

Low Income Weatherization Program (LIWP)

Funded from the State of California's
Greenhouse Gas Reduction Fund



Welcome!

Welcome to the Department of Community Services and Development's (CSD) public workshop on the Low-Income Weatherization Program (LIWP)

Today, we will:

- Provide an overview of CSD
- Provide an overview of the State's "Cap and Trade" program, and the funding CSD will receive to serve California's most vulnerable communities
- Listen to and discuss your comments and suggestions on our proposed program design of the LIWP



Comment Cards

- During our introductory presentation, which should take less than an hour, please jot down your questions or comments on the pink cards
- When we open up for questions, you are welcome to provide your comments verbally
- If you prefer, you can drop your card in the box provided
- Either way, we would like to receive your card, so we have a record of your comment



Department of Community Services and Development (CSD)

As a Department under the California Health and Human Services Agency, CSD partners with a network of private, non-profit and public community-based organizations commonly referred to as Community Action Agencies or Local Service Providers covering all 58 counties of the state dedicated to helping low-income families and individuals achieve and maintain self-sufficiency, manage their home energy needs and reside in housing free from the dangers of lead hazards.

CSD is responsible for the effective administration and allocation of funding to enhance energy and community service programs that result in an improved quality of life and greater self-sufficiency for low-income Californians.



Current CSD Programs

CSD administers California's share of these federal programs:

U.S. Department of Health and Human Services

- Community Services Block Grant (CSBG)
- Low-Income Home Energy Assistance Program (LIHEAP)

U.S. Department of Housing and Urban Development

- Lead-Based Paint Hazard Control Program (Lead)

U.S. Department of Energy

- Weatherization Assistance Program (WAP)

CSD received GGRF dollars to expand its Weatherization Program.



Who Provides Services?



- CSD contracts with an existing Network of local private non-profit and public agencies in all 58 counties.
- These agencies provide services based on the local needs of their low-income communities.
- The LIWP will be integrated into the Agencies' existing weatherization programs.



CSD's Administration of Programs

CSD works closely with, and ensures that all local Agencies comply with all federal requirements for all programs, as well as perform weatherization work to high standards, by:

- Conducting fiscal and programmatic on-site monitoring;
- Requiring standardized training for all weatherization personnel;
- Developing and maintaining rigorous standards for the installation of weatherization measures; and
- Performing Quality Assurance Inspections of weatherization installations.



CSBG Program Objectives

CSBG funds locally determined efforts to alleviate the causes and conditions of poverty with the goal of helping people improve their lives and achieve self-sufficiency. Examples of CSBG supported services and activities include programs to address:

- Employment
- Education
- Asset Building
- Housing and Shelter
- Nutrition
- Emergency Services

In addition, services are provided to local communities for the revitalization of low-income communities, reduction of poverty, and to help local agencies build capacity and develop linkages to other service providers.



CSBG Program Outcomes

Program Year 2012

For every \$1 of CSBG, California's CSBG Agencies leveraged \$28.67 from federal, state, local, and private sources, including the value of volunteer hours.

Approximately 1.6 million individuals served including:

- 349,295 children
- 151,358 seniors
- 147,671 people who lacked health insurance
- 63,525 people with disabilities

67% of California families served were in poverty (100% FPL),
30% of families served were in severe poverty (50% FPL).



Energy Program Objectives

The Energy Programs assist low-income households in meeting their immediate and long term home energy needs through financial assistance, energy conservation, and weatherization services.

- LIHEAP provides financial assistance to eligible low-income households to offset the costs of heating/cooling residential dwellings, for energy-related emergencies, and weatherization services to improve the energy-efficiency of homes.
- WAP provides weatherization to improve the energy-efficiency of low-income homes and safeguard the health and safety of the household residing in the homes.
- LEAD provides for the remediation of lead-based paint in low-income homes with young children.



Energy Program Outcomes

LIHEAP 2012 Outcomes:

262,861 households received one or more services such as utility bill assistance, emergency assistance to prevent home energy shut-off, emergency home heating and cooling repair, and weatherization services.

- 166,763 utility bill assistance
- 93,842 emergency services
- 22,519 weatherization services

Services were provided to vulnerable households:

- 72,720 seniors
- 87,884 people with disabilities
- 71,808 children



Energy Program Outcomes

WAP, Lead, and Solar Program Outcomes:

- 2,441 households served by receiving energy-efficiency measures such as, weather-stripping, ceiling and floor insulation, caulking, water heater blankets, heating/cooling system repair/replacement, energy efficient lighting and thermostat repair/replacement.
- 59,331 low-income homes were made more energy-efficient under California's American Recovery and Reinvestment Act Weatherization Program.
- 150 households are expected to be made safer through lead remediation.
- 1,500 households had rooftop solar systems installed under the Solar for All California pilot program.





