

*Linking and Leveraging Energy
Programs for Low-Income
Households*

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The Problem

- Low income families spend on average 4 times the amount spent by middle income families on home energy
- 1 out of 3 families qualify for the federal Low Income Home Energy Assistance Program
- About 50% of these households are homeowners
- The poorest families suffer from high rates of arrears and shut-offs due to the inability to pay high energy bills

The Problem for Utilities

- There is a significant impact on utilities
- The low income rate base is not evenly distributed, so some utilities bear the burden more than others

Solutions

States approach energy affordability through three common strategies:

1. Bill payment assistance
2. Increasing the energy efficiency of the home through weatherization
3. Addressing energy-system related health and safety measures

Common Energy Efficiency Problems

1. Inefficient and poorly maintained HVAC systems
2. Inadequate insulation, leaky roofs, inefficient lighting
3. Inadequate air ceiling and other air infiltration issues

Energy-Related Health and Safety Issues

1. Water infiltration from leaky roofs and ground water can make it impossible to do insulation
2. Water infiltration can lead to mold and create asthma triggers
3. Lack of smoke and carbon monoxide detectors

Federal Funding Streams

LIHEAP

Low Income Home Energy Assistance Program (LIHEAP)

- \$3.39 billion in FY15
- Eligibility: under 150% federal poverty guideline or 60% state medium income (varies by state)
- Average household benefit \approx \$400
- Often Administered by local community action agencies
- Also funds WAP - \$406.9 million transferred in FY13

Federal Funding Streams

WAP

Weatherization Assistance Program (WAP)

- \$192 million in FY15
- Eligibility: under 200% poverty guideline or 60% state medium income (varies by state)
- Average household benefit: \$6,000
- Categorical eligibility for SNAP/SSI recipients

Additional Funding Streams

Supplemental Programs

- 30 States and DC
- \$3.9 billion in FY13
- Generally funded through systems benefit funds and managed by utilities

Nonprofit/Private Capital

- Warehouse for Energy Efficiency Loans (WHEEL) model

Characteristics of Integrated Programs

1. Sign-up and eligibility determination for assistance and weatherization at one location
2. Require that the payment assistance application be for both LIHEAP and utility assistance
3. Implement a PIPP/Weatherization program
4. Implement standardized income eligibility terms
5. Integrate LIHEAP and WAP federal and utility weatherization funds

Barriers to Integration

1. Separate sign-up locations for each program
2. Separate sign up procedures for utility discount and LIHEAP
3. Different eligibility rules for DOE weatherization and utility weatherization
4. Complicated integration rules - trying to say something about it being difficult for staff

Contact/Questions

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