

## Residential Weatherization Frequently Asked Questions

### WAP

Q: What is WAP?

- The Weatherization Assistance Program is a Department of Energy run program that weatherizes (ie makes homes more energy efficient) low-income homes.

Q: How long has WAP been running?

- The US Department of Energy has run the Weatherization Assistance Program since 1976.

Q: How many homes has WAP weatherized? How many per year?

- Over its lifetime, WAP has provided services, making low-income homes more energy efficient, to 6.2 million low-income families. In recent years WAP has weatherized about 150,000 homes a year nationwide.

Q: How is WAP funded? How does the funding flow?

- Each year the Department of Energy's Office of Energy Efficiency and Renewable Energy allocates funding to all 50 States, and now, US territories by formula. Guidance is released along with the funds to State offices (varies in each state). The States then pass the funds through to local agencies, at a county or city level. These agencies can be community action agencies, housing agencies, county or city offices or any other non-profit. In most cases these agencies are the same entities that have been receiving the funding for 30+ years.
- States have leveraged additional monies to weatherize low-income homes. Some states utilize state funds collected through utility or other public charges. States are allowed to use up to 15% (25% with a waiver from the Department of Health and Human services) of their Low-Income Home Energy Assistance Program (LIHEAP).

Q: how many agencies are there in the WAP network?

- There are roughly 900 local agencies throughout the nation – 700 community action agencies and 200 units of local government or other non-profits.
- Before the severe funding cuts in 1995, the WAP network had over 1,350 local agencies.

- The funding cuts forced many agencies from the Program and their service territories were collapsed into contiguous agency operations.

Q: Is funding provided for administration services

- There is a statutory limit of 10% of the overall WAP funds that can be put towards administration separate from T&TA. The state/grantee can use up to 5% and the rest has to go to the subgrantee/agency. Subgrantees who receive less than \$350,000 can use up to an additional 5% towards administration.

Q: How many jobs are we talking about?

- There are approximately 8-12 jobs created for every million invested towards residential weatherization (source: COWS and NASCSP).

Q: Is weatherization work performed in-house or contracted out?

- Half of the work is performed in-house and the other by contractors.

Q: What are the job standards?

- Informal research and discussions reveal that the majority of the work is low-paid, without benefits. In at least some cases the contractors are not local and there are few, if any, standards.

**Q: Where there changes made to the WAP program in the ARRA legislation? (Eligibility, Amount spent per home, Training Funds, Priority Use of Funds, Davis Bacon)**

**A: Yes!**

*Note: Changes included in the ARRA that have been accepted as program changes*

- The ARRA increased the eligible income level to at or below 200 percent (was 150 percent) of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.
- The ARRA increased the amount agencies can spend on each home from \$2,500 to \$6,500. This amount is closer to the 8,000 per home that the NASCSP's proposed, but still not enough. In addition, NASCSP had proposed an increased renewable allowance to allow for installation of renewable technologies. More research is needed on this subject.
- The ARRA allows the Secretary of Energy to encourage States to give priority to using funds for the most cost-effective activities, eg insulation of attics, if it would increase the effectiveness of the program.

- The ARRA increased from 10 to 20 percent the percentage of WAP funds that could be put towards Training and Technical Assistance (T&TA). The Secretary of Energy can use the funds to provide technical assistance directly or through entities that develop or implement appropriate technology.
- In the past Davis Bacon has not applied to weatherization work in most states. ARRA includes a Davis Bacon clause that does apply. DOE and DOL officials, as well as major stakeholders, including labor, are in discussions about how prevailing wages will be set.
- The ARRA increased the number of homes that can be re-weatherized. Homes that were partially weatherized between September 30, 1975 and September 30, 1994 (was September 30, 1979) may now receive further assistance.

**Q: Who Are the Major Stakeholders in Residential Weatherization today?**

- State level energy directors and community service providers, local agencies, including community action agencies and city or county agencies who have provided weatherization services in the past, energy efficiency experts and companies, labor unions, low income community members, environmental and environmental justice groups, state and local governments, and anyone concerned about the environment, workers or communities.
- National Organizations include:
  - National Association of State Community Service Programs
  - Energy Programs Consortium
  - National Community Action Foundation
  - Community Action Partnerships
  - Conservation Services Group

**Q: Why is weatherization good for communities, workers and the environment?**

**Weatherization Supports Sustainable Communities**

- The average low-income family spends 14% of gross income on energy bills and in many cases energy costs can exceed 20% of the family budget. Unanticipated energy bills are the second-leading cause of foreclosures among low income homeowners.<sup>1</sup>
- The implementation of cost-effective energy efficiency measures such as adding insulation, sealing leaks, and replacing inefficient appliances can reduce home

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<sup>1</sup> Elena Foshay, "Data Points: Energy Efficiency," *Apollo Alliance News Service*, November 24, 2008; online at <http://apolloalliance.org/news/data-points/data-points-energy-efficiency/> (viewed January 26, 2009).

energy consumption by 15 to 30 percent and generate savings of \$360 a year on the typical residential energy bill.

