

National Association for State Community Services Programs



Designing Partnerships to Leverage the Impact of WAP

www.nascsp.org



Winter Training Conference
February 13-15, 2019

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.

Leveraging Your Weatherization Assistance Program: Why & How
"Leveraging" means offering the assets of your WAP to a funder in order to attract additional, complimentary resources

THE VALUE OF THE WAP NETWORK

- A skilled workforce with high-end equipment
- An evidence-based whole-house approach
- Transparent finances and accountability

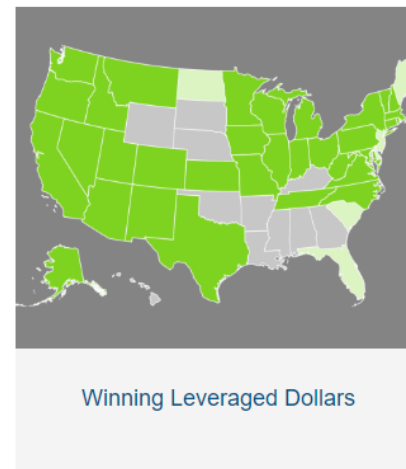
Quantified energy or carbon savings they can claim

Relationships and a good reputation with hard-to-reach customers

IMPACT OF SUCCESSFUL LEVERAGING

- Increase the impact of energy efficiency services on low-income households in your community
- With partners and investors, you can offer more measures in each home, and provide comprehensive services to more homes
- You have created partnerships that can lead to investments in future projects
- You may be able to offer expanded measures beyond the WAP framework

