Impact on Virginia Localities of Redefining “Low-Income” as Applied to Utility-Sponsored Energy Efficiency Programs

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Federal resources like the Weatherization Assistance Program (WAP) designed to serve Virginia’s most energy burdened households with weatherization services are limited so the introduction of utility-sponsored energy efficiency programs, like those with Dominion Energy and Appalachian Power, in recent years have been welcomed by Weatherization Service Providers. From the perspective of Weatherization Service Providers like CHP Energy Solutions, utility-sponsored energy efficiency programs are best utilized in two ways:

1) By braiding with federal resources like WAP to complement and optimize the services provided to Virginia’s energy burdened households; and

2) By providing new resources for Weatherization Service Providers to extend weatherization and energy efficiency services to low-income multifamily properties, a housing stock that federal resources like WAP have historically been under-resourced to serve.

Virginia’s Department of Housing and Community Development (DHCD) sets the income eligibility thresholds to participate in federal WAP at 60% of the State Median income⁰, which, in Virginia for a family of four today, is $60,286 regardless of where the family resides across the Commonwealth. The challenge arises when qualifying households at affordable multifamily properties, as determined by the Virginia Housing Development Authority (VHDA), that define “low-income” as 80% of the local Area Median Income⁴. For example, a family of four in Fairfax County could make up to $79,600 annually and still qualify to reside at an affordable multifamily property due to the higher cost of living in the area while the same family of four in Halifax County would need to make less than $48,300 to qualify to live in an affordable multifamily property.

In order to meet both stated objectives without unintentionally excluding low-income households based on where they reside or the type of home they reside within, CHP Energy Solutions and our peer Weatherization Service Providers would encourage the adoption of a definition of “low-income” to be inclusive of:

a) A household whose annual income does not exceed 80% of the local area median income as set forth by Virginia Housing Development Authority or 60% of the state median income as determined by Virginia Department of Housing and Community Development, whichever is greater; and

b) A household that otherwise qualifies for another utility-sponsored, federally-funded, or state-sponsored income- or age-qualifying weatherization or energy efficiency program.

The consequences of not providing additional nuance to the definition of “low-income” will result in the exclusion of energy burdened customers from participation in the program and additional administrative burdens taken on by the non-profit network of Weatherization Service Providers, incurring additional transactional costs during client intake, tracking various eligibility criteria, and filtering income thresholds beyond income thresholds already established addressing the same target customer base.

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Graphic 1. Darker shaded localities indicate areas with deepening disparities between income thresholds between federal WAP and utility-sponsored low-income energy efficiency programs.

⁰Virginia SMI Source – VA DHCD 2019-2020 Weatherization Income Guidelines
⁴Virginia AMI Source – VHDA 2019 Income Rent Limits-HUD Median Income