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July 17, 2024

Assemblywoman Daniele Monroe-Moreno
Interim Finance Committee
401 South Carson Street
Carson City, NV 89701

Dear Chair Monroe-Moreno:

The 2001 Legislature established a Universal Energy Charge (UEC) on the utility bills of certain consumers who receive natural gas and electric services from specified utilities per Nevada Revised Statutes (NRS) 702.150 through 702.160, inclusive. The monies collected by the Public Utilities Commission are transferred to the Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services, after withholding up to 3% of the amount to cover their administrative costs per NRS 702.170(4); 702.250. DWSS administers the monies and is responsible for accounting for the sums received. Of the amounts received, 75% is allocated to provide energy assistance to households, with 5% of those monies able to be retained by DWSS to cover administrative costs per NRS 702.260(1). The remaining 25% of the monies is allocated to the Nevada Housing Division (NHD) to provide weatherization services to households, with 6% of those monies able to be retained by the NHD to cover administrative costs per NRS 702.270(1).

NRS 702.280(2)(a) requires DWSS and the NHD to jointly conduct an annual evaluation of the programs each division administers pursuant to NRS 702.260 and 702.270. A contractor was jointly retained to perform this evaluation. Attached is the complete State Fiscal Year (SFY) 2023 annual UEC Evaluation and Executive Summary of the Energy and Weatherization Assistance Programs.

The following is the summary of the SFY 2023 Evaluation Executive Summary of the Energy and Weatherization Assistance Programs (WAP) prepared for the State of Nevada by H. Gil Peach & Associates.

SUMMARY

Through the Energy Assistance Program (EAP), DWSS provided 12,363 households with assistance for heating and cooling costs during SFY 2023. Contracting with subgrantees, the WAP weatherizes homes to provide long-term reduction in energy costs. In SFY 2023, 276 homes received this assistance in Nevada.

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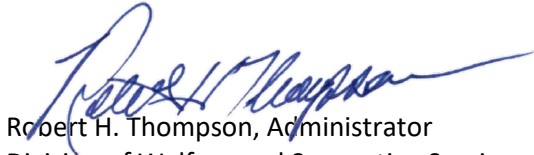
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OVERALL EVALUATION CONCLUSION

The Nevada Housing Division's Weatherization Assistance Program and the Division of Welfare and Supportive Services' Energy Assistance Program were fully compliant with all provisions of NRS 702 in SFY 2023.

For questions regarding the Energy Assistance Program, please contact Maria Wortman-Meshberger at (775) 684-0506. For questions regarding the Weatherization Assistance Program, please contact Tamera Saida at (702) 486-4311.

Sincerely,



Robert H. Thompson, Administrator
Division of Welfare and Supportive Services
Department of Health and Human Services
State of Nevada

Attachments

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Maria Wortman-Meshberger, Chief, Employment and Support Services
Tamera Saida, Grants & Projects Analyst III, Department of Business and Industry, Housing Division

EXECUTIVE SUMMARY

SFY 2023 EVALUATION

Energy and Weatherization Assistance Programs

Prepared for the State of Nevada



Vision Statement

To be a world leader in developing truthful measurement and useful results; to support development of efficient, ethical, and effective practices, sustained economically; to advance human development. To improve the quality of life during the era of climatechange.

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EXECUTIVE SUMMARY

Nevada's Home Energy Assistance Program (EAP) and Weatherization Assistance Program (WAP) are both funded by the Nevada Universal Energy Charge (UEC), which was established by the 2001 State Legislature and became effective during State Fiscal Year (SFY) 2002. The first full program year was SFY 2003. EAP provides payment assistance to help with home energy bills. WAP implements home weatherization to lower future energy bills and to increase household health and safety.¹

For both the Division of Welfare and Supportive Services (DWSS) and the Nevada Housing Division (NHD), although the COVID epidemic receded, SFY 2023 was still a difficult year, in part due to turnover of staff.

ENERGY ASSISTANCE PROGRAM (EAP)

This evaluation of the Energy Assistance Program has two parts. The first part is focused on the degree to which DWSS complied with the statutory requirements of the legislation establishing the EAP payment assistance program (NRS 702) while planning and implementing the program. The second evaluates the impact, or effectiveness, of the EAP as implemented.