Leveraging Basics



Winning Leveraged Dollars

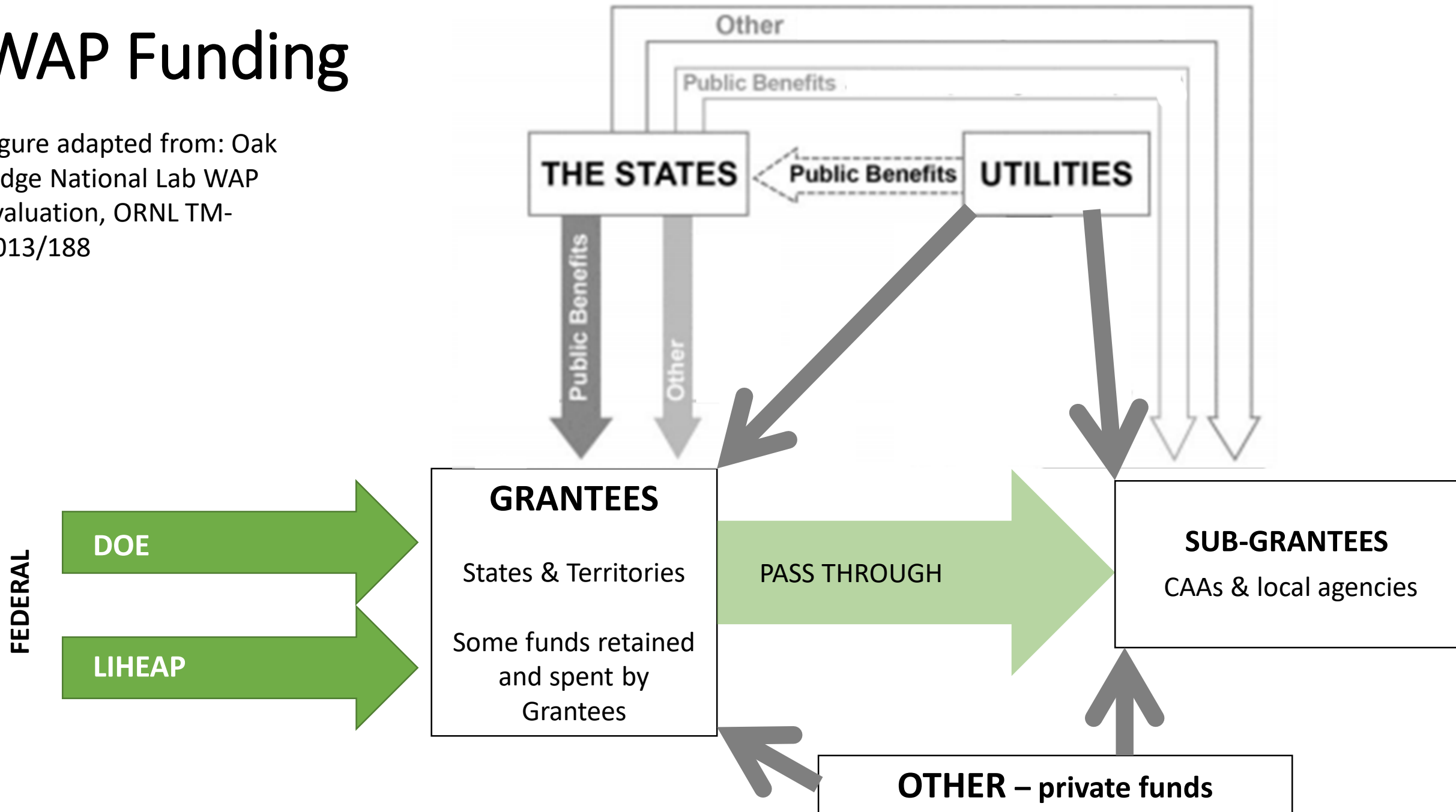


Designing Leveraged Programs

<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

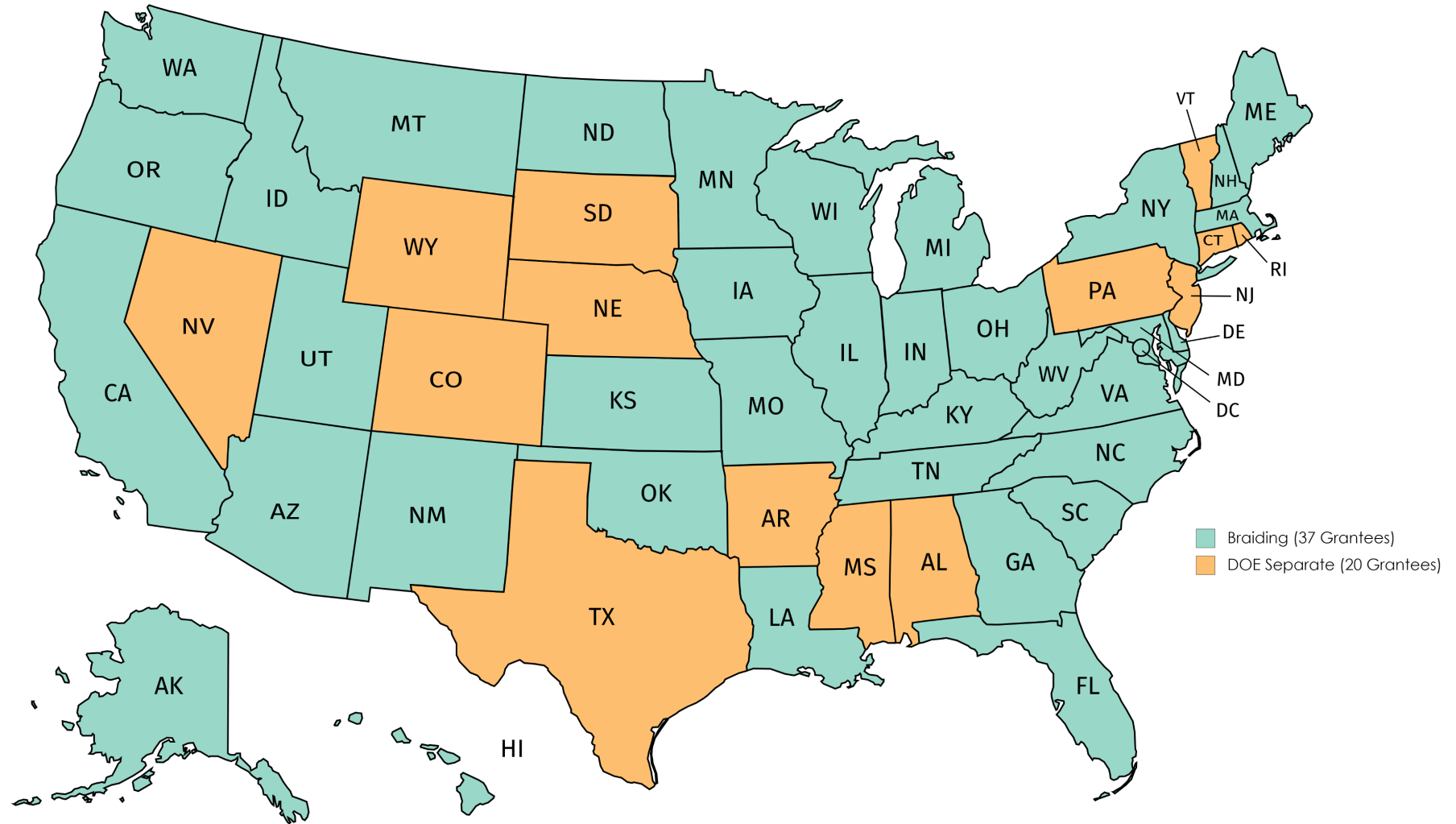
➤ **Private Funds**

- Foundations and charities
- Hospitals or health insurance companies
- Other



37 Grantees
Braid Funds

20 Grantees
Keep DOE
Separate



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Utilities and WAP in Missouri



