Benefits of Investing in Low-Income Weatherization

The purpose of this document is to highlight some of the significant direct and indirect benefits of investing in thermal energy efficiency for low-income Vermonters.

Job retention and creation.

Weatherization provides good green-collar jobs statewide.

- The Weatherization Assistance Providers employ over 150 people statewide, both direct employees and sub-contractors. A funding cut of 37% (from 2011-2012 funding levels to 2005-2006 levels) will result in approximately 50 jobs to be cut by July 1.
- These are "green-collar" jobs, with certification and training provided locally. They pay decent wages and benefits.
- Weatherization uses mostly American-made materials, most of which are purchased in-state.
- The State has invested in training and certifying these workers, and in building a Weatherization Assistance Program of the highest caliber. A cutback will result in the loss of trained workers and taxpayer dollars wasted.
- Investment in weatherization and energy efficiency has a significant multiplier effect into Vermont's economy.
- Direct, indirect and induced benefits of investment in weatherization have been calculated using the IMPLAN model; each $1 million of investment generates $1.6 million in economic benefits.

Economic opportunity.

Weatherization provides a significant economic benefit to low-income families.

- Vermont has the highest energy burden in the nation; the lower the income levels, the higher the proportion of family income required to pay for energy.
- Energy costs for heating with fossil fuels, a large proportion of Vermont's thermal energy source, continue to increase, representing a major cost risk for Vermont households.
- Annual benefit to a household ranges from $600-$1,900 – this represents year-after-year energy savings. These dollars then become available to meet other household needs.
- Lower income families often live in poorer-quality homes, which require more investment to become energy efficient.
- More and more Vermonters are living in poverty or near-poverty as wages stay flat and other benefits shrink while living costs increase.
- Weatherization provides quality-of-life improvements in comfort, moisture reduction, health and safety.
- Mobile homes, rarely designed for energy efficiency or cold climates, are made much more energy efficient with weatherization.

Prepared by Vermont's Weatherization Assistance Providers *Lobbyist: Bob Stannard*
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- Weatherization investment makes affordable housing more sustainable by reducing heating cost risk for affordable housing organizations.
- Building upgrades add value to the recipient's home, representing an increase in the value of their primary asset for a low-income family (approximately 40% of weatherization units are single-family homes).

Fossil fuel reduction.
Vermont's climate change goals and future sustainability require a major push forward in making buildings energy efficient through weatherization techniques.

- Vermont has a statutory requirement to reduce energy use and increase efficiency on 25% of homes by 2020 (see 10 V.S.A. § 581. *Building efficiency goals)*.
- Low-income weatherization is a key component of this effort (see 10 V.S.A. § 581: *To increase weatherization services to low income Vermonters by expanding the number of units weatherized, or the scope of services provided, or both, as revenue becomes available in the home weatherization assistance trust fund.*
- Since this statute was established in 2008 Low-Income Weatherization has increased efficiency in 6,725 homes, or 8% of the 2020 goal. During that time period, approximately 2,000 homes have been weatherized by their owners independently, with incentives from the Home Performance with ENERGY STAR program.
- Low-income Vermonters do not have the financial capacity to move forward with these projects without financial assistance.
- Average annual carbon reduction in a weatherized building is estimated at 2.65 metric tons (national average).
- Reducing thermal energy demand in buildings (through weatherization, or building performance) is necessary to reduce our overall fuel demand, and especially to reduce our need for fossil fuels.
- Investment in energy efficient improvements has a tested and predictable payback. The majority of low-income weatherization projects pay for themselves within 6 years. This benefit accrues to the low-income resident, improving economic security while reducing fuel dependence.

