

Increasing Energy Efficiency ~ Increasing Health & Safety

WEATHERIZATION ASSISTANCE PROGRAM

FUNDING REPORT
PROGRAM YEAR
2022



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The U.S. Department of Energy's (DOE) Weatherization Assistance Program (WAP) is administered by a nationwide network of state, district, and territorial grantees, with local government, tribal and nonprofit subgrantees and their contractors (the WAP network). Federal statute and policies encourage the WAP network to supplement DOE WAP funding with non-federal funding to maximize investments in eligible units (leveraging).

WAP's mission is "to increase the energy efficiency of dwellings owned or occupied by low-income persons or to provide such persons renewable energy systems or technologies, reduce their total residential expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable, such as the elderly, persons with disabilities, families with children, high residential energy users, and households with high energy burden." [1]

The Program Year (PY) 2022 WAP Funding Report is a coordinated data collection effort between the National Association for State Community Services Programs (NASCSPP) and the National Community Action Partnership (NCAP) to provide a comprehensive summary of WAP funding. It catalogues the amount and sources of funding available as of 2022 and some production of the WAP grantees, as well as many of the non-federal funds received directly by WAP subgrantees for Weatherization-related investments. The WAP Annual Funding Report also includes prior years' funding data and maintains an archive covering more than 20 years for historical reference.[2]

NASCSPP's survey collected WAP funding and production data from nearly all the program grantees, which includes the 50 states, the District of Columbia, and five U.S. Territories (Guam, U.S. Virgin Islands, American Samoa, Commonwealth of Puerto Rico, Commonwealth of the Northern Mariana Islands).[3]

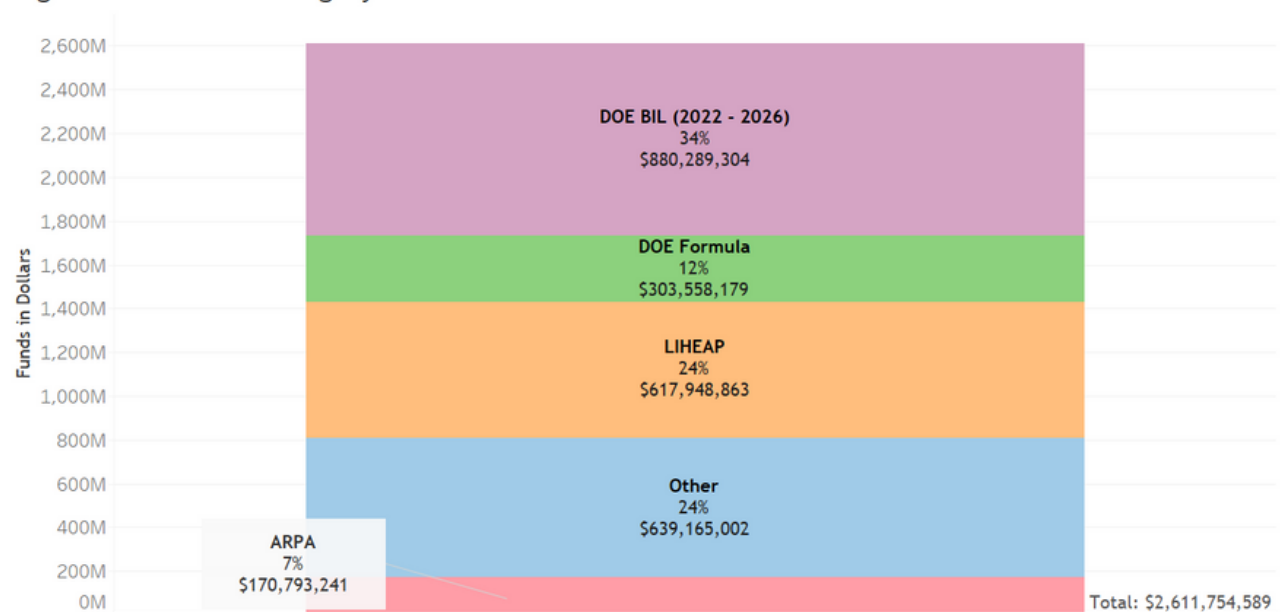
[1] 10 CFR Part 440 - <https://www.ecfr.gov/current/title-10/chapter-II/subchapter-D/part-440>

[2] Weatherization services were severely disrupted in PY 2020 when the COVID-19 pandemic was at its height. As a result, the PY 2020 WAP Funding Report was not published.

[3] The WAP Annual Funding survey is an optional report. Five grantees did not complete the survey and one grantee's program was not functional in PY 2022 due to a previous hurricane. This report only includes their funding that was allocated by DOE under WAP Formula and BIL.

In PY 2022, the WAP network had over \$2.6 billion available from all funding sources. This included more than \$303 million in DOE WAP Formula funding and \$880 million in DOE Bipartisan Infrastructure Law (BIL) funding, that will remain available through 2026. Some of this money was released in late 2022 and is reflected in this report. Almost \$618 million in U.S. Department of Health and Human Services (HHS) Low-Income Home Energy Assistance Program (LIHEAP) funding, as well as more than \$170 million received by 18 grantees from the American Rescue Plan Act (ARPA)[4] was available in PY 2022. Findings from the annual funding survey demonstrate that the WAP network leveraged an additional \$639 million from other sources (Other Funds). Leveraged funds expand the reach and impact of the federal WAP and come from a variety of governmental and private sources, such as the Regional Greenhouse Gas Initiative (RGGI), utility companies, and state general fund allocations. Since 2014, NASCSP has captured data on the leveraged funds that came to the grantee and were primarily distributed to subgrantees. Since 2017, NASCSP has partnered with NCAP to obtain data on leveraged funds that are going directly to subgrantees. Of the \$639million that was leveraged in PY 2022, more than \$294 million was discovered by NCAP through subgrantee surveys and interviews.

Figure 1: WAP Funding by Source 2022



As a result of funding received in PY 2022 for WAP, more than 68,968 units were weatherized[5] nationwide and technical training was initiated for the large workforce that will be recruited to deliver the expanded program resources.