Todd McVicker
WAP Procedural Manager
Missouri Division of Energy

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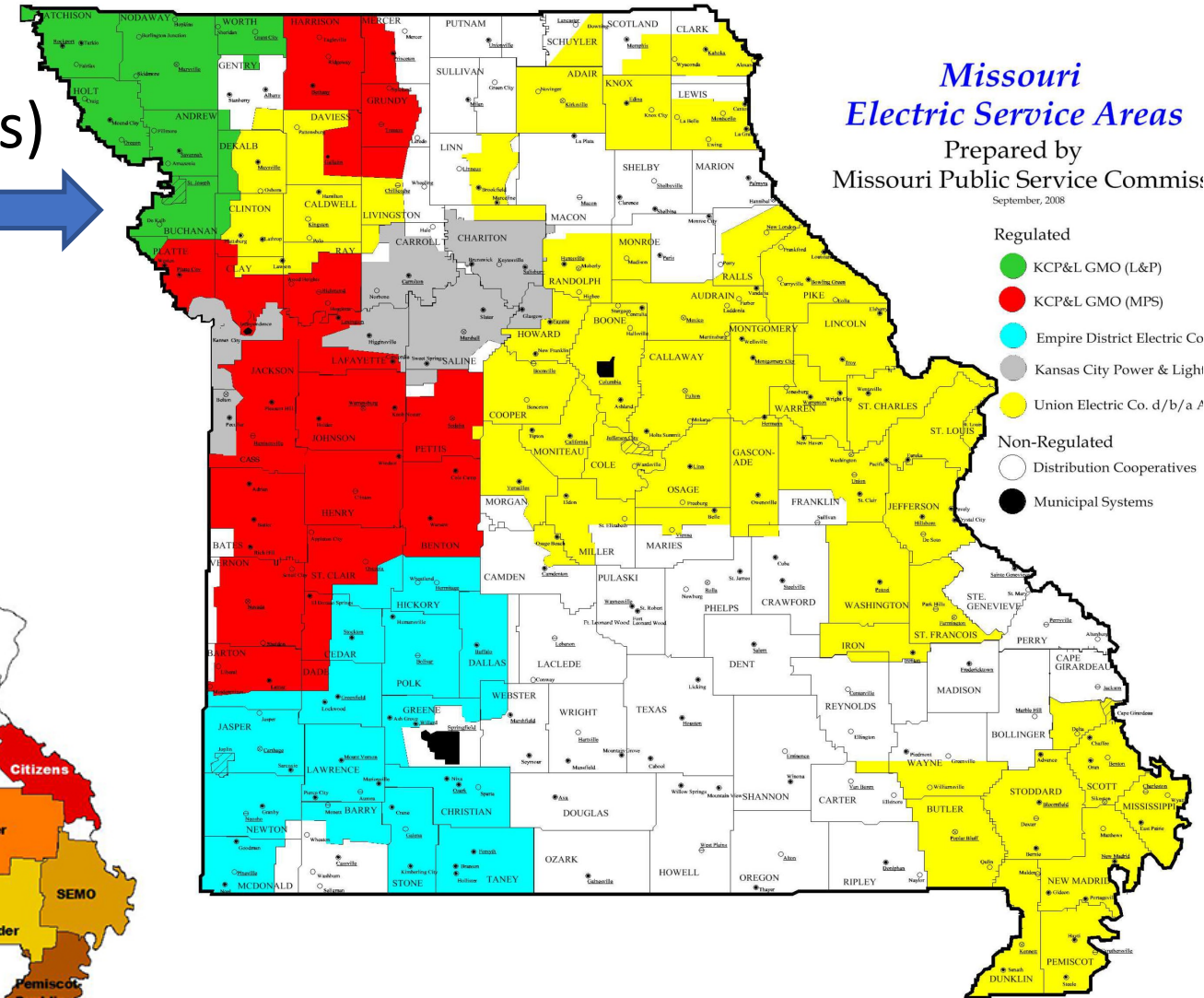
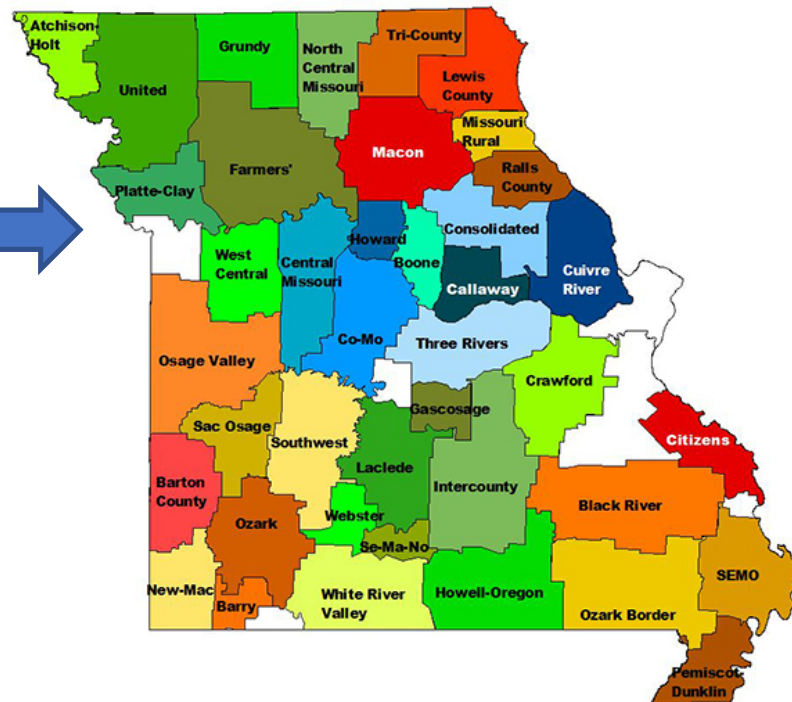
Missouri Low Income Weatherization Summary

- 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 Electric Service Areas
 Prepared by
 Missouri Public Service Commission
 September, 2008

- Regulated
- KCP&L GMO (L&P)
 - KCP&L GMO (MPS)
 - Empire District Electric Co.
 - Kansas City Power & Light
 - Union Electric Co. d/b/a AEP
- Non-Regulated
- Distribution Cooperatives
 - Municipal Systems

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?

Todd McVicker

Missouri Division of Energy

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National Association for State Community Services Programs