EAP Compliance with NRS 702

We find that EAP was implemented in compliance with NRS 702.

DWSS developed eligibility tables based on household income and household size to accommodate the balance between available fiscal year funding and number of qualified applicant households (coordinating the application of state UEC funding and federal Low Income Home Energy Assistance (LIHEA) funds). DWSS, in accord with NRS 702, first instituted benefit caps in 2009 during the Great Recession² to meet

¹ The legislation establishing these programs requires an annual evaluation of program efficacy and compliance with legislative requirements. Nevada's Division of Welfare and Supportive Service (DWSS) and the Nevada Housing Division (NHD) selected H. Gil Peach & Associates to conduct the evaluation for the 2023 fiscal year.

² The National Bureau of Economic Research defines the Great Recession (caused by the subprime housing or "derivatives" bubble) as running from December 2007 through June 2009. The lived experience of the Great Recession began before the official start date and lasted beyond the official end date.

Nevada's need for low-income energy assistance. While the use of caps reduces the amount of assistance available to each household, it enables the EAP program to serve a greater number of households. This was crucial during the economic conditions of the Great Recession when revenues declined as the need for service increased. Since then, although the economy had been improving until the COVID epidemic began in March 2020 the caps have been used to adjust services to yearly budgets. Benefit caps enable EAP to serve as many needy households as possible.

This evaluation confirms DWSS compliance with NRS 702 requirements, both for DWSS program implementation and operations, and for DWSS contributions to joint compliance with NHD. For each compliance step, DWSS is following NRS 702.

EAP Program Effectiveness

Through EAP, DWSS provided 12,363 households assistance with their heating and cooling costs during SFY 2023.³ For SFY 2023, the program target was set to match a calculation that showed the median family of four in Nevada spent 2.29% of their income on energy. This percentage is called the Nevada median household energy burden. Benefits include direct payment assistance of the amount of the household energy bill above the median energy burden, plus for certain qualifying households, payment of accrued arrearage.

Since SFY 2012, in accord with flexibility established in NRS 702, DWSS has increased the benefit cap for households below 75% FPL to reduce their energy burden to more equitable levels.

For participant households, energy burden⁴ was successfully reduced (Table 1). The results shown in Table 1 demonstrate the effectiveness of EAP in meeting the energy burden program objective. This is an effective program.

³ Of the 29,459 applications processed, 17,095 (58.0%) were found to be ineligible and 12,363 (42.0%) were found to be eligible for EAP.

⁴ Energy burden is the percentage of household income spent on energy for the home.

Table 1. Energy Burden Before and After EAP, by Poverty Group.

Percentage of Fixed Annual Credit (FAC) Income that EAP Participants are expected to spend on Household Energy, by Poverty Group for SFY 2023			
Poverty Group	Energy Burden (Percent of FAC Income)		
	Col. 1	Col. 2	Col. 3
	Without EAP (No Program)	EAP Program	EAP plus Additional Support
126-150%	5.2%	2.68%	0.00%
101-125%	6.9%	2.68%	0.00%
76-100%	10.3%	2.58%	0.00%
0-75%	39.1%	2.85%	0.00%
Statewide Median for 2023			2.29%

The temporary additional support applied in Table 1, Column 3 is shown in Table 2. As shown in Table 2, more support is provided where there is more need.

Table 2: Temporary Additional Support.

Temporary Additional Support (SFY 2023)	
Poverty Level	Amount (\$)
0-75%	500
76-100%	450
101-125%	400
126-150%	350

Effects for targeted groups are shown in Table 3.

Table 3: Energy Burden, Before and After, for Targeted Groups.

Percentage of Income EAP Participants are expected to Spend on Energy, Before and After Assistance, for Targeted Groups, SFY 2023			
Target Group	Average % FAC Income expected to be Spent on Energy		
	Prior to EAP	With EAP	EAP plus Additional Support
With Children Six and Under	18.34%	3.47%	0.00%
With Disabled	11.36%	2.97%	0.00%
With Senior(s)	10.60%	2.68%	0.00%
Statewide Median for 2023			2.29%

Payments by energy source are shown in Table 4.

Table 4: Payments by Energy Source.

Payments by Energy Source (SFY 2023)	
Energy Source	Number of Payments
Electric	12,828
Gas	6,732
Propane	276
Heating Oil	14
Wood	2
Pellets	1
	19,853

The next section provides results for the Weatherization Assistance Program (WAP).

