

Senate Natural Resources & Energy Committee - February 2, 2021

Overview & Discussion of Weatherization at Scale

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Efficiency Vermont

- Statewide infrastructure
- Network of partners
- Market transformation

Results

- Over **\$2.6 billion** in energy cost savings
- Over **12 million** metric tons of CO₂e
- Robust efficiency workforce

Weatherization funding sources

Thermal Efficiency & Process Fuels (TEPF)

2021 TEPF budget: \$7 million

Funded through revenues from:

- Forward Capacity Market (FCM)
- Regional Greenhouse Gas Initiative (RGGI)

Electric Efficiency Charge (EEC)

Act 62 (one-time allocation)

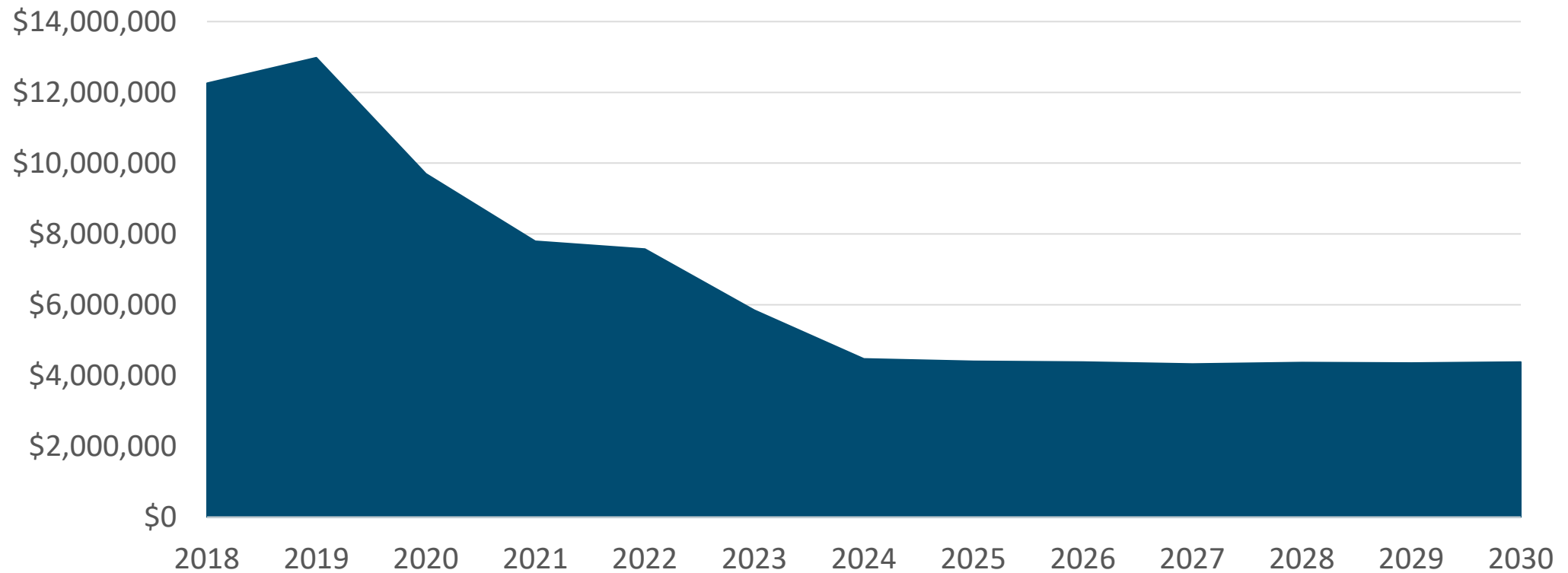
Dedicated one-time reallocation of existing EEC funds for moderate-income weatherization: **\$2.25M for 2019-2020**

Ongoing

- Weatherization in electrically heated homes: **\$240,000 in 2021**

Weatherization funding is projected to decline sharply

Actual and Projected TEPF Funding



With adequate funding and the right program components, Vermonters will weatherize

In 2020, we launched the **highest-ever weatherization incentives for moderate-income Vermonters**, paired with financing, customer outreach, technical support, and workforce development.