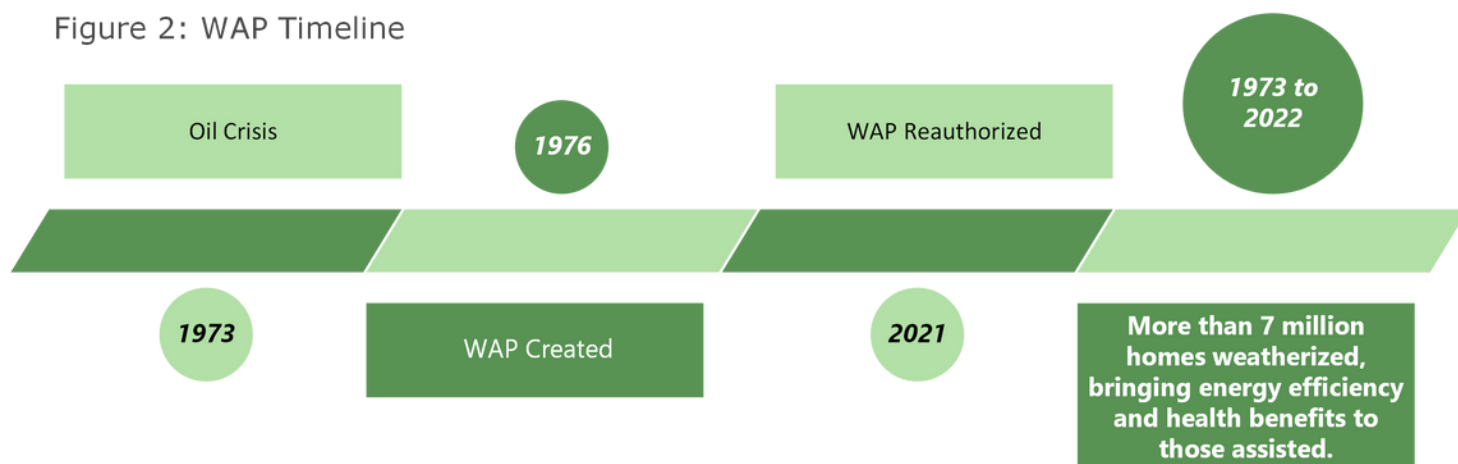
[4] H.R.1319 - American Rescue Plan Act of 2021. <https://www.congress.gov/bill/117th-congress/house-bill/1319/text>

[5] Reported production mostly only includes units funded with DOE or HHS funds to ensure an unduplicated count. Additionally, production numbers of the Other Funds coming directly to subgrantees is not captured. Due to these two factors, the actual production number is certainly higher than what is reported.

As a product of the 1973 oil crisis and economic strain, Congress passed the Energy Conservation and Production Act. Signed into law by President Gerald Ford on August 14, 1976, the Weatherization Assistance Program (WAP) was created.

For more than 45 years, WAP has delivered both energy conservation and health and safety measures to households with low incomes to decrease their household energy burden and energy costs while improving their comfort and health.

Figure 2: WAP Timeline



Using a whole-house approach and available technology, certified weatherization technicians perform an energy audit on dwellings to determine which cost-effective measures will best address the energy, comfort, and health needs of the households assisted.

WAP has proved to be one of the most successful home energy-efficiency programs, bringing benefits to households assisted, the communities where they live, and the environment.

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For every \$1.00 invested in weatherization, \$1.72 is generated in energy benefits and \$2.78 in non-energy benefits.[6]

Benefits to households assisted

- **\$372 average yearly energy savings**
- **\$538 savings in pay per year due to fewer missed worked days**
- **\$514 savings per year in household's out-of-pocket medical expenses**

Benefits to communities

- **8,500 number of direct and indirect jobs supported by WAP**

Benefits to the environment

- **Reduced consumption of natural resources**

Annually, DOE allocates grants by formula to grantees, including the 50 states, American Samoa, Commonwealth of Puerto Rico, Commonwealth of the Northern Mariana Islands, District of Columbia, Guam, and U.S. Virgin Islands. DOE sets quality standards for weatherization materials, work practices, project cost-effectiveness, and health and safety measures. While other funds may supplement or complement, DOE standards for quality, safety and fiscal management are the foundation for the WAP network's work. By statute, the grantees contract with local non-profit agencies, primarily community action agencies, in disadvantaged communities to deliver the WAP investments into the eligible homes.

[6] WAP Factsheet - https://www.energy.gov/sites/default/files/2022-06/wap-fact-sheet_0622.pdf

With the passage of the 2022 Consolidated Appropriation Act, \$15 million was made available to the DOE WAP funding for the creation of a Weatherization Readiness Fund (WRF). "Through this WRF set-aside fund, WAP can address necessary repairs (e.g., Health and Safety issues, structural) in dwellings that have been deferred from receiving weatherization services." [7]

While there are many reasons for a deferral, the most common one is that the dwelling needs a repair beyond the scope of weatherization services, such as a leaky roof, a foundation issue, the presence of asbestos, or another similar issue. Due to a condition in the dwelling, it may be unsafe to install weatherization measures and/or the installed measures will be ineffective. In a 2018 survey of WAP grantees, NASCSP found that the older the dwelling, the more likely it will be deferred due to repair needs.

While a deferral does not mean that weatherization assistance will never be available, it does mean pre-weatherization work is needed first to resolve a problem and make the dwelling weatherization ready. It is a difficult decision to walk away from a household that would otherwise be eligible and for whom weatherization services would help decrease its utility cost while increase its comfort and safety.

With the creation of the DOE WRF set-aside fund, PY 2022 became the first year in which all grantees and subgrantees had access to monies that could help address the repair needs that would otherwise result in a deferral.

"With the addition of these Weatherization Readiness Funds, the WAP network will be able to bring more housing into weatherization readiness than before, reducing deferrals, increasing energy savings, and providing multiple other benefits to individuals and families that would have otherwise been left unserved." [8]

[7] & [8] [Weatherization Program Notice 22-6, Archived](#)

In 2021, the Infrastructure Investment and Jobs Act^[9], commonly known as the Bipartisan Infrastructure Law (BIL), was enacted by the U.S. Congress and signed into law by President Joe Biden on November 15, 2021. Through the passage of this law, \$3.5 billion has been added to the WAP network, of which \$3.168 billion is allocated to grantees.