Because of CSD's experience serving the low-income community and weatherizing homes, the Department was chosen to receive Greenhouse Gas Reduction Funds to continue this important work.



So Far . . .

- An overview of CSD
- The Network of Agencies
- Program Objectives and Outcomes
- Experience Weatherizing Homes

Up Next . . .

- Discuss “weatherization” and what it means
- Describe the difference between Health and Safety Measures and Energy Efficiency Measures
- Provide a brief introduction to Cap and Trade and the funding
- Which Organizations received funds from the GGRF
- Disadvantaged Communities: Where the money can be spent



What is “Weatherization?”

Weatherization services are designed to:

- Increase the energy efficiency of dwellings owned or occupied by low-income Californians
- Reduce total energy expenditures
- Weatherization is administered through contracted Local Service Providers that directly install or subcontract to install selected weatherization measures.



What is “Weatherization?”

Traditionally, CSD’s Weatherization includes:

- **Health and Safety First**

- Test appliances that use gas. If they are leaking or not working, repair or replace
- Replace broken windows or damaged exterior doors.
- Install CO and Smoke Alarms



What is “Weatherization?”

Traditionally, CSD’s Weatherization includes:

- **Energy Efficiency**

- Our program is comprehensive, addressing all fuel types.
- Some energy efficiency measures installed include:
 - Energy Efficient Light Bulbs
 - Low-Flow Shower Heads
 - Energy Efficient Appliances
 - Energy Efficient Ceiling Fans
 - Water Heater Blankets
 - Insulation (ceiling, wall or floor)
 - Microwaves
 - Solar Water Heating
 - ...etc.



The Greenhouse Gas Reduction Fund (GGRF)

- Recently, California started a program known as “Cap & Trade.”
- The program aims to reduce harmful greenhouse gases (GHG) by putting a limit/Cap on the production of these gases.
- To enforce the Cap, oil refineries, power plants and large factories must purchase an allowance from the State for every ton of GHG they produce.
- The State auctions these allowances and deposits the proceeds into the Greenhouse Gas Reduction Fund.
- The State will use these proceeds to promote programs that continue to reduce GHG.



Distributing Proceeds from the GGRF

- The California Legislature approved a 3-year Investment Plan that identified priorities for Cap and Trade Funds.
- The Investment Plan outlined the goals to invest these funds in programs that reduce Greenhouse Gases and promote other co-benefits.
- Eleven State agencies who could contribute to those goals were identified, and the Legislature appropriated a total of \$832M to these agencies.
- CSD received an appropriation of \$75M to provide energy efficiency and renewable energy benefits to Disadvantaged Communities.



How the Money was Allocated

Table 1: FY 2014-15 Expenditure Plan - Appropriations from the Greenhouse Gas Reduction Fund for Investment in Projects
(Dollars in Millions)

Investment Category	Agency	Program	Amount
Sustainable Communities and Clean Transportation	California State Transportation Agency (CalSTA) and Local Transit Agencies	Low Carbon Transit Operations Program	\$25
	California Department of Transportation (Caltrans)/ California Transportation Commission (CTC)	Transit and Intercity Rail Capital Program	\$25
	Strategic Growth Council (SGC)	Affordable Housing and Sustainable Communities Program	\$130
	High-Speed Rail Authority (HSRA)	High-Speed Rail Project	\$250
	Air Resources Board (ARB)	Low Carbon Transportation	\$200
Energy Efficiency and Clean Energy	Department of Community Services and Development (CSD)	Energy Efficiency Upgrades/ Weatherization	\$75
	California Energy Commission (CEC)	Energy Efficiency for Public Buildings	\$20
	California Department of Food and Agriculture (CDFA)	Agricultural Energy and Operational Efficiency	\$15
Natural Resources and Waste Diversion	Department of Fish and Wildlife (DFW)	Wetlands and Watershed Restoration	\$25
	Department of Forestry and Fire Protection (CAL FIRE)	Fire Prevention and Urban Forestry Projects	\$42
	Department of Resources Recycling and Recovery (CalRecycle)	Waste Diversion	\$25
Total FY 2014-15			\$832



LIWP: Proposed Expenditures

Task	Allocation
State Operations	\$5M
Weatherization	
Single-Family Weatherization	\$13.6M
Small Multi-Family Weatherization	\$10.5M
Large Multi-Family Weatherization	\$10.5M
Solar Water Heating	
Single-Family Solar Water Heating	\$5.7M
Small Multi-Family Solar Water Heating	\$2.4M
Large Multi-Family Solar Water Heating	\$2.4M
Solar Photovoltaics (PV)	
Single-Family Solar PV	\$16.4M
Small Multi-Family Solar PV	\$4.3M
Large Multi-Family Solar PV	\$4.3M
Total	\$75M

Items highlighted in green are part of today's public hearing.

