

Summary of Testimony for House Energy & Technology

February 21, 2019 – Melanie Paskevich, Program Manager, NeighborWorks of Western Vermont/HEAT Squad

I am here to ADVOCATE for Vermonters esp. low-moderate income who are paying high heating/cooling/electric bills.

I am here to ADVOCATE for Vermonters who live in houses or apartments that are making them sick.

I am here to ADVOCATE for Vermonters who do not know who to call, where to start, who to trust to fix up their homes.

NeighborWorks/HEAT Squad can HELP, every step of the way.

Our Ask: We ask that House Energy and Technology include in your budget memo our request to appropriate \$1.25M in one-time funding either all at once or spread over 5 years for the statewide expansion of HEAT Squad so Vermonters can be served in every county and to reach an economy of scale that is self-sustaining.

Who We Serve: HEAT Squad is available to anyone in the 8 counties that we serve (Rutland, Windham, Windsor, Bennington, Addison, Orleans, Essex & Caledonia); however, the demographic that is most in need of our service and mostly utilizes our services are families that are 80% to 120% of Area Median Income – the middle income Vermonters who do not qualify for free Low Income Weatherization services, but do not have the resources to finance retrofits to their homes to make them WARM, SAFE, DRY, and HEALTHY.

How We Help: We start with a low-cost energy audit (\$150) of the family's home/apt. We are assessing energy issues, as well as health and safety issues. We do a complete audit and deliver the audit report on the spot, sitting down with the family to go over the findings and recommendations and talking with them about what their priorities might be. Then, if the family wants to move forward with a project, we work with them through the entire process. We can put together an in-house finance package that may include very low-interest rate loans that aim to get the monthly payment lower than the family is currently paying for their energy bills (and the savings continue after the loan is paid as energy prices rise). We help them choose a contractor and coordinate between the family and the contractor doing the work. We check the work at the end of the project and resolve any issues that need to be addressed, perform 100% project quality review. We help the family by submitting any paperwork necessary to get incentives or rebates associated with the work they have done on their home.

Why We Do It: NeighborWorks of Western Vermont received a U.S. Department of Energy grant, which started HEAT Squad and was intended to determine how to get middle-income families to complete weatherization projects on their homes, making energy efficiency the social norm. The grant allowed the purchase of equipment & software, to hire and train staff and contractors- workforce development. What we found is that the main reason families don't complete projects is because they encounter barriers that they cannot overcome alone – they can't figure out how to pay for the work, they aren't sure how to prioritize projects, they are intimidated by the technology or by working with contractors, or they just can't complete the steps in a timely manner. The thing that families needed is customer service – OBJECTIVE help through the process and help accessing resources that are already available to them. One-stop-shop provided by HEAT Squad.

How We Have Grown: HEAT Squad started in Rutland County and we saw great success there. We quickly expanded to an additional four southern counties. And, most recently, with the help of a Northern Borders Regional Commission grant, we have grown into the Northeast Kingdom. In addition to serving more counties, we have added services to our audit checklist, addressing health and safety issues, home repair needs, and in addition, we have collaborated with various local or statewide community partners such as our local hospital to add other options and resources. One example is our woodstove buyout program, where we can help homeowners replace older dirty, inefficient woodstoves with more efficient, cleaner stoves.

Why We are Asking for a State Appropriation: HEAT Squad is essentially a social enterprise model. NeighborWorks of Western Vermont is a non-profit organization. We do receive some fees for HEAT Squad services (for example, an audit costs \$150). HEAT Squad is not and never has been a for-profit business, but it does have a business plan. We intentionally chose to subsidize our HEAT Squad services with other funds from our non-profit, but it has been running in a deficit because it requires an economy of scale that is statewide to become self-sufficient financially. Many of the costs of expanding the program are "up-front" costs. As we move into new areas of the state, we must do outreach and education, invest time, ENERGY and funding into working with contractors that we can refer customers, develop relationships with community partners, and hire additional energy auditors, needing training. The program becomes self-sustaining when we can complete enough audits and have enough families choose to complete projects that the fees associated with various parts of the program pay for the program itself. We know that the gap in funding is \$250,000/year, and it would take approximately 5 years to reach the economy of scale we need to be self-sustaining and serve the whole state. HELPING MORE VERMONTERS.

Weatherization is a Priority for the State: The Governor's Climate Action Commission has recommended doubling the number of homes that are weatherized in Vermont each year. NeighborWorks/HEAT Squad is supporting the Climate Action Agenda. We want to make sure that middle-income families are included in that goal, and HEAT Squad is one program that will help to achieve that goal, if we can scale up. When we reach full statewide scale, we could complete upwards of 3000 audits every year, and help over 1200 families to complete weatherization and other home maintenance projects that would lower energy costs (ave. \$1.1M annually), reduce greenhouse gas emissions (ave. 6M lbs of carbon saved annually), improve our housing stock, generate revenue for local contractors (ave. \$9.6M annually), and make families healthier and more comfortable in their homes.

Thank you for your consideration of our request. Please contact us if you have any questions or would like more information about HEAT Squad.