A More Humble Tale: Utility Programs and the WAP in Virginia

-Susan Hill

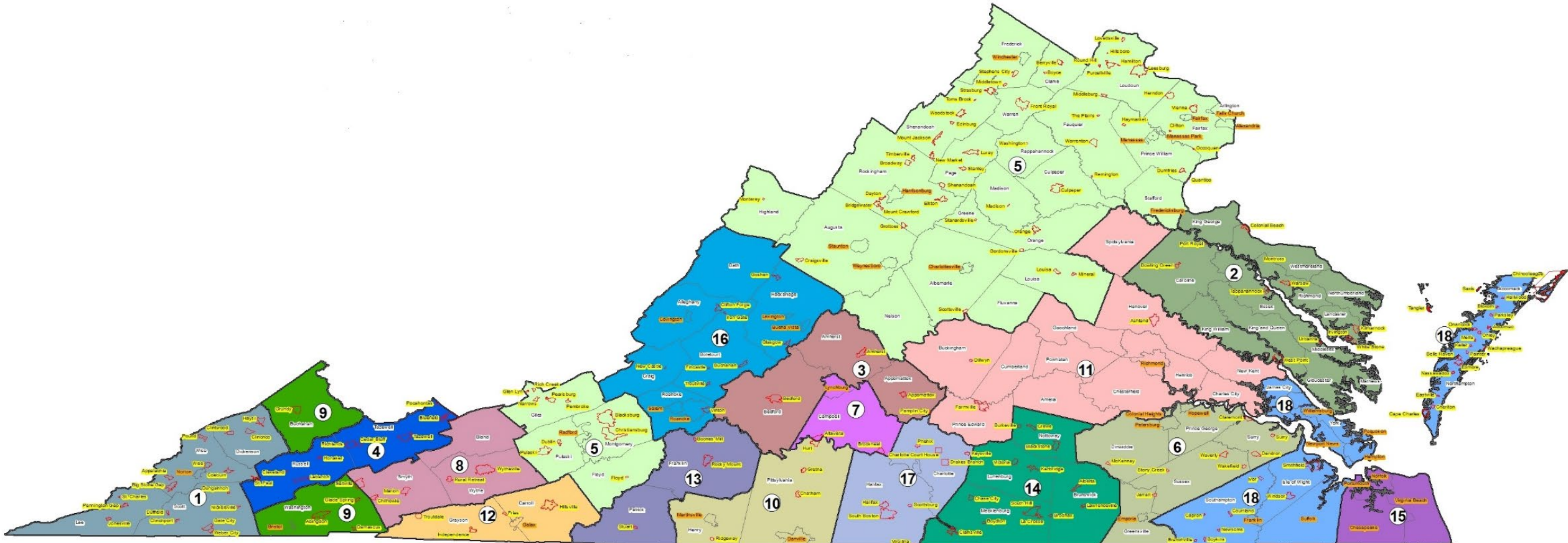
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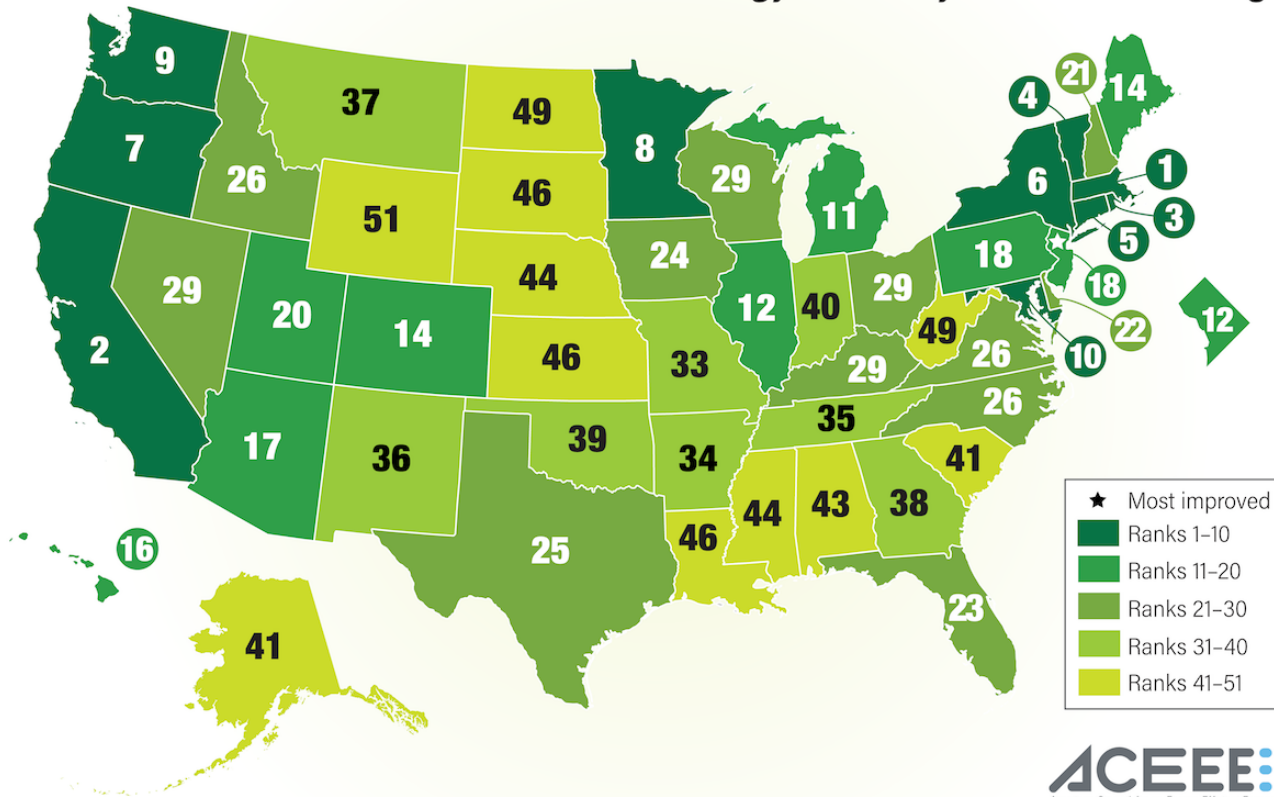
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Commonwealth of Virginia: Map of Weatherization Providers