Recognizing that the \$3.168 billion significantly increased weatherization funding, the first 18 months is considered the capacity-building phase as both grantees and subgrantees work on expanding to meet the BIL goals and expectations and the increased number of households that can be assisted. This includes hiring and training new staff and contractors, purchasing new equipment and supplies to meet the service increase, and ensuring adequate management and information management systems are in place to ensure federal funds are expended appropriately. In PY 2022, grantees self-reported staffing and contractors. The number of full-time equivalent staff increased 32%, from 323 to 425. The number of contractors increased by 127%, from 15 to 49. This indicates the extent to which states were ramping up for BIL.

During PY 2022, a minimum of 15% of the WAP BIL funds was available to all grantees. Thirty-one^[10] of the grantees were at the 15% funding level in PY 2022 and twenty-five grantees received up to 50% of their allocated BIL funds. The final tranche of BIL funds will be allocated to grantees as they meet production and monitoring benchmarks.

^[9]<https://www.govinfo.gov/app/details/PLAW-117publ58>

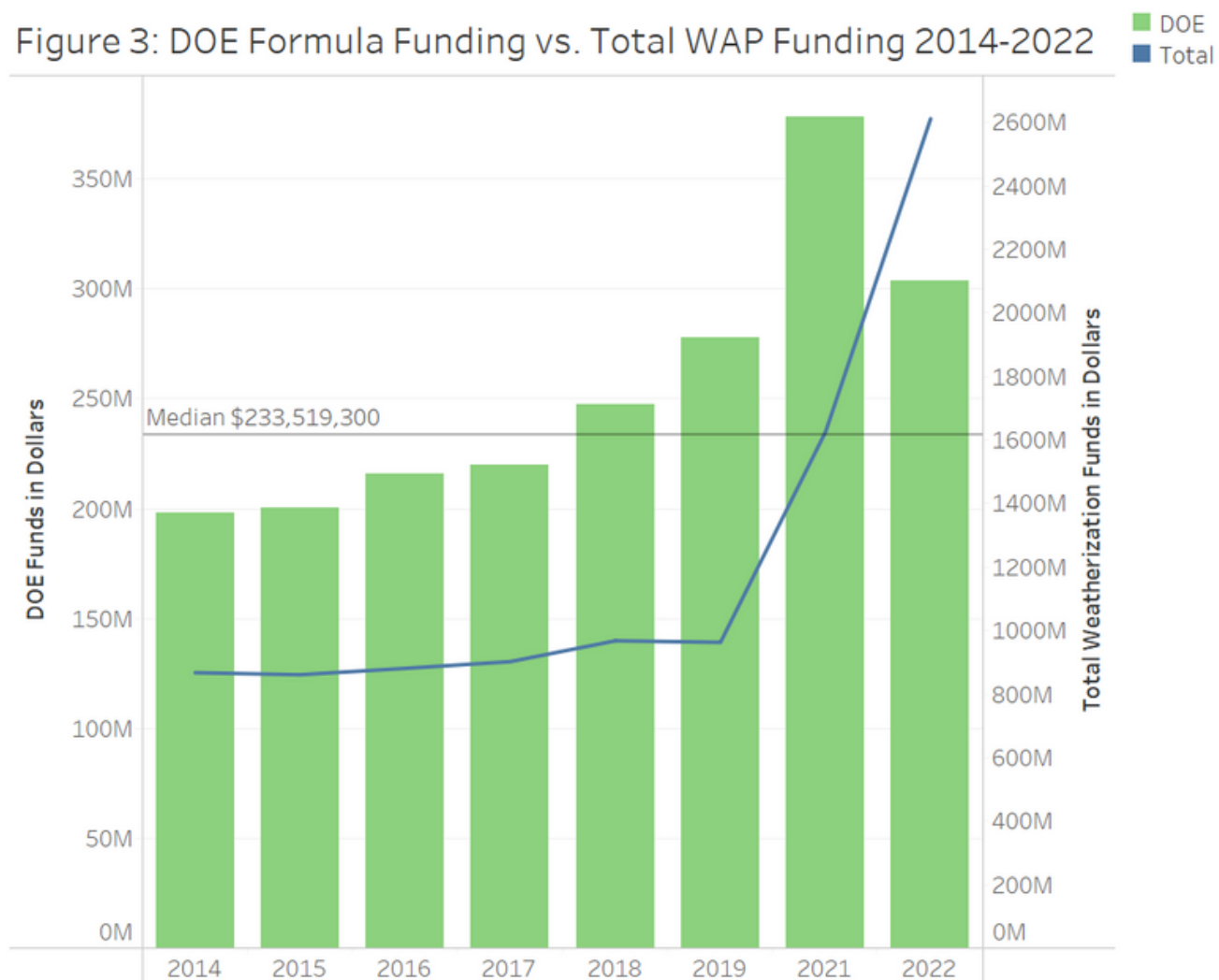
^[10] Five grantees did not complete the optional PY 2022 WAP Annual Funding Survey and one grantee's program was non-operational due to a recent hurricane. For the purposes of this report, their DOE BIL funding amounts are captured under the 15% minimum amount.

The PY 2022 WAP funds came from several federal funding sources, including DOE WAP formula and DOE BIL funds, HHS LIHEAP, and American Rescue Plan Act (ARPA) funds. The federal funds reported account for 76% of the WAP network resources in PY 2022. The WAP network leveraged additional resources from a variety of non-federal sources (Other Funds), of which the largest sums are from utility partnerships and state program sources.

DOE Formula

DOE grantees reported \$303,558,179[11] in DOE formula funds were available in PY 2022. While this would appear to be a funding decrease of almost 20%, it is important to note that 2021 funding was temporarily inflated due to funding rollovers from the COVID pandemic year, 2020. Nevertheless, there was considerably more funding available in 2022 than in pre-pandemic years, with some of the increase attributed to the \$15 million Weatherization Readiness Funds. Overall, DOE formula funds available were 12% of the total available funds.