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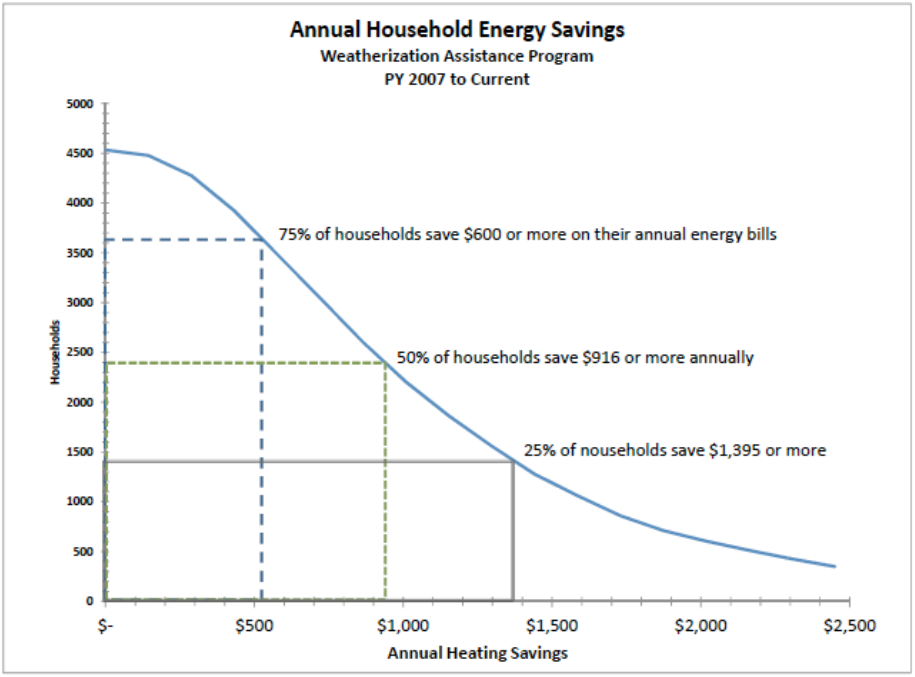
Savings

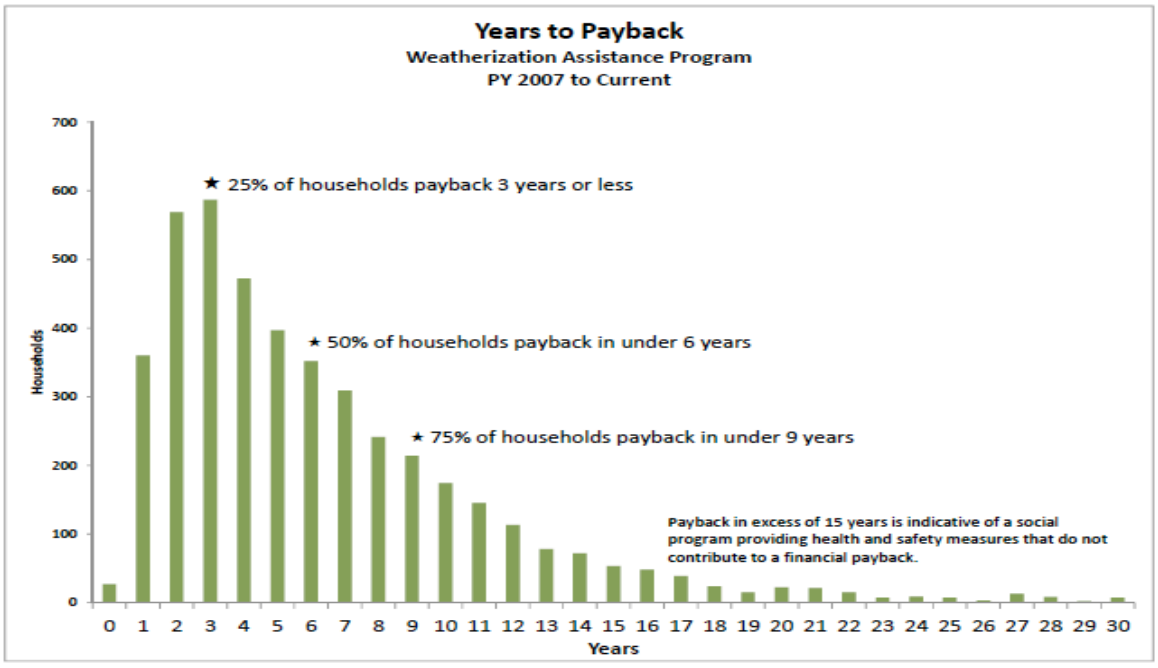
Half of all households save over $900 per year, and the majority of households (75%) save at least $600 per year on their energy bills. Savings per household can vary widely depending on the type of house, condition of the building, type of fuel, type of measures undertaken and other factors.



MMBTU converted to oil at $3.50/ gallon. No inflation was included.
Datasource: Vermont Statewide WDMS databases available as of November 15, 2011

Payback

This work will pay for itself over time – the amount of time relative to the unit will vary based on the dollars spent and the savings accrued to that household. **50% of the projects will pay back within six years.** The following chart reflects project costs by projected savings.



MMBTU converted to oil at $3.50/ gallon. Linear payback; no factor for energy inflation.
Datasource: Statewide WDMS databases available as of November 15, 2011