How Virginia Stacks Up in the EE Landscape

2018 State Energy Efficiency Scorecard Rankings

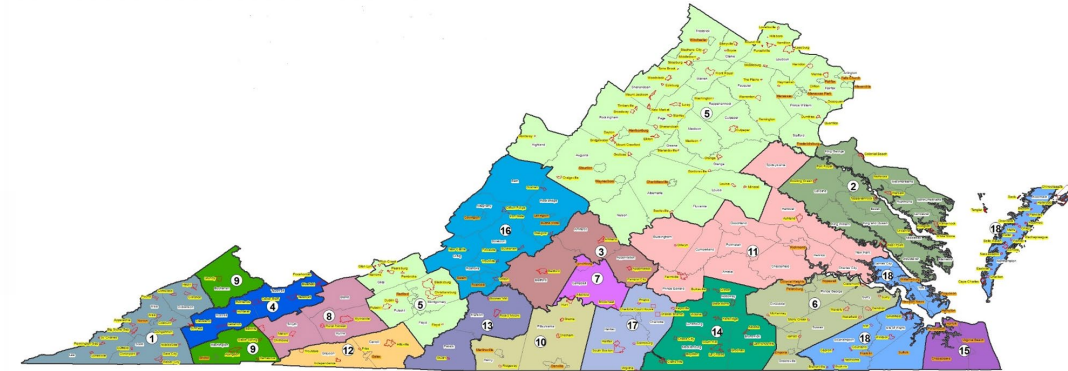
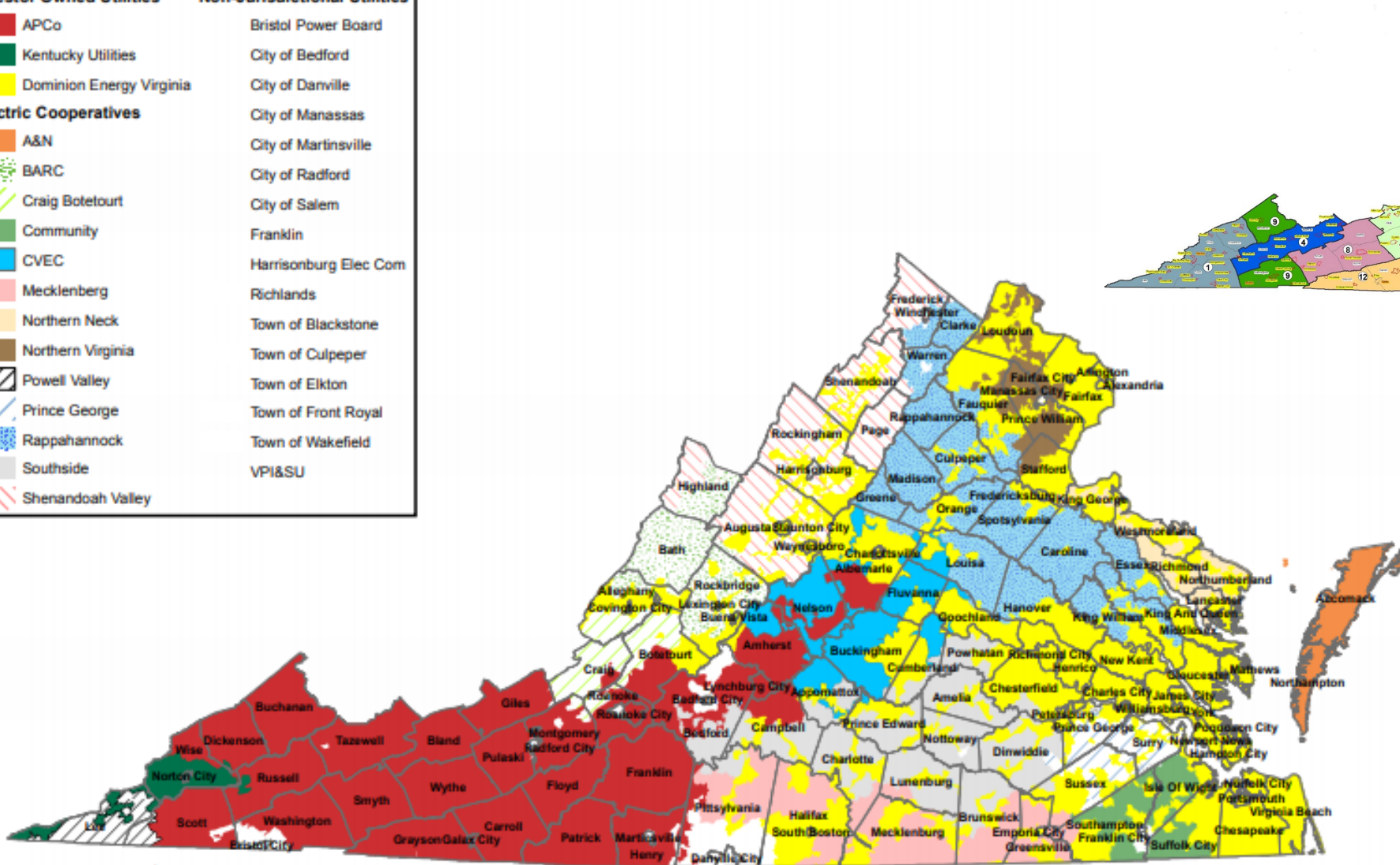


Rank	Utility	Energy efficiency program performance (25 pts)	Energy efficiency programs (15 pts)	Targets, utility business model, and evaluation (10 pts)	Total (50 pts)	% of total points
31	Duke NC	6.5	6.5	4	17	34%
32	Duke OH	6	6	4	16	32%
33	CenterPoint	3.5	7.5	4	15	30%
34	OG&E	3.5	8	3	14.5	29%
35	AEP TC	4.5	6.5	3	14	28%
35	NPC	6	5	3	14	28%
35	Progress NC	6	3.5	4.5	14	28%
35	West Penn	4	6	4	14	28%
39	Oncor	2.5	6.5	4	13	26%
39	SCE&G	4	4.5	4.5	13	26%
41	CPS	4.5	6.5	1.5	12.5	25%
41	JCP&L	4	5.5	3	12.5	25%
41	PSE&G	4	6.5	2	12.5	25%
44	Duke IN	2.5	3.5	4.5	10.5	21%
44	GA Power	3	5	2.5	10.5	21%
46	Duke FL	5	3	1.5	9.5	19%
46	OH Edison	2.5	4	3	9.5	19%
48	FP&L	4	3.5	1.5	9	18%
49	Entergy LA	1	5	2.5	8.5	17%
50	Dominion	0.5	2.5	2.5	5.5	11%
51	AL Power	0	3.5	1	4.5	9%



Electric Service Territories

Electric Utilities	
Investor Owned Utilities	Non-Jurisdictional Utilities
APCo	Bristol Power Board
Kentucky Utilities	City of Bedford
Dominion Energy Virginia	City of Danville
Electric Cooperatives	
A&N	City of Manassas
BARC	City of Martinsville
Craig Botetourt	City of Radford
Community	City of Salem
CVEC	Franklin
Mecklenberg	Harrisonburg Elec Com
Northern Neck	Richlands
Northern Virginia	Town of Blackstone
Powell Valley	Town of Culpeper
Prince George	Town of Elkton
Rappahannock	Town of Front Royal
Southside	Town of Wakefield
Shenandoah Valley	VPI&SU



Who's Funding and Administering Weatherization Programs in Virginia?



