

The Recovery Act Weatherization Leveraged Partnerships and Performance Assistance Project

Templates You Can Use: State Plan Leveraging Language

(2010 approved plans unless otherwise noted)

Two plans that fund an expert utility-focused advocacy organization governed by local agency leaders acting collectively: MA and WA

Washington Department of Commerce Trade and Economic Development (CTED)

CTED will apply \$300,000 of ARRA program funds to sponsor The Energy Project, energy conservation and leveraging project which serves the entire Washington State weatherization network. The project is co-sponsored by CTED and the Washington State Community Action Partnership. The Opportunity Council in Bellingham serves as the administrative agent. Over the sixteen years of its operation, the Energy Project's activities have resulted in approximately \$50,000,000 of additional funding for an investment of around \$2,000,000.

The Energy Project will continue historical effort to leverage additional resources and will expand its services to provide technical assistance to local weatherization agencies for capacity-building and weatherization program systems development. In addition, the Energy Project will organize and facilitate Washington State Weatherization Summits 2 and 3 for planning for long-term sustainability and growth of the weatherization program.

Historically, the Energy Project's efforts have helped leverage approximately \$4.5 million of utility funding for weatherization annually, resulting in about 600 additional units weatherized in Washington State per year.

Massachusetts Department of Housing and Community Development (DHCD)

Background: During FY'94, DHCD developed a statewide strategy to accomplish its leveraging goals. A solicitation for leveraging proposals was made during the 1994 program year. Action, Inc. was selected to represent the subgrantee network. DHCD intends to continue this relationship into 2009 through a grant to Action Inc. to facilitate its very successful efforts at leveraging non-Federal funding for the WAP network.

DHCD continues to expand the capacity of the WAP subgrantee providers to leverage non-public resources in order to facilitate the weatherization and increased energy efficiency of additional low-income homes. These leveraging activities will be limited to the provisions contained under Section 142 of the Energy Policy Act of 1992, and shall include:

- Training management and technical staff in the coordination and integration of utility and government resources;
- Intervention on behalf of the low-income rate payer at utility rate case hearings, to include review of demand side management and low income energy efficiency plans;
- Continued contact with both the utility industry and the private energy service company network;
- Actively pursuing the creation of a unified audit and reporting protocol to facilitate the administration of multiple utility reporting requirements.

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DHCD and the WAP network currently administer gas and electric utility funded Demand Side Management (DSM) programs that provide full scale weatherization, similar in scope to the DOE WAP and Appliance Management Programs (AMPs) that provide low-income households with both client education and efficiency upgrades of high use electric appliances. Electric utility funds are fuel-neutral and provide full-scale weatherization service to low income ratepayers who heat with any fuel source except natural gas. Utility funds for are also used for heating system replacements, some domestic hot water heater replacements and energy related home repairs. The WAP network also receives funding from the Massachusetts Technology Collaborative that allow for the installation of renewable installations such as photovoltaic panels, and solar DHW, and co-gen units that provide electricity generation and as well as space heating.

Leveraged units are reported to DOE annually based on expenditure and unit production information provided by WAP subgrantees and the Massachusetts Utility Low-income efficiency program administrators. While the number of additional household served varies annually, typically 5,000-6000 additional household are served. DHCD estimates that FY 2009 leveraging in DSM, AMPs, and Fuel Blind programs will be in excess of \$23 million. 2010 Utility leveraged funds will likely increase by approximately 20-30%

Two more general approaches that leave the state with options about the implementation of leveraging activities and the parties that carry them out. Pennsylvania has historically funded a lead agency in the Weatherization Provider Network to be responsible for advocacy for coordinated utility investments. The MI CAA Association reported grants and other income to support utility advocacy activities in most years before ARRA.

Michigan Community Services Bureau

PY 2008 Plan leveraging mentioned in two sections. Entire text reproduced below:

- Section 6. Direct Costs: Leveraging Activities \$82,802.00 Contract for consultant to work with Michigan utilities to secure additional weatherization funding.
- Section II-7. Leveraging: DHS plans to post an RFP for the purpose of retaining a consultant to assist the Bureau with developing and delivering a leveraging activity plan.

Pennsylvania Leveraging Activities

Efforts to leverage federal funding will include obtaining non-federal resources to supplement the program and to expand services for weatherization-eligible clients.

Leveraging activities in Pennsylvania will continue to be focused on intervening in Public Utility Commission rate cases; helping to incorporate new and advanced technology in the program; monitoring Universal Service and Energy Conservation Programs, participating in PUC activities and other statewide energy collaborations, and working with the Sustainable Energy Fund Board.

