

LIEE (LOW-INCOME ENERGY EFFICIENCY) GRANT PROGRAM VERSUS THE UTILITY LOW-INCOME WEATHERIZATION & DUCT SEALING PROGRAM

Program Requirements and Specifications

Grant Program- Program requirements and specifications strictly follow the Department of Energy's Weatherization Assistance Program (DOE WAP), which is a national weatherization program established 33 years ago, that provides funding to states, U.S. overseas territories, and Indian tribal governments. BPA's grants have a few additional allowances that include some appliances, and a higher percentage of funding that can be spend on weatherization related repairs and health and safety measures. BPA's grants also have some restrictions, including that the home must be electrically heated to receive services, and they must be in BPA's public utility territory. Detailed information on the DOE program can be found on their website:

<http://www1.eere.energy.gov/wip/wap.html>

Utility Program- Program requirements and specifications follow the BPA's Implementation Manual and only include "deemed unit energy savings measures" approved by the Regional Technical Forum (RTF). It is important to note that the RTF measures do not neatly align with the DOE WAP measures and specifications and as such are not interchangeable.

Funding and Payment

Grant Program- Funding is set at the administrative level and is not part of Energy Efficiency's acquisition budget. The money is distributed to the four states (OR, WA, ID, MT) through standard grants. The budgets for each individual state are determined by US census data. The states then distribute their funding to the local Community Action Agencies (CAPS). The CAPS invoice the states once the efficiency work is completed, and then the states invoice BPA. All work is reimbursed dollar for dollar. The states and the CAPS manage multiple funding sources, and often one home will be completed using several funding sources. Utility funding can also be used on the same home that is receiving grant money, but the money cannot be co-mingled to complete the same measure.

Utility Program- Funding comes from the utilities' EEI budgets or self-funding, and there are no requirements or restrictions regarding how much of their budgets utilities must spend on low income programs. Reimbursement for the low income deemed measures are paid on a 100% cost reimbursement basis (a.k.a dollar for dollar reimbursement) from BPA to the utility. Replacement windows are an exception to this rule and are currently paid at the lesser of \$20/square foot or actual costs incurred.

Recording Savings

Grant Program- kWh savings are estimated at the whole house level rather than by measure (savings estimations currently applied have been calculated by BPA's Planning group) for manufactured and single family homes. Annual first year electricity savings average approximately 0.3 aMW for the entire program.

Utility Program-kWh savings are deemed unit energy savings, and calculated at the measure level.

Cost Effective Criteria**

Grant Program- As per the DOE weatherization program guidelines, eligible measures are allowed to be installed if they are deemed to be cost-effective per the SIR (savings to investment) ratio analysis method. This calculation differs slightly from the regional technical forum's (RTF) calculation because it considers the costs and benefits on a more national level. Additionally, the SIR calculation is based on site-specific data for each individual house such as square footages and R-values (as opposed to determining cost effectiveness based on average savings from prototype homes and costs taken from across a large sample). Therefore, it is very arguable that the cost effectiveness of the measures installed through the grant program is more accurate and likely higher than that of the utility program, because the assessment is specific to each house, and anything that is not cost effective at the specific house is not allowed.

Utility Program- eligible measures are measures deemed cost effective by the RTF, and specified in BPA's Implementation Manual. Any deemed measure that is allowed in the low income utility program can be installed in any eligible house (unless there is specific testing required as part of the deemed measure specifications).

**It is necessary to note that there is significant confusion around the use of the term "cost effective" both internally at BPA and with external stakeholders, specifically as it relates to the BPA low income program. It is important to understand and remind all involved parties that all of the measures installed under both of the low income programs are cost effective. When involved parties are discussing how the program is not cost effective, they are likely using this term to describe costs at the program level. Program costs

are almost never included when the RTF determines the cost effectiveness of a measure, and therefore they should not be included when analyzing either of the low income programs. Typically, when people are questioning the cost effectiveness of the low income program, what they are really referring to are the high unit costs of the program for such low savings, especially when compared to other programs in the portfolio. This is because we offer a dollar for dollar utility reimbursement (i.e. no end-user financial contribution required), as opposed to having a limit on the \$\$/ kWh we use when establishing incentives for our deemed measures.