

Weatherization Assistance Program: Job creator or government excess?

Environmentalists are fighting to save the federal grant program from being axed under a Trump budget. But can they convince his administration it is as much about jobs as it is about going green?

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Jonathan and Veronica Berry knew when they bought an 1890 farmhouse on the Eastern Shore of Maryland that it would be a fixer-upper. It needed new insulation for the floors and attic, a wood stove and heat pump, and better plumbing and electricity systems. The only problem was the Berrys couldn't afford to make the improvements. He was just getting his painting business off the ground, and she was a stay-at-home mom with their two young children.

If it wasn't for the \$5,000 in weatherization improvements they received from a Department of Energy (DOE) grant program – the Weatherization Assistance Program (WAP) – Ms. Berry admits they might never have gotten around to it.

“It would have just been a constant thing on our household to-do list,” she says. “This, for us, is just phenomenal, as parents and as homeowners.” Not only are they more comfortable in their home, she says, but they also have reduced their energy usage, contributing to a greener Earth for their children.

But the program, which has served more than 7 million low-income households since it was started in 1976, could end in October. Funding for the program, as well as for the rest of the DOE's Office of Energy Efficiency and Renewable Energy, is not included in President Trump's budget proposal for the next fiscal year.

The Trump administration has not explained why it excluded WAP from its budget blueprint, but the program has long been in the crosshairs of limited government advocates. The conservative Heritage Foundation repeatedly recommended Congress defund it and other energy-efficiency programs because, they say, it is not Washington's responsibility, while former Sen. Tom Coburn (R) of Oklahoma included the program in his annual “Wastebook” of government expenditures he said should never have happened.

But environmentalists and other supporters say the weatherization program is not just about going green or providing welfare. They say it is about jobs, an appeal they hope will resonate with a president who campaigned on being the “greatest jobs president that God ever created.”

“It really is a huge job creator,” says Matthew Hargrove, president of Total Home Performance in Easton, Md., who audited and completed the improvements on the Berrys’ home. Mr. Hargrove says not only does the weatherization program help support his 27 employees but he also contracts some of his work out to plumbers, electricians, and HVAC technicians and buys materials from local construction suppliers. “It’s a whole industry,” he says.

The weatherization program works by providing up to \$6,500 in grants to low-income households to make their homes more energy efficient, according to the DOE. Improvements include adding insulation, replacing heating and cooling equipment, and sealing up holes in walls and windows.

DOE distributes grants to all 50 states, Washington D.C., Native American tribes, and the five US territories. States then contract work out to more than 900 local agencies, including community action groups, nonprofits, and local governments that use their own employees as well as contractors, such as Hargrove’s for-profit business.

The total amount of grant money DOE has given out from year-to-year has varied since 2008, according to the National Association for State Community Services Programs (NASCSPP). In the aftermath of the Great Recession, DOE gave out about \$413 million in 2009; in 2013, it gave out about \$147 million. But utilities and states often provide additional funding on top of federal grants. In 2009, utilities and states provided an additional \$883 million in funds to go along with the \$191 million WAP gave out that year, according to NASCSPP.

A 2010 peer-reviewed study by Oak Ridge National Laboratory of the weatherization program found it saved a total of \$1.1 billion that year, with the average household saving \$1,863 on their annual energy bill. But a 2015 study of the WAP program in Michigan found the costs associated with weatherization outweighed the subsequent energy savings, but this did not reflect the program’s performance nationwide, according to The Washington Post.

According to the Department of Energy, the weatherization program supported 28,000 jobs in 2010, while three-fourths of the products used in the industry are made in the United States. All in all, 2.2 million people work in the design, installation, and manufacture of energy-efficient products and services. This is double the amount of workers in the coal, oil, and gas industries, said Stephen Cowell, president of E4TheFuture, an energy-efficiency advocacy group in Massachusetts.

But President Trump has promised to revive the ailing coal industry, and his cabinet is full of fossil-fuel types, including Environmental Protection Agency Administrator Scott Pruitt, Secretary of State Rex Tillerson, and Energy Secretary Rick Perry.

Indeed, the axing of the weatherization program is one of several dozen proposed cuts to the DOE and the EPA, including the popular Energy Star Program, which rates energy-efficiency products and buildings.

The proposed cuts are similar to the Heritage Foundation’s budget recommendations for 2017, in which the conservative think tank writes the DOE’s Office of Energy Efficiency and Renewable Energy is not merely investing in energy-efficiency research, but rather “outright commercialization.”

“All of this spending is for activities that the private sector should undertake if companies believe it is in their economic interest to do so,” it writes. “The reality is that the market opportunity for clean-energy investments already exists if it is economically viable.”

The program is a classic example of federal overreach, and individual states should roll out their own weatherization programs if there is a need for it, adds Chris Edwards, director of tax policy studies at the libertarian Cato Institute, and editor of a website titled "Downsizing the Federal Government."

“The government should get involved where there is a clear sort of market failure,” he says. “It’s not really clear there is here.”

But Brian Castelli, president and chief executive of Home Performance Coalition, a group that supports the weatherization and energy-efficiency industries, says the grant money is essential to the overall success of the program. He cannot imagine the private sector being able to take up the initial grant costs.

Other advocacy groups agree, saying they expect state and local governments to shut down their programs if WAP were to disappear. They add the end of WAP would also mean layoffs within the industry. Hargrove, the Maryland business owner, estimates he would let go 15 of his 27 employees, since about half his work is related to weatherization programs.

Some of the pushback against the cuts has focused on its importance for helping low-income households live healthily in their homes. But those coming to the programs defense add America needs these jobs.

“You’re employing the same people in the community that are being helped by the program,” says Lowell Ungar, a senior policy adviser for the American Council for an Energy-Efficient Economy. “It’s a low-income, health, and jobs program that also happens to be an energy-efficiency program.”