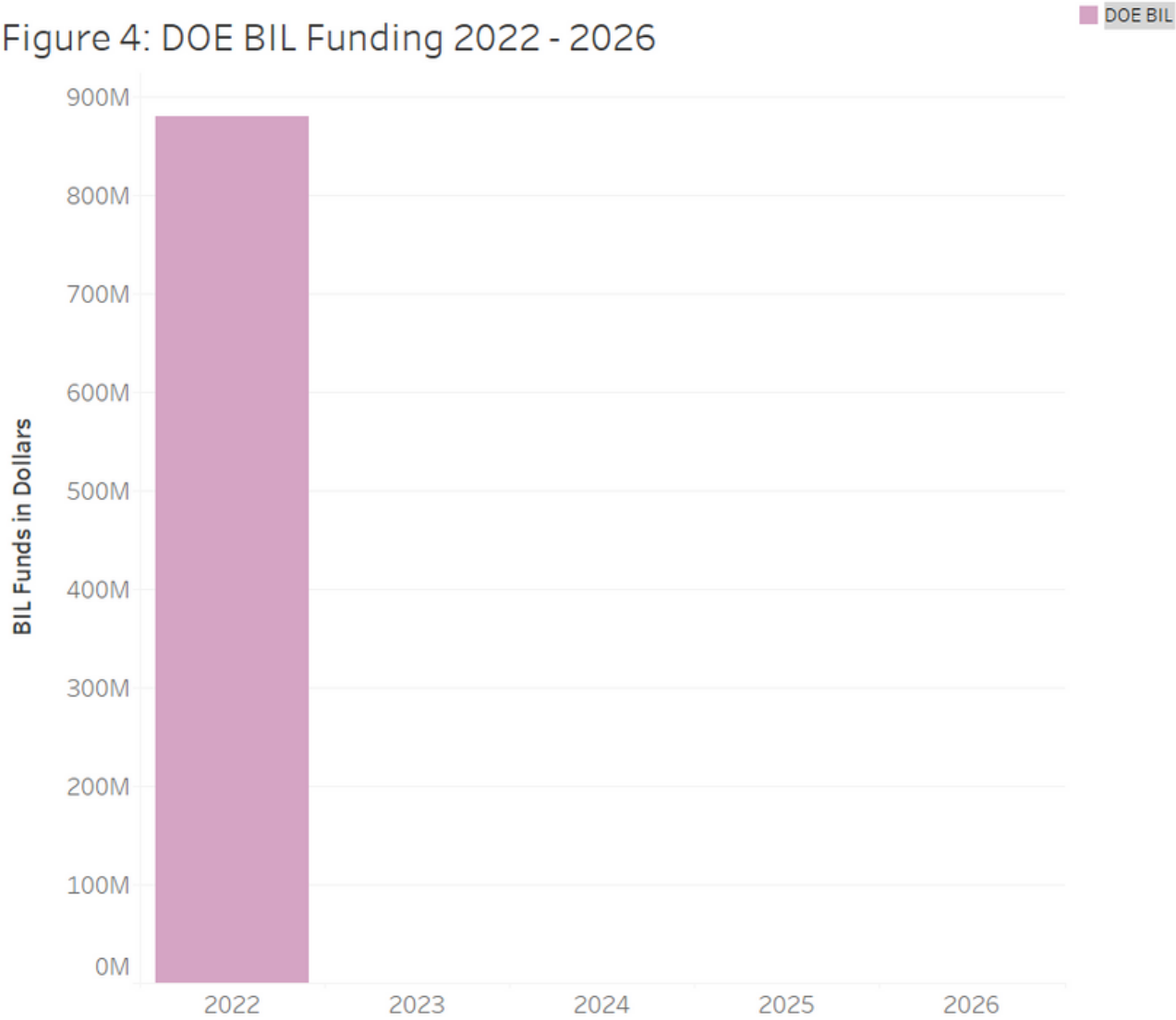
Figure 3: DOE Formula Funding vs. Total WAP Funding 2014-2022



[11] The amount of formula funding reported by grantees may not match the amount allocated by Congress for the same program year. The reported number can include both the current PY allocation and the carry-over funds from the previous year. In addition, the reports for PY 2021 and 2022 include some funds available for several years into the future, such as the BIL funding.

DOE BIL

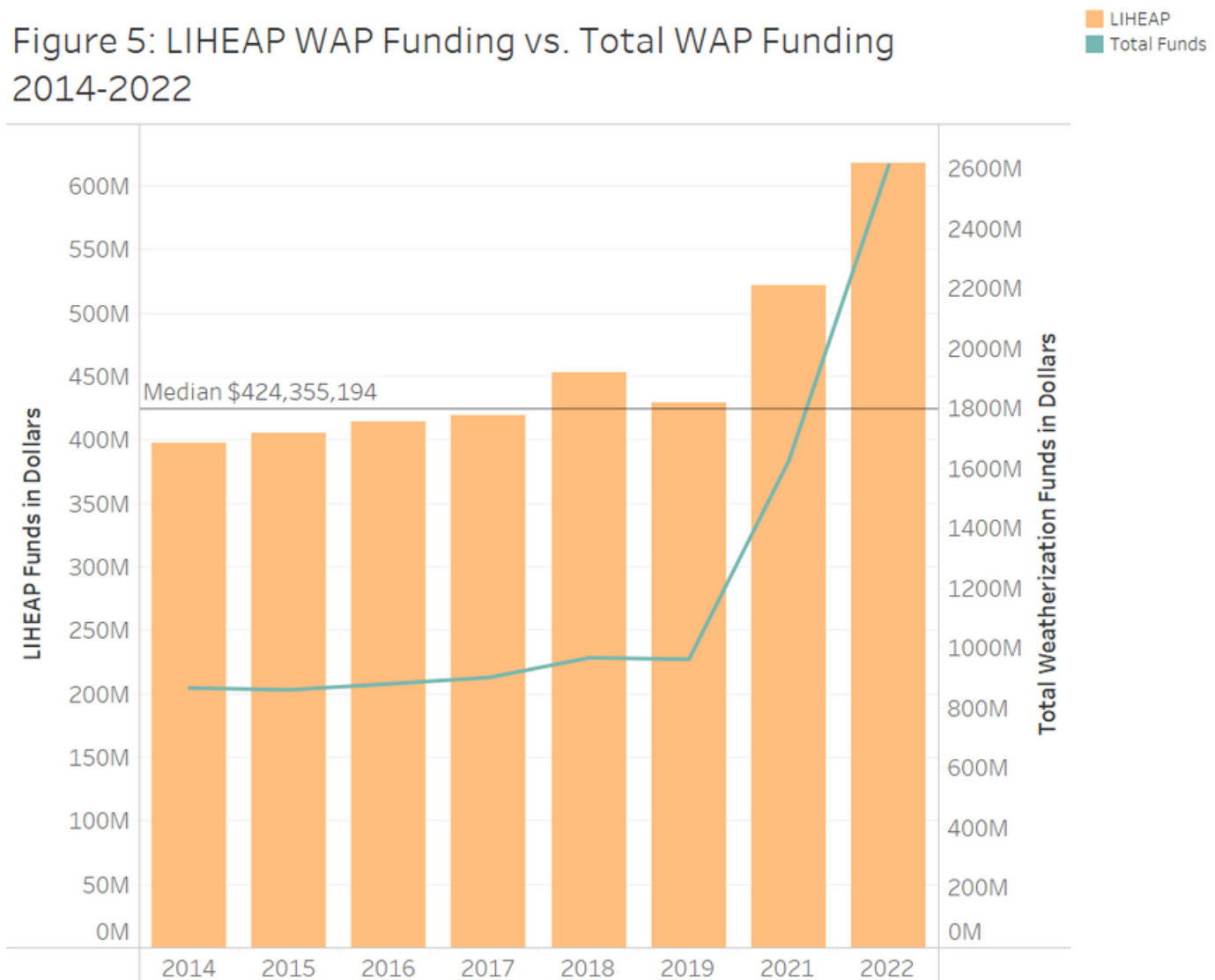
In PY 2022, there was the introduction of significant federal funding from DOE WAP BIL, and grantees could receive between 15% to 50% of funds available. In PY 2022, \$880,289,304 in WAP BIL funds were available to the WAP network, accounting for 34% of all PY 2022 funds; most of the available funds were for ramp up, training and/or production. The BIL Training & Technical Assistance Funds remain available over the 5-year period of performance.