~\$18 million between DOE and LIHEAP



~\$10 million annually
between 2 programs



~\$1 million annually





Dominion Energy[®]

- 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





Dominion Energy[®]

NON-ELDERLY

FAMILY OF 1	FAMILY OF 2	FAMILY OF 3	FAMILY OF 4
\$30,203	\$39,496	\$48,789	\$58,082

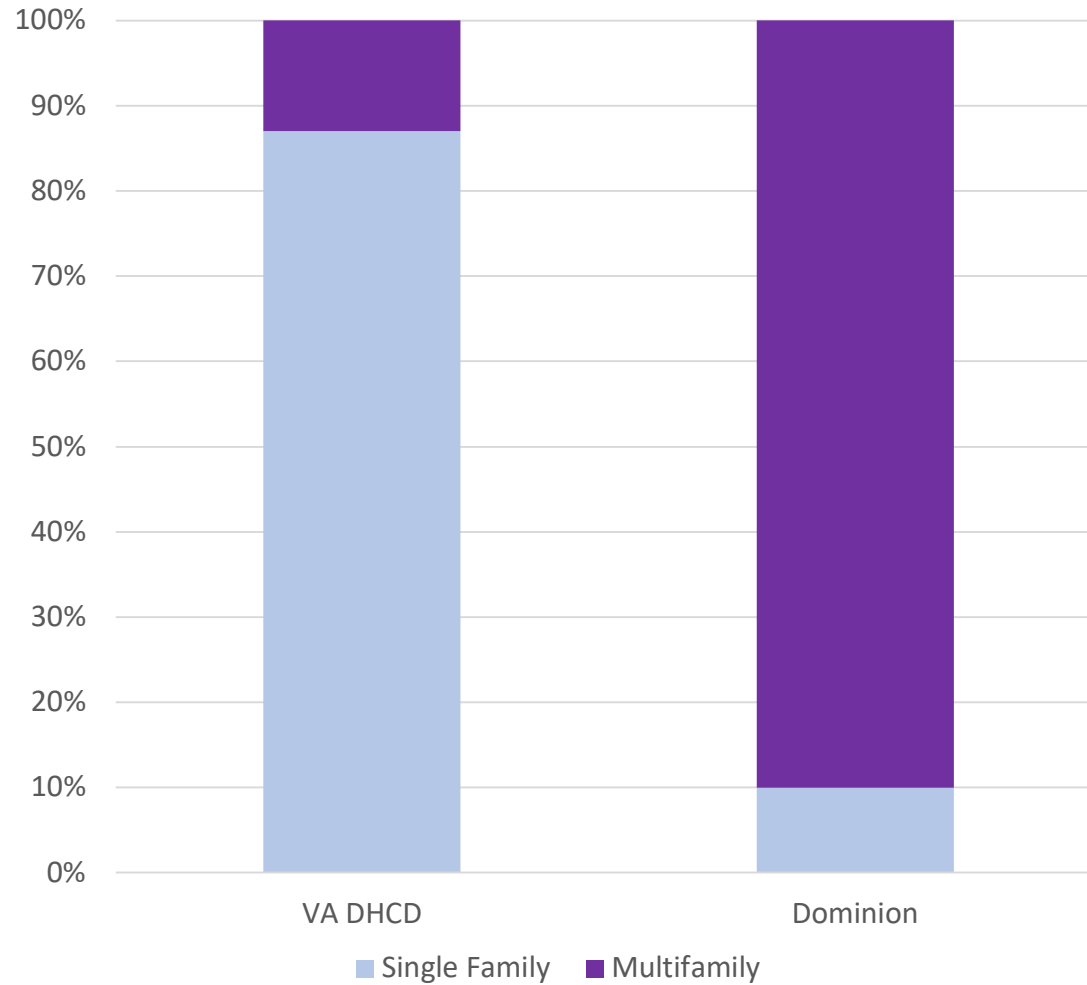
ELDERLY (AT LEAST ONE FAMILY MEMBER 60 OR OLDER)

FAMILY OF 1	FAMILY OF 2	FAMILY OF 3	FAMILY OF 4
\$60,406	\$78,992	\$95,578	\$116,164

And for veterans too!



