



West Virginia Office of Economic Opportunity

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TO: Select Committee on Children and Other Issues

FROM: WV Office of Economic Opportunity

DATE: September 18, 2013

SUBJECT: Additional Information regarding questions from August 19, 2013 meeting

The WV Office of Economic Opportunity (OEO) would like to thank the *Select Committee for Children and Other Issues* for the opportunity to speak to the Committee on August 19, 2013. OEO would also like to provide some follow-up information regarding questions that were asked during the meeting. OEO appreciates the interest the Committee has in the anti-poverty programs administered by OEO, especially those serving children; as well as the interest in the Community Action Agency network directly performing the services of the programs. OEO hopes the Committee finds the following information helpful in answering the questions posed.

- Question regarding energy savings of the Weatherization Assistance Program:
 - As was mentioned at the meeting, there is data readily available regarding the Weatherization Assistance Program (WAP) on a national level; however data for West Virginia specifically is harder to provide, as accurate energy savings is complicated data to obtain. In the past, this data was only accessible if OEO contracted with an outside party such as an engineering firm to perform analysis.

However, as was also mentioned at the meeting, the WV WAP is very close to being able to report energy and cost saving data for each measure performed and each job completed utilizing the energy audit software and the WV WAP database management system. The data will not be retroactive, but it will be a powerful tool as the program moves forward. OEO will be piloting this capability with a specific utility partnership for a short time starting with clients served in September 2013, and then will release the capability for all funding sources once the data and process is confirmed accurate.

The WV WAP has had specific utility funded partnerships evaluated at times. In 2005, there was an evaluation of a natural gas energy efficiency partnership that ran from 2002-2005 in conjunction with the WV WAP. The program was evaluated at its conclusion and there was found to be savings of 31.1% of total gas usage (equating to \$498 per household per year with the natural gas prices during that time.) This result compares favorably to the estimated annual savings of 22% cited for gas heated homes in a national program evaluation performed by Oakridge National Laboratory in 2003.¹

The WV WAP currently has an electric utility partnership with Appalachian Power Company and Wheeling Power Company that is evaluated on a yearly basis. Although the partnership started mid-way through 2012, it served 254 clients and saved 239,389kWh (\$232,207.33 or \$914.20 per client) of energy for those clients from the time of installation through December 31, 2012. For those clients served, the program saved 543,165kWh (\$526,870 or \$2,074.29 per client) when taking into account an entire calendar year the measures are installed, with 3,590,835 kWh (\$3,483,109.95 or \$13,713.03 per client) saved over the lifetime of the measures for customers served.²

It is important to note that the two utility program evaluations show only a very small amount of impact of the WV WAP, as those evaluations only included data resulting from the expenditure of those specific utility funds only, and not all of the weatherization funds utilized. (i.e. Department of Energy or Department of Health and Human Resources funds)

National energy savings data for the WAP was included in the presentation as well as the fact sheet provided to the Committee.

- Question regarding the Weatherization Assistance Program requiring “sweat equity”:
 - OEO approached our state’s US Department of Energy WAP Project Officer, Michael Peterson, in regards to this question. He responded that “there is nothing in the DOE Weatherization law, rule or guidance about ‘sweat equity’” because the federal government views the program as “free to any client that qualifies and there should not be any barriers otherwise in the delivery of service to them.” He also said that some states or local agencies “have more delicately sought some form of non-monetary buy-in, contribution or effort. But, I have never seen it rise to the level of required, compelled, punitive; or actual labor with the specific weatherization scope of work.” He mentioned that for a client to actually perform work on a dwelling would bring up numerous liability concerns. He was adamant that “instituting a ‘sweat equity’ provision at a minimum could create a bias against affected classes of the client base; worse it could lead towards allegations of discrimination.”

Another factor to consider in regards to “sweat equity” is the high skill level requirements of the program. The labor utilized in the WAP is highly trained and highly skilled with multiple certification requirements at every level. This aspect of the program is only increasing as the US Department of Energy is increasing certification requirements on a national level to continue to raise the bar for the program and the energy efficiency industry in general. The high level of skill and knowledge required allows for the Community Action Agencies and/or contractors around the country to provide the highest level of services possible, but could make it difficult for a client to contribute regarding the actual services and measures.