HHS LIHEAP

States have discretion to designate up to 15% of the LIHEAP block grant to fund energy efficiency-related activities or up to 25% with an HHS-approved waiver. The uses can include emergency energy-related repairs as well as traditional weatherization, health-related home upgrades, and replacement of unsafe equipment. Forty-four WAP grantees reported \$617,948,863 in LIHEAP funds were available for energy efficiency activities.[12] This is also a record amount and represented an increase of almost 19%, or more than \$96 million, over the funds reported for PY 2021. Funds provided through LIHEAP comprised 24% of all PY 2022 funds.

Figure 5: LIHEAP WAP Funding vs. Total WAP Funding 2014-2022

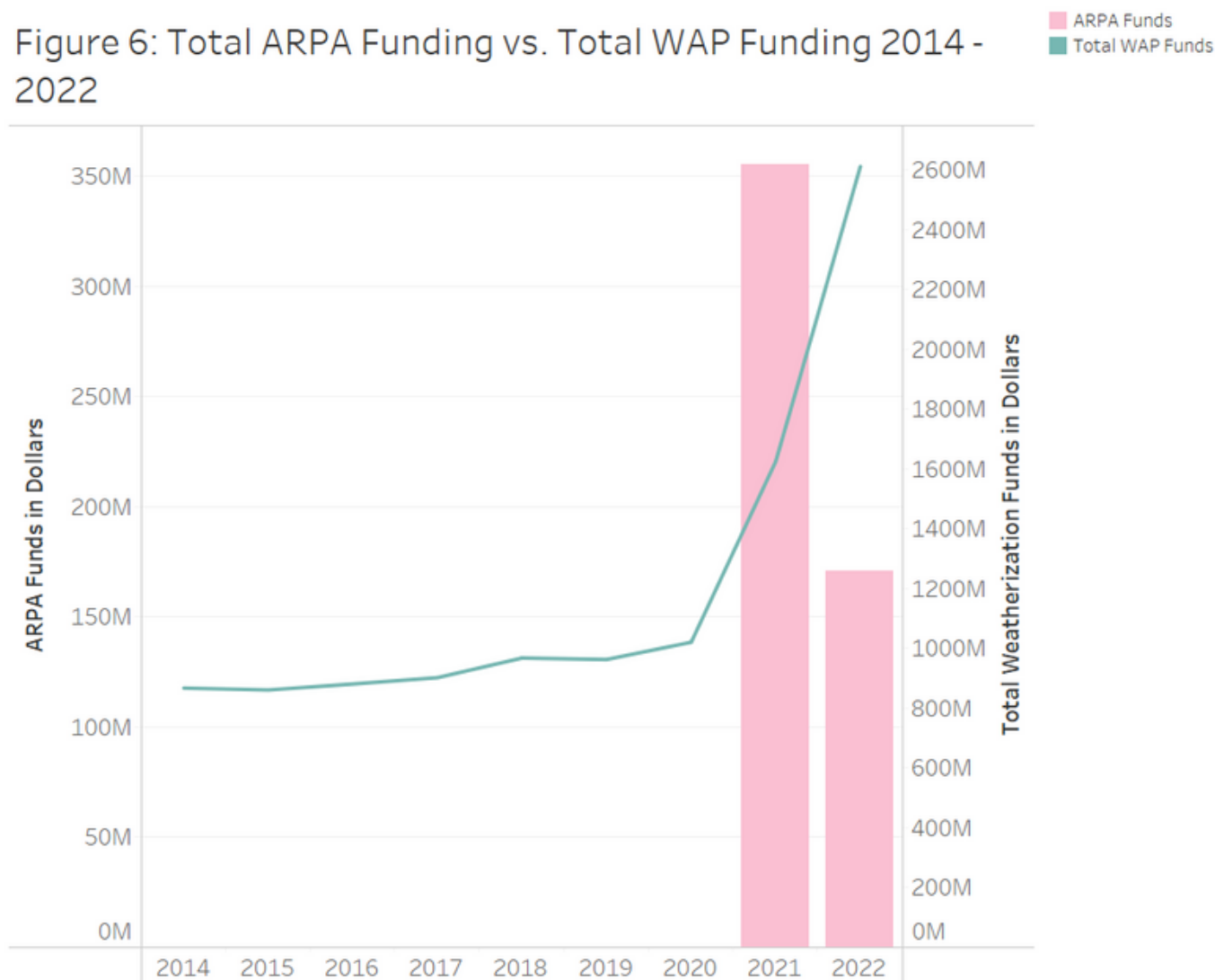


[12] Of the 50 grantees that completed the NASCSP WAP Annual Funding Report survey, six did not transfer LIHEAP funds in 2022. See data tables.

