MEMBER 60 OR OLDER)

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<td>$60,406</td>
<td>$78,992</td>
<td>$95,578</td>
<td>$116,164</td>
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VA WAP and Dominion Energy
Single Family Vs. Multifamily Production 2015 - 2018

![Bar Chart: VA DHCD and Dominion Energy Production by Single Family and Multifamily]

- **VA DHCD**
  - Single Family: 90%
  - Multifamily: 10%

- **Dominion**
  - Single Family: 10%
  - Multifamily: 90%
• $1 million annually
• Run by Community Housing Partners
• Designed to align with WAP
• Single family, all electric homes
• Good results in terms of satisfaction amongst providers, energy savings results
• Small pilot program just launched 2018
• Unregulated freedom!
• Making efforts to integrate with WAP
• Help with deferrals
Natural Gas Service Territories

- Columbia Gas
- Virginia Natural Gas
- Washington Gas
How is our State Engaging with the Utility Programs? (And What Have We Learned So Far?)

- Program Design
- Software Improvements
- Monitoring
- PAC
- Training Opportunities
Thank you!

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