In WAP, we strive to utilize the client education process as an opportunity to empower the clients to make behavioral changes and increase their knowledge of energy efficiency to help them help themselves in the future. They are educated about how the weatherization

measures affect their home and their energy usage as well as how to properly maintain the measures so as to maximize effectiveness. They are also shown the low-cost or no-cost things they can continue to do that can make a large impact on their energy usage (e.g. turning off lights, limiting water waste, properly utilizing compact florescent light bulbs, or properly maintaining and changing a furnace filter etc.)

- Question regarding the breakdown of Community Action Agency service territories:
 - In 1964, President Lyndon B. Johnson declared the "War on Poverty" and created a task force headed by Sargent Shriver to assist with developing policy for his anti-poverty agenda. The result of this effort was the Economic Opportunity Act (EOA) of 1964. The federal Office of Economic Opportunity (OEO) was created to administer the EOA. The EOA defined a model local delivery entity called a Community Action Agency (CAA) and defined their purpose. Some CAAs were committees created by the key elected official of a community (mayor or county commissioner, for example), others were grassroots organizations, composed of individuals who were poor themselves, or composed primarily of individuals who came together to work on improving the conditions in communities that caused and continued poverty. This explains why some CAAs were established as single county entities and others as multi-county entities throughout West Virginia and the country.

In 1967, Congress passed the Green Amendment, which required that a CAA must be designated by local elected officials as the official CAA for that area. After designation, OEO then recognized the CAA and provided funds directly from the federal level to the local entity. Also in 1967, the Quie Amendment was passed which required that CAA boards of directors be composed of one-third elected officials, at least one-third low-income representatives selected by a democratic process, and the balance from the private sector.

In 1970, OEO Instruction 6320-1 defined the mission of CAAs. The organizations were "...to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, in rural and urban areas, to attain the skills, knowledge, and motivation to secure the opportunities needed for them to become self-sufficient."

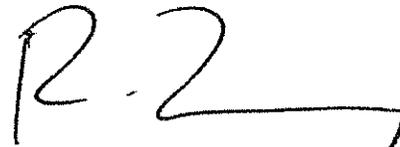
Under President Gerald Ford's administration, the EOA was terminated and replaced with the Community Service Act in 1975. Although the name changed, the purpose and structure remained the same and funding continued to come directly to the CAAs, bypassing the States. In 1981 under President Ronald Reagan, the Community Service Act created the Community Service Block Grant and defined the role of the States to administer the funds. An office was established in the Department of Health and Human Services to transfer funds to the States. The purpose and utilization of CAAs remained the

same. In 1989, the Community Service Block Grant Act was passed into law and is the legislation in which CAAs operate under today.

For the Weatherization Assistance Program specifically, there are times when service territories are restructured. There could be various reasons for restructuring that could include an agency elects to not operate the program any longer or the program had to be removed from the agency with the territory transferring to another agency so that all 55 counties are always served. There also could be times when due to funding constraints, the current structure may be deemed an inefficient or ineffective way to provide the services of the program in which case the structure is reevaluated and redistributed through a systematic type of bidding process. OEO is in the process of evaluating the service territory structure during the current program year to see if changes need to be made.

OEO hopes the Committee finds this information helpful in addressing the questions brought up. If OEO can provide any additional information or if the Committee has any additional questions, please do not hesitate to contact me (304)-558-8860 ext. 233 or by email at Russell.W.Tarry@wv.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Tarry', with a long horizontal flourish extending to the right.

Russell W. Tarry
Program Development Manager

¹ "West Virginia Weatherization Assistance Program Energy Savings Evaluation – Interim Report." November 2005.

² "Residential Low Income Weatherization Evaluation Program - Program Year 2012 (January 2012 through December 2012)". ADM Associates Inc. February 2013.