Additional public workshops will be held to receive input on solar and large multi-family.



The Greenhouse Gas Reduction Fund (GGRF)

- Special consideration for the use of these funds in Disadvantaged Communities was given with the passage of Senate Bill 535, which says . . .



SB (Senate Bill) 535

Senate Bill 535 (De Leon, 2012) stated that:

- At least 25 percent of GGRF moneys shall be allocated to projects that benefit Disadvantaged Communities.
- At least 10 percent of these moneys shall be allocated to projects located in Disadvantaged Communities.
- The California Environmental Protection Agency shall identify Disadvantaged Communities “based on geographic, socioeconomic, public health and environmental hazard criteria.”

CSD will spend
100% of its
funding in
Disadvantaged
Communities!



What is a “Disadvantaged Community”?

For the purpose of the Cap and Trade program and the GGRF, a Disadvantaged Community has a very specific definition.

We just don't know exactly what that definition is yet!

Here's why . . .



What is a “Disadvantaged Community”?

- The California Environmental Protection Agency (CalEPA) developed a tool which “grades” each of the 8,000 census tracts in California, and assigns a “score” to each based on 19 indicators of pollution and population.
- The mapping tool is called CalEnviroScreen2.0 and it ranks each census tract based on its score.
- That much is known.
- What is currently being decided is by CalEPA is . . .



What is a “Disadvantaged Community”?



... Which of these 8,000 census tracts will be deemed a Disadvantaged Community?

- This is important to CSD, since we will do 100% of our LIWP projects in Disadvantaged Communities!



What is a “Disadvantaged Community”?

- The CA ARB and EPA held public meetings to discuss which census tracts should be called Disadvantaged Communities.
- They expect to make a final decision by the end of September.
- Once determined, CSD will know *where* its projects will occur.
- But for now, we can only discuss *how* they will occur.



In the Last Section...

- The Greenhouse Gas Reduction Fund (GGRF) and how the money is a result of auctions under the Cap and Trade program.
- SB 535, the bill that requires some of the GGRF to be spent in Disadvantaged Communities.
- CSD will spend 100% in Disadvantaged Communities.
- Disadvantaged Communities are being defined and should be finalized by the end of September.

Up Next...

- CSD's goals for the GGRF money
- Proposed Program Model



CSD's Goals for LIWP

In Disadvantaged Communities:

1. Reduce Greenhouse Gases (GHG)
2. Create Jobs and Stimulate the Local Economy
3. Maximize energy savings (and, therefore, dollar savings) to low-income households.



Goal #1: Reduce GHG

- Energy Savings and Greenhouse Gas reduction go hand and hand—the less energy used, the less GHG is produced.
- Under the LIWP, funds from the GGRF will be used primarily to pay for projects that reduce GHG. Other measures (such as Health and Safety), will be paid for using existing federal weatherization funds.
- CSD will develop a methodology, in conjunction with the ARB, to quantify GHG reductions.



Goal #2: Produce Jobs and Local Economic Benefits

- An important focus of the LIWP will be to create jobs and training opportunities in Disadvantaged Communities.
- CSD will not hire directly, but we will set goals for local service providers to both hire and train.
 - Direct hires
 - Subcontractors
 - Working with local Workforce Investment Boards and others to provide training opportunities
- CSD will be working with an economist to help us quantify local economic benefits.



Goal #3: Maximize Household Savings

- Goal #3 is closely related to Goal #1 (to reduce GHG emissions)
- As mentioned, GHG reduction and energy efficiency go hand in hand.
- Energy efficiency measures also mean the household will use less energy and, therefore, pay less on their utility bill.
- CSD will seek to maximize energy and dollar savings to the low-income households.
- CSD will develop a methodology, in conjunction with the ARB, to quantify energy savings and GHG reductions.