ARPA

In PY 2021, there was a one-time influx of federal funding from the pandemic-related ARPA funds. As these funds could be expended over a multi-year period, grantees were still expending these in PY 2022. Eighteen grantees reported allocating \$170,793,241 in ARPA funds for PY 2022, accounting for 7% of the total funds available for the WAP network. Of the amount available, 77% was from LIHEAP ARPA funds with the remaining and 23% from other ARPA funds. ARPA was used in many ways, including standard weatherization services, deferral and repair programs, electrification and electrification readiness, emergency heating and cooling, and pilot programs to service heating systems and prevent crises.

Figure 6: Total ARPA Funding vs. Total WAP Funding 2014 - 2022



Other Funds

Grantees and local WAP organizations continue to seek leveraging opportunities^[13] with publicly and privately funded efficiency and housing initiatives to increase production and to provide a wider range of necessary energy and safety improvements in the eligible units. The WAP network relies heavily on leveraged resources and companion programs. DOE funds and the recognized high standards of DOE requirements are critical to the success of WAP network leveraging. Network organizations in 42 states leveraged a total \$639,165,002 in other weatherization funds. Other Funds comprised 24% of all PY 2022 funds.

In PY 2022, for every \$1 in DOE Formula funding, \$2.11 in Other Funds is leveraged.

Most of the Other Funds fit into two major categories: utility funds and state funds. Utility funds are any monies utilities transfer to a public benefit fund, a WAP state agency or association, or a weatherization subgrantee. Most utility funds come from ratepayer-supported energy efficiency programs. State funds are monies that come from state-collected revenues, such as fees or tax revenues. Examples of state funds include energy production royalties, state general revenues, or state appropriations. Twelve states reported using state funds in 2022.

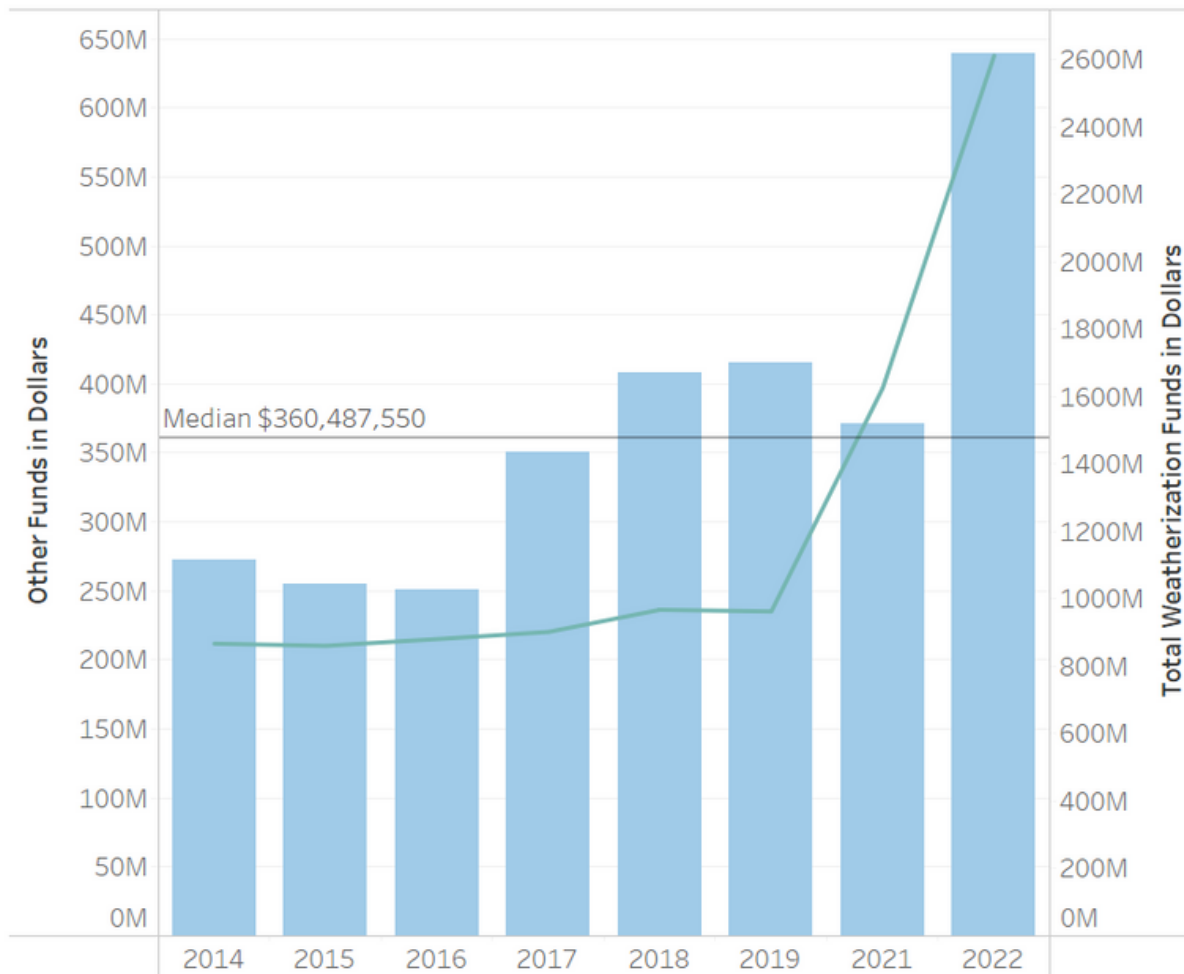
There is wide variation among state networks' ability to attract Other Funding. While 42 states reported leveraging more than \$639 million dollars collectively in PY 2022, more than 60% of these funds were from four states.

Emerging Partnerships: NASCSP and NCAP also used the data collection to identify innovative efforts that enhance WAP. The NCAP interviews identified a growing variety of smaller subgrantee projects funded from non-federal sources, such as local government contracts, foundation grants, partnerships with health services providers, and charitable donations. Most common were utility-funded programs delivering specific appliance repairs or replacements.

^[13] Grantees may budget a portion of DOE funds as a leveraging fund to be used in initiatives to garner non-federal funding.