VA WAP and Dominion Energy Single Family Vs. Multifamily Production 2015 - 2018

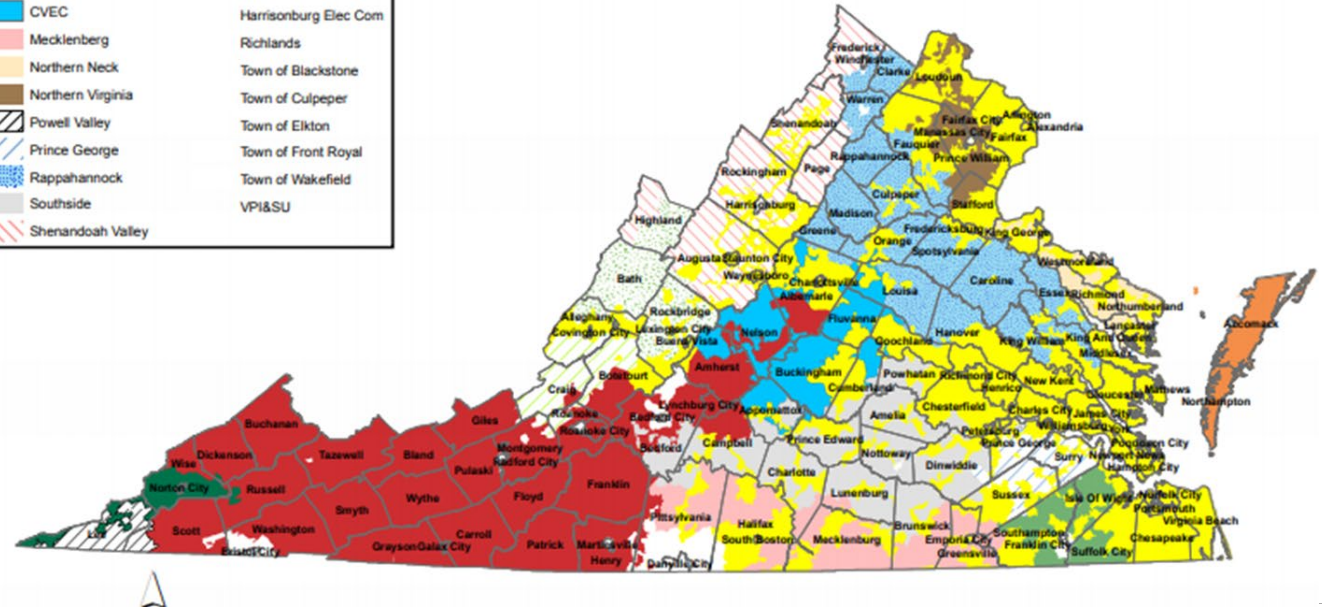


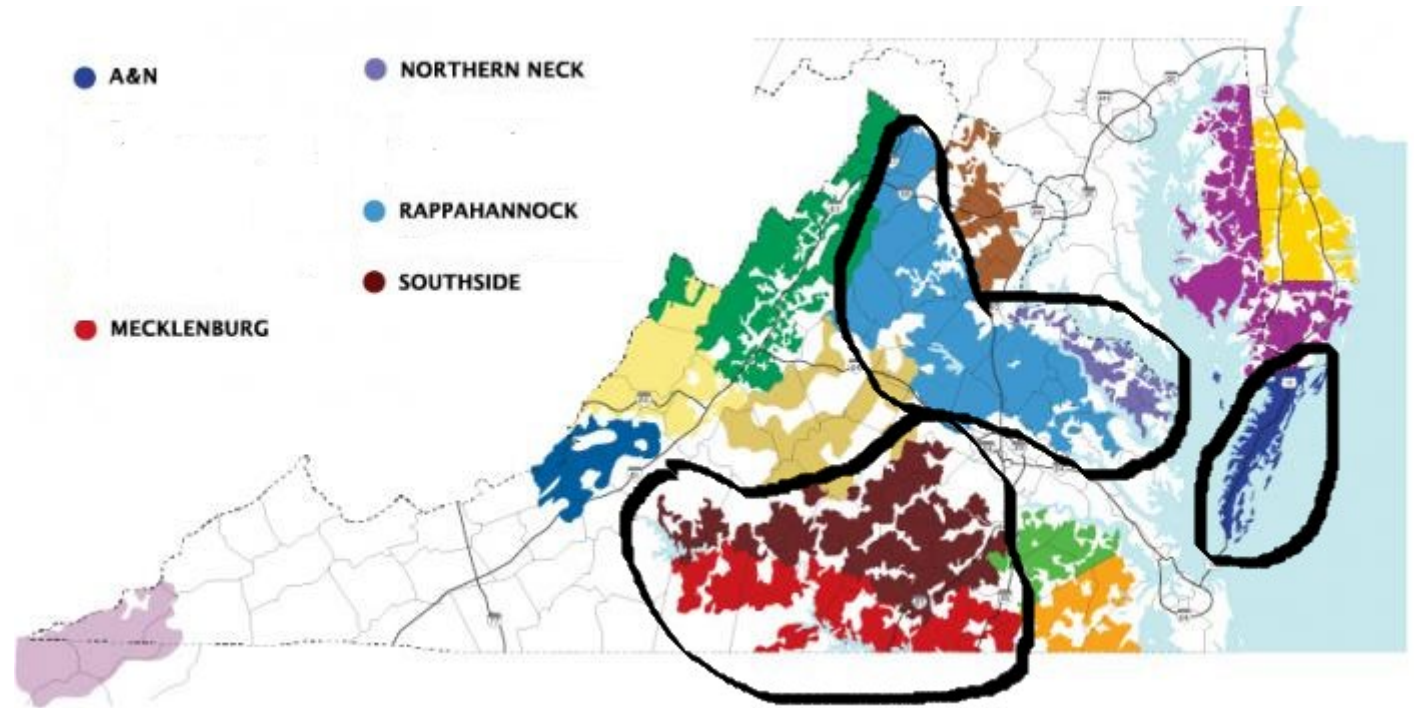


- \$1 million annually
- Run by Community Housing Partners
- Designed to align with WAP
- Single family, all electric homes
- Good results in terms of satisfaction amongst providers, energy savings results

Electric Utilities	
Investor Owned Utilities	Non-Jurisdictional Utilities
APCo	Bristol Power Board
Kentucky Utilities	City of Bedford
Dominion Energy Virginia	City of Danville
ASN	City of Manassas
BARC	City of Martinsville
Craig Botetourt	City of Radford
Community	City of Salem
CVEC	Franklin
Mecklenberg	Harrisonburg Elec Com
Northern Neck	Richlands
Northern Virginia	Town of Blackstone
Powell Valley	Town of Culpeper
Prince George	Town of Elkton
Rappahannock	Town of Front Royal
Southside	Town of Wakefield
Shenandoah Valley	VPI&SU