Proposed LIWP Model

CSD's proposed model for the LIWP includes the following types of income-qualified dwellings within the Disadvantaged Communities:

1. Single-Family
2. Small Multi-Family. "Small Multi-Family" means apartment buildings, likely with 24 or fewer units, where each unit has its own water heater and HVAC system.
3. Large Multi-Family. "Large Multi-Family" means those buildings with common water heating and HVAC systems.



Proposed LIWP Model



CSD's existing Network of Local Service Providers will assess and, when feasible, install:

- Single Family Weatherization measures
- Small Multi-Family Weatherization measures
- Solar Water Heating

CSD intends to select Statewide Administrators for:

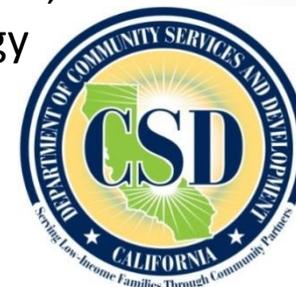
- Solar PV
- Large Multi-Family Weatherization
- The proposed program model for Solar PV and Large Multi-Family will be discussed in separate public workshops.



Proposed LIWP Model: Single Family

	# Units	Per Unit	Total
Single Family Weatherization	4,734	\$4,087	\$19,346,386
Single Family Solar Water Heating	1,181	Included above	Included above

- LSPs will utilize a simplified energy audit in order to assess for all feasible energy efficiency measures.
- As LSPs assess homes for inclusion in the LIWP, all homes will be assessed for the potential for Solar Water Heating. Model assumes that 25% (1,181) of assessed homes will qualify, based on orientation, shading, etc.
- Health and Safety measures will be paid for with existing federal, weatherization funds. GGRF money will be reserved for energy efficiency measures that maximize GHG emissions reductions.



Proposed LIWP Model: Small Multi-Family

	# Units	Per Unit	Total
Small Multi-Family Weatherization	3,185	\$3,300	\$12,920,000
Small Multi-Family Solar Water Heating	780	Included above	Included above

- CSD will employ a “whole building” approach, weatherizing all units in qualified multi-family buildings.
- Similar to the single family approach, LSPs will utilize a simplified energy audit in order to assess for all feasible energy efficiency measures.
- Building owners may be asked to provide a percentage of the funds needed to fully weatherize buildings and replace or repair heating, cooling and water heating appliances.
- All buildings will be assessed for the potential for Solar Water Heating. Model assumes that 25% (780) of assessed units will qualify, based on orientation, shading, etc.



Project Selection

- CSD intends to target high energy users.
- Though the final Disadvantaged Communities have not yet been identified, previous versions of CalEnviroScreen identified approximately 2.2 million homes in the Top 20% of all census tracts.
- As stated previously, CSD has funding to service approximately 11,000 homes--a very small percentage of the low-income homes in Disadvantaged Communities.
- For this reason, and for the purpose of achieving the maximum GHG reductions, CSD will work with the local utility companies to identify those homes with the highest energy use.



**TARGET:
HIGH ENERGY
USERS**



Project Selection

- CSD traditionally qualifies low-income customers at 60% of State Median Income, which is approximately 200% federal poverty.
- For the purpose of LIWP, CSD will continue using this method for most LIWP projects.
- One exception may be for Solar PV. If the “SASH” rebate (the rebate offered by Investor-Owned Utility companies for low-income solar PV) is available, CSD will follow the SASH income guidelines, which are currently 80% of Area Median Income.



INCOME GUIDELINES



Workforce Development

- One of CSD's goals is to promote Workforce Development and local economic benefits in Disadvantaged Communities.
- CSD will not hire directly, but as part of our contracts with the LSP's and the statewide administrators of both solar and large multi-families, CSD will require those entities to hire and train individuals from the Disadvantaged Communities they work in.

For example:

- LSPs may hire individuals directly
- They may work with their local Workforce Investment Boards to provide hands-on training
- They may hire sub-contractors from the Disadvantaged Communities or require subs to hire new employees from these areas.
- Likewise, the Statewide Administrators will be contractually required to include hiring and training of individuals from Disadvantaged Communities



Timeline

- **First Quarter, 2015:** Assessment and installation begins for single- and small, multi-family homes.
- CSD intends to complete all LIWP installations by **December, 2016.**



Finally...what you've been
waiting for!



IT'S TIME FOR YOUR IDEAS.

Reminder: Even if you present your ideas verbally, please document your major questions/concerns/ideas on a pink Comment Card so CSD has a record. You don't need to identify yourself, unless you want to.

