

# WEATHERIZATION ASSISTANCE PROGRAM FACT SHEET

## BACKGROUND

- Vermont's Low-Income Weatherization Assistance Programs (WAPs) are operated by four Community Action Agencies and NETO, the Northeast Employment and Training Organization. Operating since the 1980's, these agencies have weatherized 11,600 homes over the last ten years and 27,000 over the last twenty, reducing the average household energy cost by 28%, or \$500 a year on average, depending on fuel prices and usage.
- Low-Income Weatherization has had a dedicated funding stream since 1990. After several years of decline due to lower fuel prices, the funding sources for the Weatherization Trust Fund were restructured and increased in 2016. These sources include:
  - Two cents per gallon tax on fuel oil, propane and kerosene,
  - 0.75% Gross Receipts Tax on natural gas and coal, and
  - 0.5% Gross receipts Tax on electricity.
- The new tax is performing well and provides a stable funding source for Low-Income Weatherization.
- Together these funding sources raised \$9.6 million in 2017 and \$10.1 million in 2018. In addition, the program receives about another \$1.1 - \$1.4 million annually from the U.S. Department of Energy.
- The two-cent fuel tax costs the average homeowner who heats with oil roughly \$15 a year.

## THE NEED

- Home energy is a severe financial burden for low-income Vermont households. An estimated 74,300 households below 200% of the Federal Poverty Level lived in "fuel poverty" in 2017. Vermonters between 50% and 100% of Federal Poverty pay an average of 23% of their annual income for their home energy bills. "Fuel poverty" is generally defined as paying 10% or more of income on energy services.
- The WAPs play a big part in helping the State make progress towards the statutory goal it set in 2007 of weatherizing 60,000 homes by 2017 and 80,000 by 2020.
  - In the ten years since the state's goals were set, we have weatherized over 25,400 homes, over half of which were low-income.
  - While progress towards the building energy efficiency goals has been significant, we were unable to meet the 2017 interim goal and will fall far short of meeting the 2020 goal.
  - To accelerate progress, the Governor's Climate Action Commission has recommended *doubling* the number of low- and moderate-income homes weatherized per year. This would take us from roughly 2,000 to 4,000 homes weatherized per year.
- Low-income Weatherization is a solution to Vermont's unique energy and housing health and safety challenges:
  - Vermont has among the oldest housing stock in the nation, with almost 30 percent built before 1939. Older homes have the biggest payoff from Weatherization, which improves both energy efficiency and housing health and safety.
- Statewide there are hundreds of homes and apartments that have been qualified for assistance and await the arrival of a Weatherization crew. The average wait is seven months and can be a year or more.

- Many more low-income Vermonters are eligible for assistance, but outreach efforts have been cut back due to funding limits and not wanting waiting lists to grow too long.
- There is a potential pool of 20,000 households expected to apply for LIHEAP this year whose homes are likely to need Weatherization.

## **THE ASK**

- The State revenue sources for the Low-Income Weatherization Assistance Program sunset on June 30, 2019 and need to be renewed this year for the program to continue.
- Instead of coming up for re-authorization every three years, these revenue sources could be re-authorized for longer periods of time. Ideally, the sunset could be eliminated.
- The Administration is supporting the re-authorization of the existing fuel taxes.

## **VERMONTERS ARE BETTER OFF THANKS TO WEATHERIZATION ASSISTANCE**

- Senior citizens, persons with disabilities, families with young children, households below 60% of median income, and Fuel Assistance recipients receive priority for Weatherization, making their homes more energy efficient and reducing their heating costs.
- It makes homes more affordable, allowing people to focus their scarce resources on other basic needs.
- It often makes health and safety improvements, including replacing unsafe wiring or furnace.
- Families enjoy warmer, safer homes and better indoor air quality, making them healthier and less subject to health issues associated with being chronically cold and mold. Children will have a better chance to succeed.
- The WAPs also refer families to other services, such as Vermont's Lead-Based Paint Program, Head Start, or aging services, helping them save money and live a healthier life.
- Weatherization creates livable-wage, high-skills jobs and grows our economy. At last count, 85 people were employed by the WAPs statewide. In addition, the WAP's hire local heating contractors, plumbers and electricians when that work is needed. Every dollar spent on weatherization stays in Vermont and supports local jobs in the building trades.
- The Weatherization Programs provide energy coaching, which helps families learn how to conserve energy and get the most out of the work done to their homes.
- Weatherization pays dividends for Vermonters and Vermont communities:
  - Weatherization helps Vermonters save on heating costs – homes heated with fuel oil use an average of 150 - 230 gallons less/year.
  - For every \$1 invested in Weatherization, \$2.51 is returned to the household and community. Investing \$12M a year yields a return of more than \$30M over the lifetime of the improvements.
- Weatherization reduces greenhouse gas emissions:
  - 80% of Vermont's heating comes from fossil fuels. Weatherizing an additional 60,000 homes would remove 340,000 metric tons of carbon dioxide from the atmosphere.
  - In 2017, overall weatherization activities resulted in carbon emissions reductions of just under 3,000 tons.