Electric Service Territories

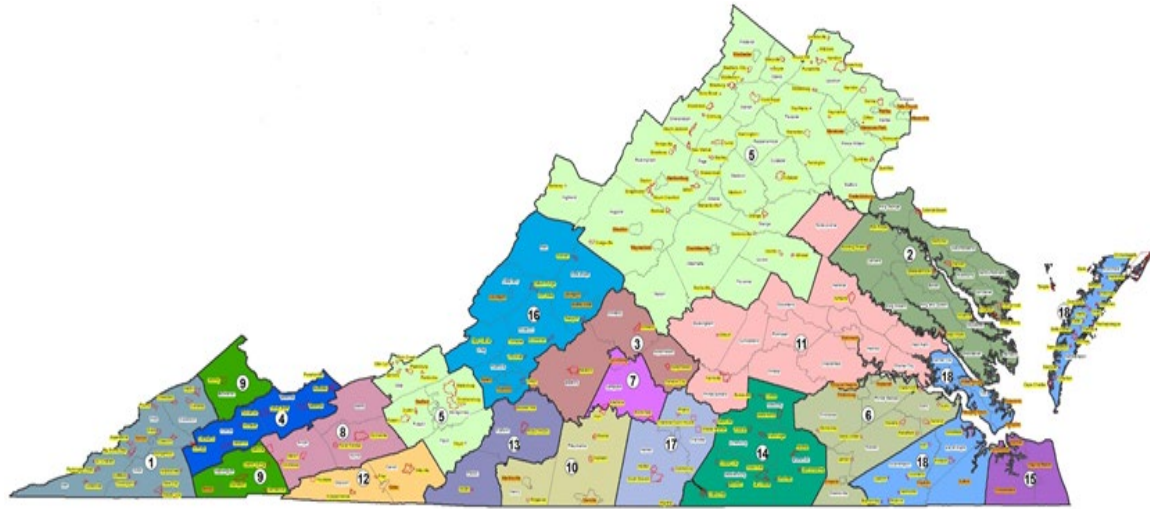




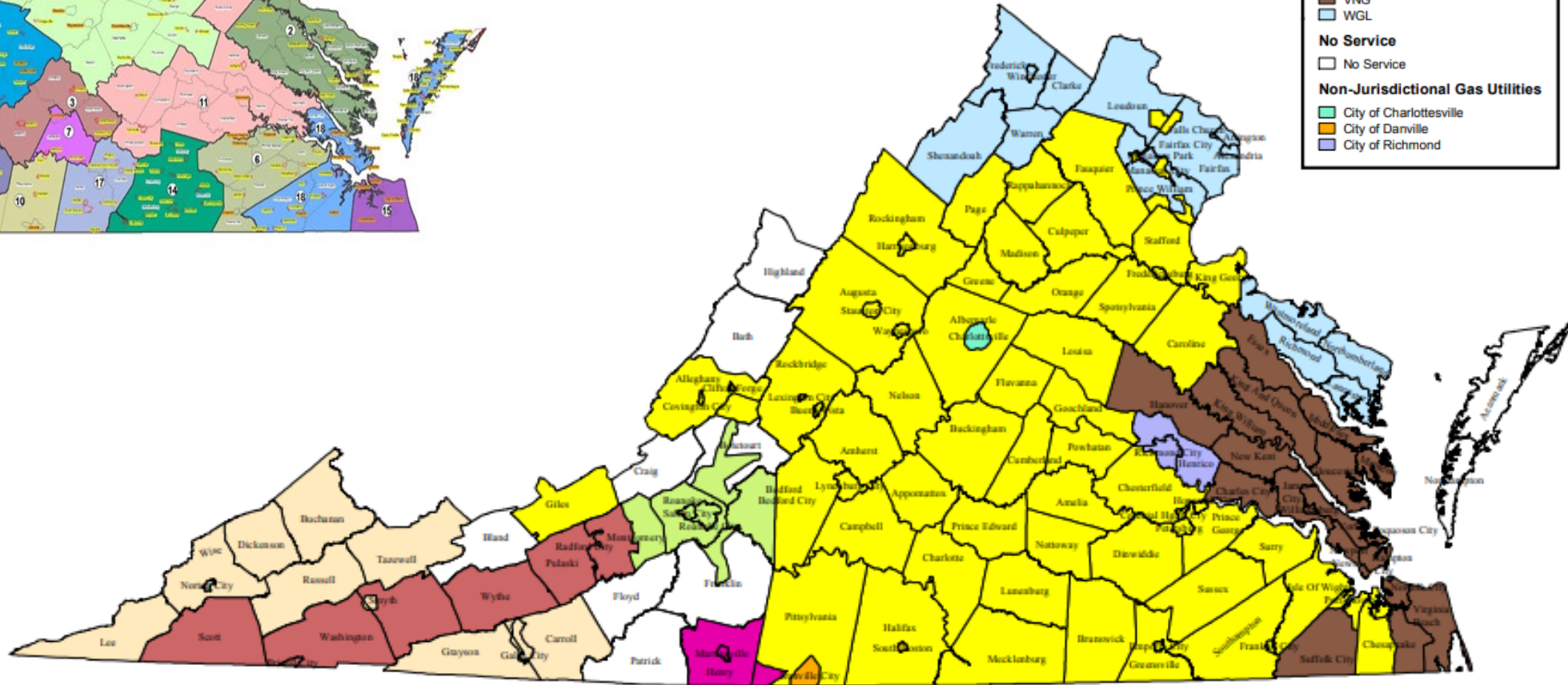
- Small pilot program just launched 2018
- Unregulated freedom!
- Making efforts to integrate with WAP
- Help with deferrals



Natural Gas Service Territories



- Columbia Gas
- Virginia Natural Gas
- Washington Gas

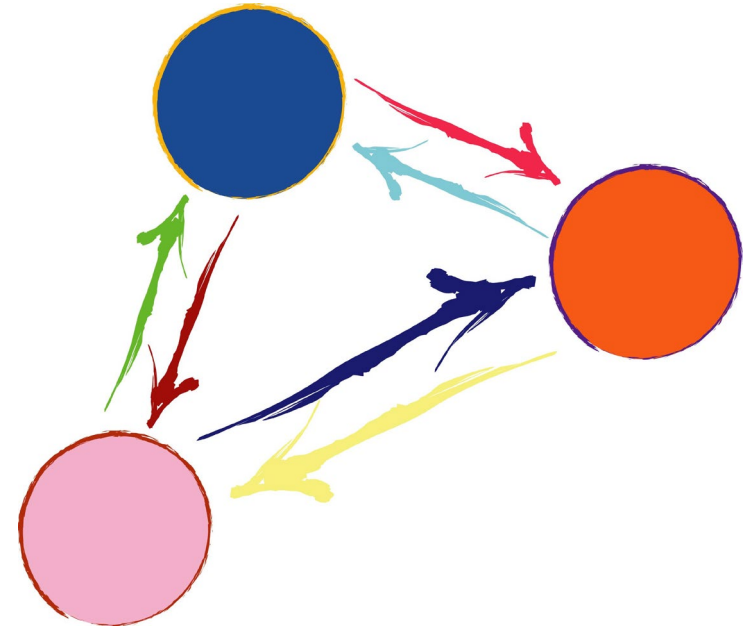


Jurisdictional Gas Utilities	
	ANG Dist
	Atmos
	CGS
	Roanoke
	SW Virginia Gas
	VNG
	WGL
No Service	
	No Service
Non-Jurisdictional Gas Utilities	
	City of Charlottesville
	City of Danville
	City of Richmond



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!

Susan Hill

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