

**U.S. DEPARTMENT OF ENERGY
STATE ENERGY ADVISORY BOARD
*Resolution 06-01***

ISSUE

Movement of the Weatherization Assistance Program from the U.S. Department of Energy to the U.S. Department of Health and Human Services.

BACKGROUND

The Weatherization Assistance Program (WAP) is funded and managed through the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy. The WAP was created in 1976 to assist low-income families who lacked resources to invest in energy efficiency. WAP is operated in all 50 states and the District of Columbia, and works with Native American tribes. The funds provided are used to improve the energy efficiency of low-income dwellings using advanced, cost-effective building science. The energy conservation resulting from the efforts of state and local agencies helps our country reduce its dependency on foreign oil and decrease the cost of energy for families in need while improving their health and safety.

RECOMMENDATION

Members of the State Energy Advisory Board (STEAB) recommend that the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy (EERE), retain the funding and oversight authority for the Weatherization Assistance Program and that the Department manage and implement the Program consistent with its statutory obligations.

RATIONALE

The Weatherization Program as it exists today is a technically advanced and effective energy efficiency program. In order for this focus to continue it is critical that the oversight and delivery of weatherization programs be within an agency whose focal point is on energy. It is important to draw the distinction and recognize the difference of mission between the Low Income Home Energy Assistance Program administered by the U.S. Department of Health and Human Services and the Weatherization Program delivered by the Department of Energy. While the programs share the common objective of making energy more affordable for low-income families they go about achieving this goal in completely different ways.

There is a long history of successful, collaborative efforts between the local agencies, states, national labs, and the EERE Office of Weatherization and Intergovernmental Programs that have resulted in significant energy savings and deployment of new technologies. Additionally there is a logical connection between the energy efficiency measures that are delivered through the Weatherization Assistance Program, the research that is supported by DOE and the identified priority of EERE to transform the market by deployment of energy efficiency technologies.

It has been stated that Weatherization is a “market ready” product and therefore no longer needs the assistance of EERE research and development to reach market penetration. This is not true because there is no ready market for Weatherization beyond the federally assisted program; the market sector identified and served by the Weatherization Program can not afford the services if not provided free by the federal government.

A continued subsidy for this market sector is required and DOE is the most likely place for this subsidy to occur since the primary focus of the Program is energy efficiency in residential housing – not the social aspects of individual families or energy affordability issues with respect to income. DOE is the only federal office concerned with energy efficiency in housing and remains the best place for Weatherization to access new technologies for deployment in the residential sector.

As demonstrated by the following facts, the Weatherization Program has the proven ability to deliver savings via energy efficiency technologies to millions of low-income households who would otherwise have little or no ability to invest in energy efficiency.

WEATHERIZATION FACTS

- Since the inception of the WAP, over 5.6 million homes have been weatherized with DOE funds. This year, a minimum of 93,408 homes will be weatherized with DOE funds.
- An average of 30.5 million MBtu of energy is saved as a result of weatherization. This equates to a 23% reduction in primary heating fuel use.
- Low-income families will save an average of \$358 in reduced first-year energy costs, at current prices.
- Reducing energy demand decreases the environmental impacts of energy production. Weatherization mitigates approximately .23 metric tons of carbon per year in a home heated primarily with natural gas. This translates into nearly one metric ton (.85) of carbon dioxide emissions avoided. For homes heated by electricity, the savings are even higher: weatherization reduces .475 metric tons of carbon annually. Weatherization also reduces emissions of methane and nitrous oxide.
- Weatherization creates non-energy benefits as well, including the following quantifiable benefits: increased property value, reduced incidence of fire, reduced arrearages, federal taxes generated from employment, income generated from indirect employment, avoided costs of unemployment benefits, environmental externalities
- Taken together, for every \$1 invested in the Program, Weatherization returns \$2.69 in energy and non-energy related benefits.
- Weatherization measures reduce national energy demand by the equivalent of 18 million barrels of oil per year.

Given this long history of successful program performance, STEAB urges the Department to review its responsibilities for program management and shape its administration of the Program so that it not only continues to be an effective public/private partnership, as currently recognized by the Congress, the Bush Administration, and governors across the nation, but also increases its successes at achieving its mission of providing energy efficient homes for low-income households while helping the country reduce its dependence on foreign oil.