### **Weatherization Supports Sustainable Jobs**

- U.S. Census data indicate that nearly 30 million low-income households may be eligible for Federal weatherization assistance.<sup>2</sup>
- In 2006 the Department of Energy's Weatherization Assistance Program (WAP) funded the weatherization of just 104,149 homes at \$242.9 Million, meeting just a third of one percent of the estimated need.<sup>3</sup>
- The ARRA added \$5 billion to the WAP budget alone, while funding a host of other programs that can be leveraged for weatherization projects. Every 1 million invested creates 8-12 weatherization jobs. ARRA funding has the potential to create tens of thousands of jobs and bring President Obama's goal of weatherizing a million homes a year within reach.<sup>4</sup>
- Davis Bacon is in effect for Stimulus funds. Setting prevailing wages for weatherization work is being discussed at both a national and State level. DOE and DOL guidance has yet to be released.

### **Weatherization Supports a Sustainable Environment**

- Commercial and Residential buildings are responsible for 40% of US energy consumption. The residential sector consumes 21%.<sup>5</sup>
- With around \$2,500 in energy efficiency upgrades, such as more efficient insulation and lighting, elimination of infiltration and duct leakage, upgraded furnaces and air conditioners, and energy-efficient appliances, the energy consumption of existing

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<sup>2</sup> Each year the DOE publishes guidance for eligibility requirements, utilizing HHS federal poverty guidelines. States take the guidelines and set their own rules for eligibility. LIHEAP Income-Eligible Household Counts were released as a part of the 2000 Decennial Census; online at [http://www.acf.hhs.gov/programs/ocs/liheap/program\\_stats/data/decennial\\_census.html](http://www.acf.hhs.gov/programs/ocs/liheap/program_stats/data/decennial_census.html)

<sup>3</sup> U.S. DOE Energy Efficiency and Renewable Weatherization Assistance Program Goals and Metrics, [http://apps1.eere.energy.gov/weatherization/prog\\_goals.cfm](http://apps1.eere.energy.gov/weatherization/prog_goals.cfm) (viewed January 26, 2009).

<sup>4</sup> U.S. House Appropriations Committee Summary Update: American Recovery and Reinvestment - As Passed by the Full Committee' online at <http://appropriations.house.gov/pdf/PressSummary01-21-09.pdf> (viewed January 26, 2009).

<sup>5</sup> US Energy Information Administration, "Energy Consumption by Sector Overview 2007," online at [http://www.eia.doe.gov/emeu/aer/pdf/pages/sec2\\_2.pdf](http://www.eia.doe.gov/emeu/aer/pdf/pages/sec2_2.pdf) (viewed April 1, 2009).

residential buildings can be reduced 15% to 30%. (The new assistance level per dwelling for EE upgrades is \$6,500.)

- According to the Department of Energy, this set of upgrades can also generate a carbon dioxide reduction of up to 25%.
- The most cost-effective method of reducing greenhouse gas emissions is through energy efficiency which provides “avoided tons” of carbon at the lowest cost.<sup>6</sup>

**Q: Why is weatherization all of a sudden getting so much attention?**

**A: President Obama thinks it’s important.**

- President Obama has promised to ease the burden of rising energy costs on low-income residents by weatherizing a million homes each year as part of his New Energy for America plan.
- A large-scale weatherization initiative has the potential to reduce America’s dependence on foreign oil while creating tens of thousands of construction jobs.<sup>7</sup>

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<sup>6</sup> Alliance to Save Energy, “Reducing the Cost of Addressing Climate Change Through Energy Efficiency,” February 2009. <http://ase.org/content/article/detail/5426>. (viewed April 1, 2009).

<sup>7</sup> Elena Foshay, “Data Points: Energy Efficiency,” *Apollo Alliance News Service*, November 24, 2008; online at <http://apolloalliance.org/news/data-points/data-points-energy-efficiency/> (viewed January 26, 2009).