Figure 7: Total Other WAP Funding vs. Total WAP Funding 2014 - 2022

Other funds
Total funds



Funding Trends

- Federal Funds:** In Program Year 2022, grantee reported WAP federal funding reached a new high because of the addition of DOE BIL and a more modest increase in allocations from LIHEAP. And while it appears on Figure 2: DOE Formula Funding vs. Total WAP Funding 2014-2022 that there was a decrease in DOE WAP Formula in PY 2022, the PY 2020 carry-over funds that resulted because of the COVID pandemic's impact on the WAP network created an atypical amount of funds available in PY 2021. PY 2022 Congressional funding of DOE WAP increased slightly.
 - Of the 44 grantees transferring LIHEAP funds into the WAP in 2022, 20 increased and 19 decreased LIHEAP transfers, compared to 2021. The remaining seven grantees were allocated the same amount between the two years. Five of the grantees with increases – Delaware, Florida, Idaho, Iowa, and Wisconsin – more than doubled their allocations in PY 2022 from the previous year.

- In fact, the almost \$618 million transferred from the LIHEAP block grant plus the \$132 million in ARPA LIHEAP funding used by 13 states gave the network unprecedented resources to make health, safety, and minor structural repairs in hundreds of units.

While the ARPA funds were fully expended by the end of PY 2022, it is forecasted that federal funding levels will remain high over the next few years because the remaining DOE WAP BIL allocations will be made to grantees and will remain available until expended.

- **Other Funds:** Other Funds increased significantly from 2021. The more than \$639 million represents an increase of 72% from 2021's reported funding level. Other Funds comprised 24% of all PY 2022 funds.
 - Of the 50 grantees completing the NASCSP WAP Annual Funding Report survey, 32 reported Other Funds being available to the WAP network, an increase from 28 in PY 2021. The more than \$344 million of Other Funds coming through the grantee's office represents a 41% increase between PY 2021 and PY 2022.
 - As some Other Funds come directly to local WAP subgrantees, the partnership between NASCSP and NCAP is extremely important to help identify these funds. This year saw unprecedented subgrantee participation in the information collection process. In PY 2022, through its survey and interview efforts, NCAP discovered that local WAP programs in 35 states received more than \$294 million of Other Funds. This is a 131% increase in reported Other funds directly to subgrantees from PY 2021.

Figure 8: Total WAP Funding (Without ARPA) 2014 - 2022

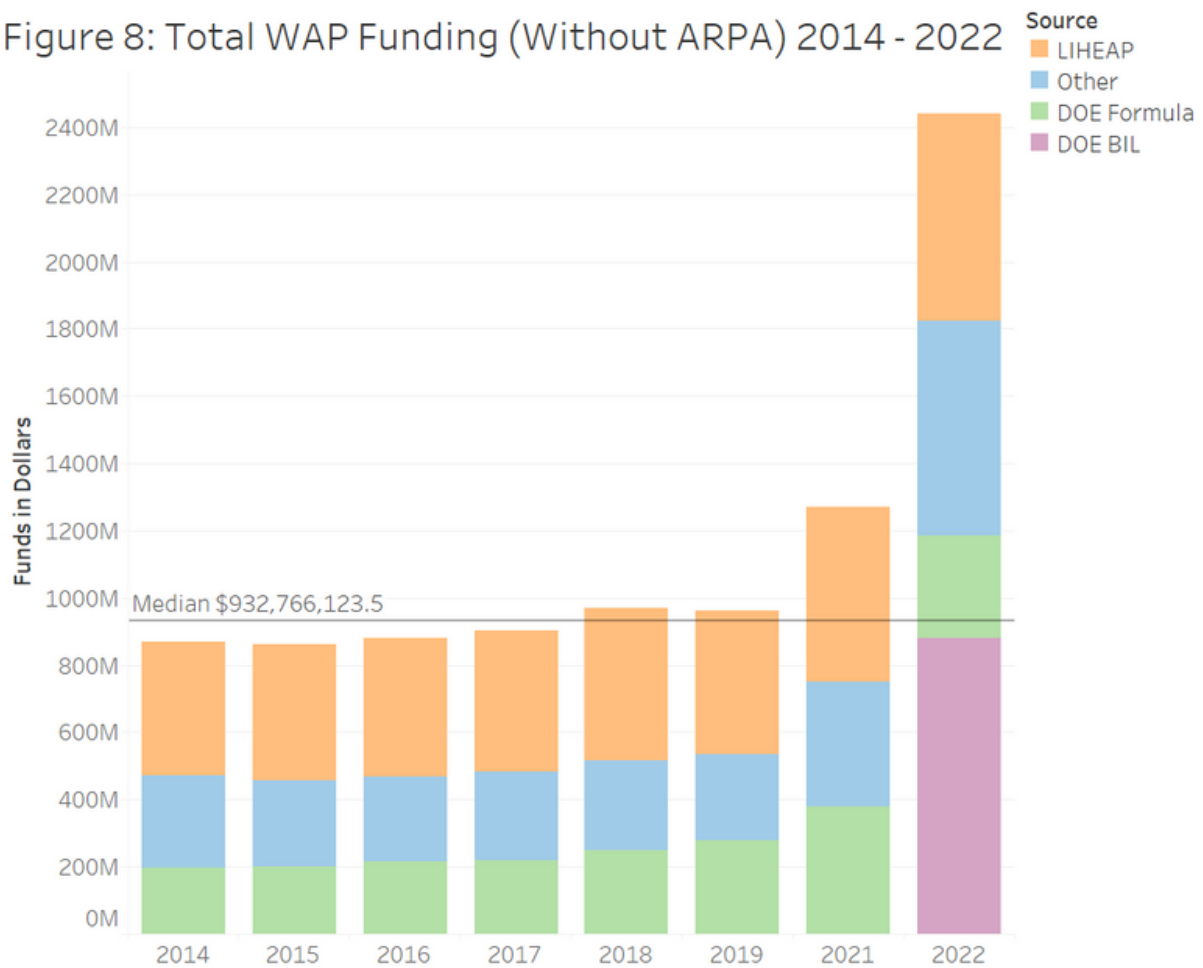
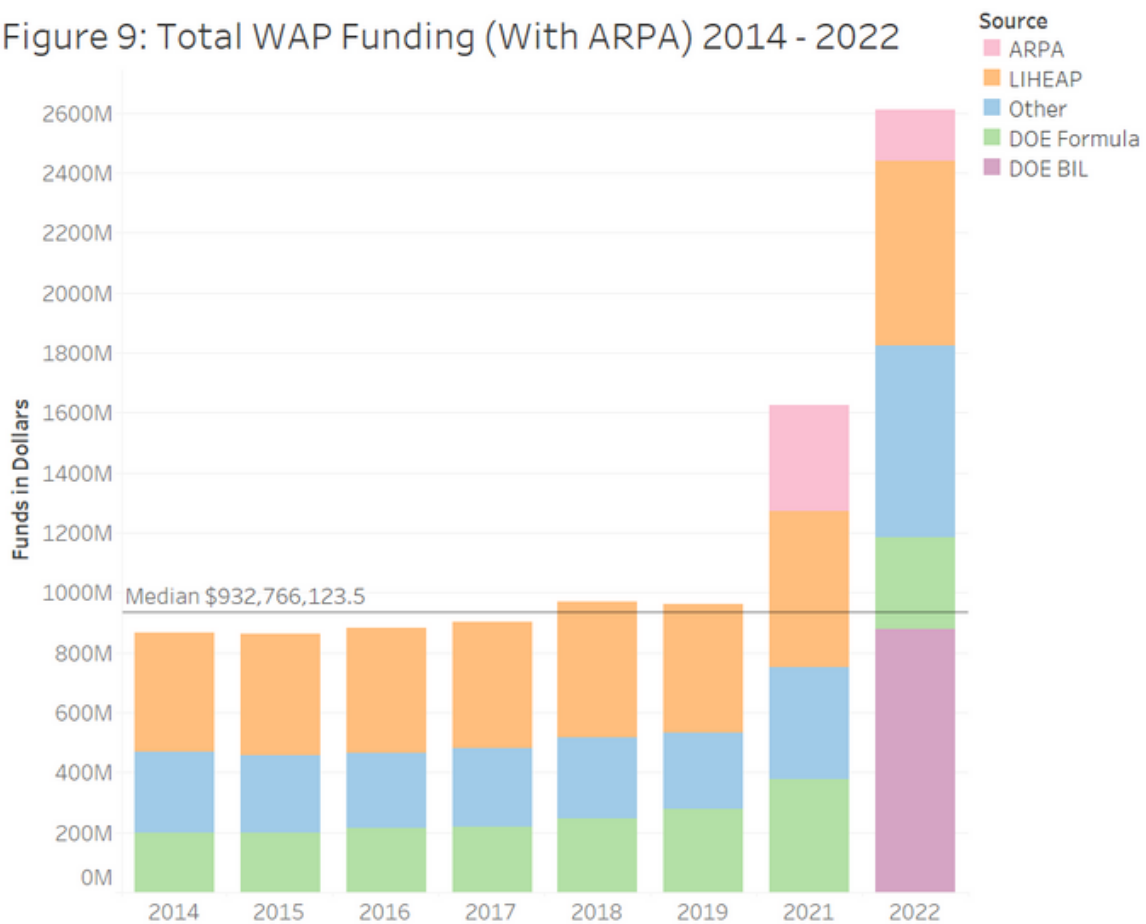