Projects completed

1175

comprehensive weatherization projects

Plus 334 DIY and attic or basement projects

609

moderate-income homes participated (58% of projects)

124

Low-income multi-family units

Incentives & financing

\$1,878

average market-rate incentive

\$3,909

average moderate-income incentive

\$654

average market-rate interest rate buydown

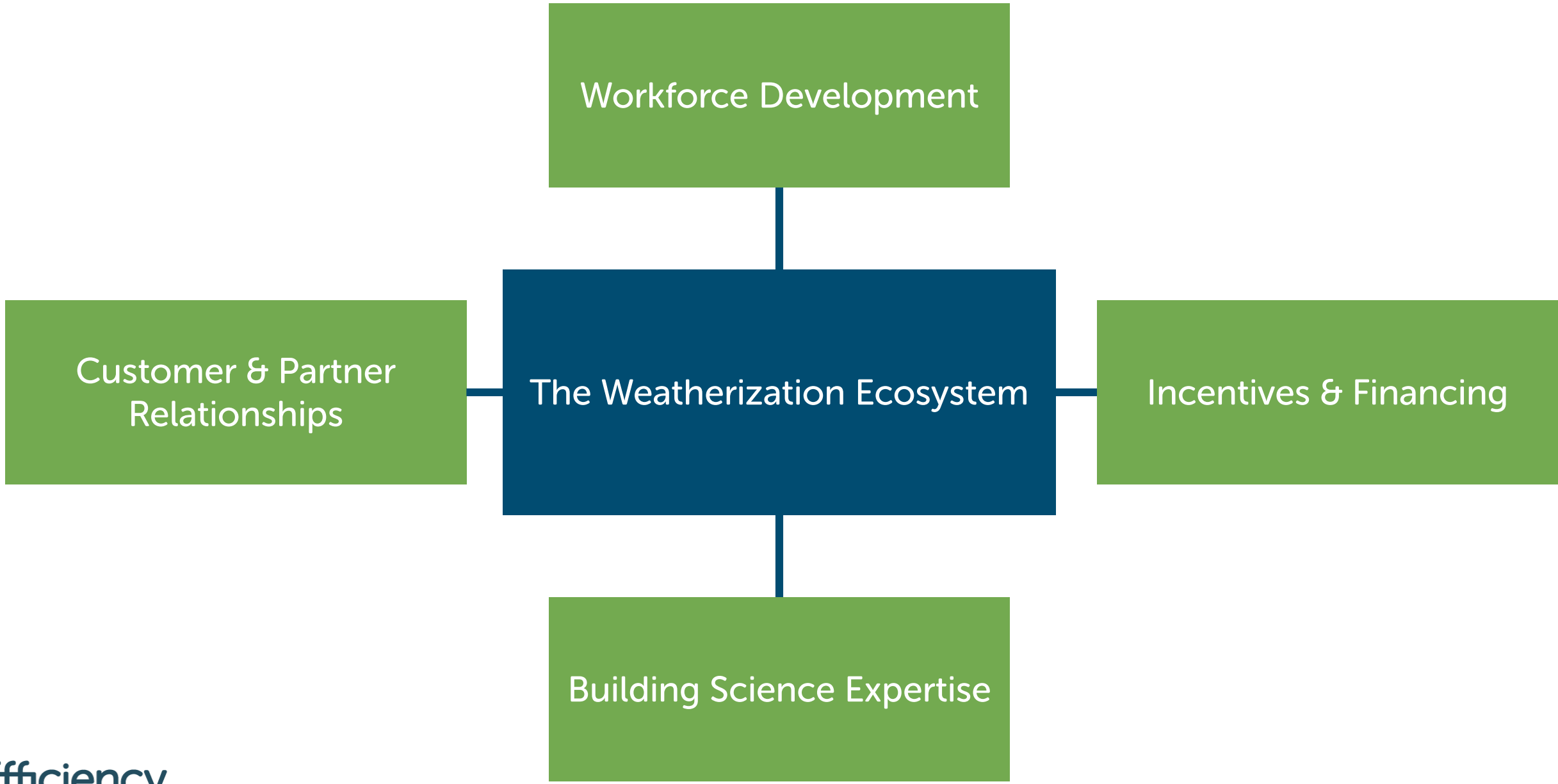
\$1,640

average LMI interest rate buydown

“

Support the existing resilient ecosystem of program administrators and market actors. An all-fuels efficiency entity or new program is not necessary.”

PUC's Final Act 62 Report, Jan 15, 2021



Workforce Development

Building an industry of highly trained, specialized contractors

- Vermont has a solid base of trained contractors, but the workforce needs to grow in order to scale
- **We support 400 businesses in Efficiency Vermont's Efficiency Excellence Network**
 - Direct technical support, training, and information sharing
- **We are growing the weatherization workforce**
 - Partnership with VTC led to 5 small group (7-10 people) trainings
 - Stipend for attendance, bonus for BPI certification
 - Efficiency Vermont staff led training, hoping to resume in 2021

Incentives & Financing

Vermonters are reluctant to carry debt

- On average, Home Performance projects cost \$7,000 to \$8,000
- Avg. moderate incentive was \$3,900
- Homeowners rely on financing along with incentives to complete projects
- Only **23% of Vermonters** said they would take out a zero-interest loan to help complete an energy efficiency project.

