

Testimony of Lawrence A. Swanson, Executive Director
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Before

House Subcommittee on Healthy Families and Communities Hearing on the "LIHEAP: Overview and Current Uses". Held on November 13th, 2007

Madam Chairwoman and Committee Members:

I am pleased to testify today in support of the utilization of LIHEAP funds for weatherization and emergency CRISIS based upon the experiences of my agency and the 42 other provider agencies in Pennsylvania. We are a diverse group of agencies across the Commonwealth that deliver this important program. We represent non profit housing organizations, community action agencies and local public housing agencies. We use both private subcontractors and work crew models and mixes of those models to accomplish our work. We work in a State that is 1/3 urban; 1/3 small communities and 1/3 rural. Pennsylvanian's use natural gas, electricity, heating oil, propane, coal and wood to heat their homes. And the State has developed a comprehensive program that responds to all these variables.

Pennsylvania has seen strong leadership on a bi-partisan basis for some time. The Pennsylvania Department of Community and Economic Development (DCED) operates this comprehensive program and engages the operating agencies to design effective delivery systems. DCED also operates a training center for weatherization technicians, supports ongoing pilot programs and engages outside evaluators to help monitor the quality of the measures performs. This September the Governor and Legislature conducted a special session of the Legislature to examine a program for Energy Independence for Pennsylvania and is now considering a wide range of ventures that will assist our State. A centerpiece of this initiative is conservation of energy. It's the single biggest payback that we have today for the investment we make. **Residential and commercial energy conservation have proven paybacks for investments and they can be implemented in the short term.**

My organization ACTION-Housing is a non profit housing organization that operates a diverse set of programs designed to help people achieve secure and self-sufficient lives. Founded in 1957 we have worked to develop affordable housing, deliver important programs that make homes safer and economically viable and a range or programs that help families and individuals become more self-sufficient once they have a stable housing environment. We operate in the City of Pittsburgh, Allegheny County and work

extensively in the surrounding counties in various programs. ACTION-Housing is the largest single Weatherization provider in Pennsylvania and provides services for the City of Pittsburgh, 2/3 of Allegheny County and the Counties of Washington and Greene. This includes the portions of the districts of Congressmen Altmire, Murphy, Doyle and Murtha. We have operated this program at scale for some 25 years and estimate that we have weatherized 22,000 homes and repaired or replaced 15,000 heating units in that time. The combination of LIHEAP weatherization and DOE weatherization has led to an investment of \$ 55,000,000 in conservation during that period of time.

All of these programs funded by 15% of the annual LIHEAP allocation in tandem with DOE funds have helped create a strong, vital network of agencies that provide high technology intervention in homes, respond to high priority needs and do so in a cost effective manner. This amounts to some \$ 15-18,000,000 in each program year which is typically split between the regular weatherization programs and CRISIS interface efforts. Each of these provides critical work that makes a significant difference in the lives of Pennsylvania families and children. **ACTION-Housing and the Weatherization Task Force of Pennsylvania representing all 42 providers strongly support the retention of the option for States to allocate 15% of funds for weatherization and pledge their ongoing support for the effective implementation of the program.**

The 2006-2007 Program Year.

The 2006-07 program year was an exceptional one in Pennsylvania. Though annual allocations from LIHEAP average \$ 16,000,000 there were additional funds that were released from contingencies. As a result the allocation reached some \$ 27,000,000 last year. Funds were utilized for two distinct components for the program. The basic energy conservation program which used some 64% of the LIHEAP transfer (\$ 17,000,000) and the CRISIS interface that works with LIHEAP cash assistance customer who have a no heat situation used 36% of the funding available (\$ 10,000,000). Each of these programs is described below.

Energy Conservation with LIHEAP funds.

The basic energy conservation program enables low income families to permanently reduce high energy usage. Weatherization aims to reduce the energy costs for low – income families, primarily the elderly and families with children, by making energy efficient improvements to the home. According to research conducted by the Pa Weatherization Task Force “ **At current Pa energy costs, the investment in energy conservation saves more in one heating than the average cash assistance grant in Pa** With energy conservation the savings continue year after year.

In Pennsylvania Weatherization providers embrace the concept of “ whole house weatherization”. Under this concept the house is treated as a single energy consuming-system rather than a loose collection of unrelated measures. Using this approach

weatherization providers provide the best combination of measures for reducing total energy consumption.

Our standard weatherization treatments include assessment, selection of measures, installation, and quality verification. Trained technicians use advanced computer software and diagnostic equipment to identify energy saving measures that are cost effective and safe. Common measures include the installation of insulation, ventilation, heating and cooling tune-ups, replacement of units of energy efficiency and/or safety, air sealing and installation of energy efficient lighting and appliances.

Some 9200 households were weatherized in the program year with savings ranging from 15-35%. The use of LIHEAP funds enabled providers around the state to increase overall production in the energy conservation about 40% from the base of funds provided through the DOE funds. In many cases these funds not only served many people in need but also provided the scale of work necessary for an operating agency to function effectively and maintain its workforce. The key to capacity over the long term is a qualified and trained staff so that agencies can achieve effective savings in the work performed.

CRISIS INTERFACE with LIHEAP Funds.

This program is provided in every County in Pennsylvania and links those families who receive cash assistance but have no operable heat source with weatherization providers. During the winter heating season (November through March) local cash assistance agencies refer customers eligible for LIHEAP but without safe and operable heating systems to the network of weatherization providers. These repairs and replacements are performed on a 48 hour emergency basis and include emergency repair or replacement of heating systems, fuel line replacement, and hot water systems in low income households. In the 2006-07 year some 5,353 families were assisted with emergency repairs of primary heating systems.

KEY FACTS PROVIDED BY THE WEATHERIZATION TASK FORCE REPORTS.

The Weatherization Task Force provides annual updates based upon who has been served across the Commonwealth as well as estimates of future energy costs. A few of those key findings are repeated below from recent reports:

- Weatherization results in average savings of 15-35% in energy consumption among those served. Homes that receive both air infiltration treatments and heat plant repairs provide the greatest savings.
- Low income families (those at 150% of poverty and below) will spend about 26.7% of their income in the total energy burden in the coming year. This compares to all households who spend about 4% of their budgets for energy.

- Conservation is the lowest cost – proven source of energy and providing it to those with the economic means has the benefit of achieving conservation that would not otherwise occur.
- The savings associated with weatherization at the 15-35% level equate to savings of \$ 323 to \$ 763 per year and exceed the annual payments for LIHEAP cash assistance in Pennsylvania and have annual benefits going forward.
- The projected increases in electric, heating oil and gas prices in Pennsylvania for the 07-08 season will only increase the importance of the LIHEAP energy conservation program for the future.

FINAL THOUGHTS.

The retention of the 15% State Option for LIHEAP funds is critical to the operation of an effective program in Pennsylvania. The diversity of the state and its needs have been best met by a well diversified program operated in tandem with LIHEAP cash assistance so that low income customers can receive help with paying their energy bill, reduce future expenses and live in a safe environment is the key to providing secure environments for our families and children. The use of these funds in Pennsylvania has meant that the state based program can reach through conservation 40% more families each year, provided a linked emergency heat program and given operating agencies the scale necessary to be effective over time. On behalf of the Weatherization Task Force and all 42 operating agencies we thank the committee for its support.