The Department will continue the leveraging of utility funds through the coordination of treatment costs with Electric Distribution Companies (EDCs). Subgrantees have contacted the EDCs in their service territory and have established procedures for the coordination of base load treatment costs. The central focus of the leveraging is base load treatment measures with a focus on appliance exchanges. The base load treatment measures completed by the sub grantees are individually invoiced and billed to the EDCs. This program year the leveraging will be enhanced through the establishment of direct contracts between the Department and the EDCs. These efforts will allow the leveraging of EDCs funds and unspent WAP base load funds to be used for the treatment of additional households.

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In program year 2010-2011, the Department will review its leveraging approach to determine which activities have been most cost effective in leveraging non-federal resources and in expanding availability of services for weatherization-eligible clients.

West Virginia 2011 draft plan

This arrangement has been unique in years preceding PY 2011. A state employee has directly been involved in working with and providing in-depth technical assistance for the CAA Association as a technical advisor, especially regarding the proceedings of the WV regulatory commission, primarily by developing the necessary research, presentations and coalition agreements where appropriate. The CAA Association is funded to support these activities and the communications strategies related to them. This plan language clearly indicates that the long-standing arrangements described are expected to continue. The budget is not published. T & TA funds have been used in many years to continue the activity. The budget covered most of the state specialist's time and funding for the Association.

11.7.2 DOE-Funded Leveraging:

West Virginia's Weatherization Program plans to continue to actively pursue non-Federal resources to supplement the Program, especially with post-ARRA funding reductions ahead, through the development of leveraging projects and partnerships guided by the GOEO WAP Leveraging Program Specialist, who will continue to oversee leveraging activities and provide technical support for the work of the WV Community Action Partnership. Weatherization leveraging activities in West Virginia's Weatherization Assistance Program since 1992 have consistently and successfully produced a greater number of dollars leveraged than expended every year. Planned activities will include the following objectives to increase the scope of weatherization services to low-income West Virginia households:

- Continued facilitation in the development of utility/WAP/legislative projects and partnerships, including technical support and representation as needed with activities in the West Virginia Public Service Commission and the West Virginia Legislature. Weatherization staff would continue to be involved in technical assistance, planning, and rules development of any negotiated projects or partnerships; which could include expansion of some weatherization-utility partnership activity negotiated between the utility companies and the local weatherization providers
- Continued facilitation of the expansion of subgrantee leveraging activities by:
 - Assisting subgrantees and their statewide association (WVCAP) through the negotiation of partnerships, agreements and other arrangements
 - Supporting expert advice on the development of such participation;
 - Supporting presentation of arguments and associated activities before state or local agencies, as contained under Section 142 of the energy Policy Act of 1992; amended in 2005
 - Providing training and technical assistance support to WVCAP and subgrantees as part of their active participation in utility rate proceedings and processes in West Virginia
- Continue to provide support and leadership to subgrantees for a public information campaign with subgrantees and their statewide association (WVCAP) – these activities may include a component to provide tools and resources to local weatherization subgrantees to assist in weatherization intake and outreach. This emphasis will also include fall Energy Awareness activities and this support may include holding leveraging-related meetings, preparation of statewide weatherization statistical documents and technical briefs, and preparation of public information/energy efficiency data for use by local agencies, technical assistance in the organization of

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weatherization site demonstrations at the local agency level to illustrate program technology and cost-effectiveness for policymakers.

It is anticipated that continued leveraging activities will enable the WV Weatherization Assistance Program to enhance and expand comprehensive low-income weatherization services and be viewed as a leader in energy conservation technology and a viable partner in conservation projects. The program expects to continue receiving at least a dollar return for every dollar invested in its leveraging project.

Virginia PY 2008

Below is a unique practice. VA local agencies may file for reimbursement of their individual leveraging activity expenses, but these are not defined in the state plan. If such were organized, funding appears to be available to cover collective activities as well. However, the plan appears to require a payback in the form of leveraged resources in the same PY, a standard for stricter than the federal requirement that a project leverage at least the amount spent on leveraging within 3 years if the activity is to continue in year 4. [Unfortunately, Virginia WAP reported no non-federal leveraged resources in PY 2008 nor in later years]

Sec III.5.5 Leverage Funds

DHCD encourages the federally allowable practice of leveraging resources by the subgrantees to generate additional weatherization program income. Leveraged resources must produce a documented return of more than one dollar for every dollar spent. The leveraged resources should expand energy efficiency services and/or increase the number of DOE-eligible dwelling units weatherized. Landlord contributions are not leveraged resources. Subgrantees are required to report all leveraged resources appropriately.

DHCD reserves the option to retain up to 15% of the DOE grant for leveraging resources as allowed by federal guidance. As allowed, these leveraged resources may also be used for the preparing of technical materials and briefs. All leveraging activities will be reported appropriately.

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