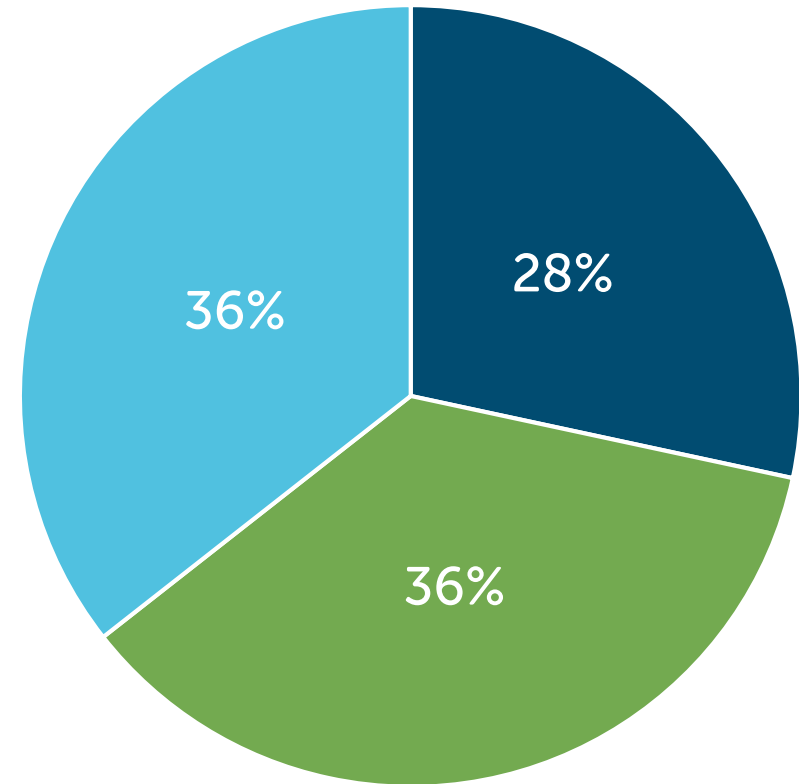


Incentives & Financing

Loans + Incentives enable LMI participation

- Efficiency Vermont buys down the interest rate to offer low- or no-interest financing on energy projects
- In 2020, we helped homeowners initiate 860 loans – 92% of which have 5-year terms

Energy Loans + Incentives by Income



- Over \$90,000
- Between \$60,000-90,000
- Below \$60,000

Building Science Expertise

Aligning health, safety, comfort, and savings

- Contractor training includes health & safety, including long-term indoor air quality
- Efficiency Vermont provides quality assurance on projects to ensure health, safety, and energy saving standards are met



Customer and Partner Relationships

Working together to achieve the goal of increasing weatherization

- **VSECU, Neighborworks of Western Vermont, and Opportunities Credit Union:** finance the Home Energy Loan
- **VGS & BED:** Coordinate programs and customer messaging
- **All distribution utilities (Tier 3 programs):** incentives encourage weatherization with electrification
- **Vermont Technical College:** co-develop BPI certification courses, leveraging EVT staff as trainers
- **3E Thermal:** contract to provide support for multi-family weatherization
- **Weatherization Assistance Program:** identifying other efficiency opportunities in enrolled homes
- **Building Performance Professionals Association:** coordinate on program design, particularly for deep energy retrofits (Zero Energy Now program)
- **Efficiency Excellence Network:** boots on the ground and expertise to complete projects and satisfy customers

The State Energy Management Program (SEMP)

Why is SEMP a successful model?

- Efficiency Vermont's program design expertise helped quickly build an effective ongoing program
- Ongoing partnership between BGS & Efficiency Vermont keeps the program running smoothly
 - Efficiency Vermont covers three FTEs at BGS to manage the program
- Consistently strong results
 - 2020 projects achieved **over \$161,000** in first-year energy savings
 - 2021 projects are forecasted to achieve **over \$302,000** in first-year savings

Pilot will expand this successful program to bring energy and cost savings to municipalities

- Efficiency Vermont is working closely with BGS, DPS, and the Vermont League of Cities and Towns to launch four-year pilot program

Key Questions

- How can policymakers ensure:
 - Limited funding is put to the best use to meet State goals
 - Vermonters can access the right mix of financing options and direct incentives
 - The weatherization workforce can meet the demand for projects

Efficiency
Vermont



Questions?

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