Figure 9: Total WAP Funding (With ARPA) 2014 - 2022



This report also provides grantees' reported number of units weatherized using DOE WAP, DOE BIL, LIHEAP, and Other funding. NCAP's reported Other funding may have also contributed to additional production but these numbers are not currently available. Respondents indicated that the WAP network weatherized at least 68,968 units[14]. Of the 50 grantees that reported production, 44 grantees reported braiding or blending funding sources. 54% of all production used DOE funding in PY 2022.

Between both single-funded and blended production, grantees weatherized:

- 36,985 units using DOE funding, both regular and BIL allocations, either as a single source or braided with LIHEAP and/or Other Funds.
- 24,442 units using LIHEAP as the primary funding source, either as a single source or combined with Other (no DOE funds).[15]
- 7,541 units only using Other funds (no DOE or LIHEAP funds).[16]

[14] While DOE BIL funds were made available in late 2022, the funds will be expended over the 5-year period of performance. We expect an increase in production in PY 2023 and 2024.

[15] These units are only reported in this study, not to DOE, because there is no process for reporting HHS funded units. Please consult the HHS LIHEAP Data Warehouse for more information on units reported to HHS.

[16] These units are only reported in this study, not to DOE, because there is no process for reporting Other funded units. Additionally, this number is most likely underestimated as it only includes Other Funds going through the grantee. Production numbers funded with the \$294 million going directly to local WAP organizations is not reported.

The WAP network had more federal funds to spend in PY 2022 than ever before, and this is expected to continue. In the FY 2023 appropriations bill enacted in 2022, Congress showed continued bipartisan support for the program, appropriating \$326 million to WAP, which is a \$13 million increase over the FY 2022 level. Additionally, Congress appropriated \$30 million in Weatherization Readiness Funding, doubling the PY 2022 amount of \$15 million. The Bipartisan Infrastructure Law, which went into effect in PY 2022 and allocated \$3.5 billion over a five-year period, will continue to provide a significant amount of funding to the WAP network in PY 2023 and beyond.

We expect to see future funding include awards to grantees, subgrantees and non-profits resulting from DOE competitive funding opportunities for WAP Enhancement and Innovation (E&I), Sustainable Energy Resources for Consumers (SERC) and Community Scale Pilot Program (CSPP) in 2023 and beyond. These competitive grants will expand the scope of WAP by enhancing workforce recruitment, reducing deferrals, and implementing new materials and renewable energy technologies.

The WAP network is continually engaged in developing new partnerships to expand the role of the WAP with the intent to provide a more comprehensive set of services to low-income clients through initiatives, such as upgrades to the indoor environment to make home healthier and conversions to clean energy sources. WAP leaders are keenly aware that more diverse funding streams, especially Other Funds, are needed for measures that will broaden the impacts of WAP services and increase the resilience of eligible units facing extreme weather.

The WAP grantees and subgrantees mobilizing and combining multiple funding streams will be essential in helping low-income communities meet the challenges of climate change and harness the opportunities of emerging clean technologies. While funding has increased and is expected to continue, there is one area that has remained constant – the Average Cost Per Unit (ACPU) at \$6,500. In simplest terms, the ACPU includes the materials and labor required to install energy-efficiency measures and the programmatic costs that make the installation possible. And while the ACPU is adjusted annually, these minor increases are not adequate to keep up with the increases in costs for labor, supplies and equipment needed to weatherize a home. An ACPU increase from the \$6,500 base set in the statute, to \$12,000, would greatly benefit the WAP network and ultimately, the clients receiving weatherization services.