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

Contracting with subgrantees, the WAP weatherizes homes to provide long-term reduction in energy costs and to improve health and safety. In SFY 2023, 276 homes received this assistance in Nevada.

WAP Compliance with NRS 702

The evaluation found that WAP was implemented in a manner consistent with NRS 702.

During SFY 2023, the Nevada Housing Division (NHD) provided eligible households with services of basic home energy efficiency which assisted households in reducing energy consumption over time. This work often has enabled a household to stay in their home, for example through replacement of a heating system or a cooling system.⁵

WAP Program Effectiveness

In SFY 2023, NHD Subgrantees weatherized 276 homes (Table 5). This is an effective program for homes weatherized, with energy savings stretching many years into the future. Weatherization by type of home and heating fuel is shown in Table 3. Service to special needs and high energy use households is shown in Table 5. This is an effective program.

WAP Weatherized Home Tables

Weatherization by subgrantee agency is shown in Table 5; subgrantee production in relation to plan is shown in Table 6. All 276 homes are in these tables.

⁵ When a failed furnace is replaced in winter, or a failed AC system is replaced in summer, this permits a household to stay in the home.

Table 5: Work Completed by each WAP Subgrantee Agency, SFY 2023.

Fund for Energy Assistance and Conservation Work Completed by each Subgrantee Agency (SFY 2023)		
Agency	Number of Homes	Percentage of Homes
Community Service Agency Development Corporation (Reno)	48	17.4%
HELP of Southern Nevada (Las Vegas)	133	48.2%
Nevada Rural Housing Authority (Carson City)	26	9.4%
Nevada Rural Housing Authority (Los Vegas)	63	22.8%
Rural Nevada Development Corporation (Ely)	6	2.2%
Total	276	100.0%

Table 6: Housing Type & Primary Source of Heating, SFY 2023.

Fund for Energy Assistance and Conservation Performance against Goals: Work Completed by each Subgrantee Agency (SFY 2023)			
Agency	Planned	Actual	Percentage Achieved
Community Service Agency Development Corporation (Reno)	56	48	85.7%
HELP of Southern Nevada (Las Vegas)	148	133	89.9%
Nevada Rural Housing Authority (Carson City)	23	26	113.0%
Nevada Rural Housing Authority (Los Vegas)	59	63	106.8%
Rural Nevada Development Corporation (Ely)	13	6	46.2%
Total	299	276	92.3%

Table 7 shows weatherization by house type; Table 8 shows the poverty levels for households in weatherized homes.

Table 7: Weatherization by House Type. SFY 2023. (Multi-family units include rental properties and apartment complexes owned by one entity)

Fund for Energy Assistance & Conservation Dwelling Type and Own/Rent (SFY 2023)			
House Type	Rent/Owned		Total
	Rental	Owned	
2-4 Family	14	6	20
5+ Family	10	2	12
Mobile Home	18	70	51
Single Family	42	113	155
Total	84	191	275

Note: When counts are slightly different among tables, it is due to small database problems. It does not substantively change results. All available data is used in the analysis.

Table 8: Poverty Levels of Homes Weatherized.

Fund for Energy Assistance & Conservation: Household Poverty Levels of Completed Homes (SFY 2023)		
Category	Number of Homes	%
Up to 75%	90	58.7%
76-100%	62	29.8%
101-125%	61	5.3%
126-150%	39	2.9%
151% and over	20	1.0%
Total	272	100.0%

Note: When counts are slightly different among tables, it is due to small database problems. It does not substantively change results. All available data is used in the analysis.

Weatherization provided to special needs households, including homes with at least one person over 60 years of age, or at least one person with a disability, or at least one child under six years of age, or Native American families, or a home with high energy use or high energy burden is shown in Table 9.

Table 9: Work Completed for Special Needs Households, SFY 2023.

Fund for Energy Assistance & Conservation: Special Needs, Native American, High-Energy Use, and High Energy Burden Households - SFY 2023		
Type	Number of Homes	%
Elderly over 60	157	57.1%
Persons with Disabilities	127	46.2%
Children under six	23	8.4%
Native American	4	1.5%
High Energy Usage	104	37.8%
High Energy Burden	72	26.2%
Total	275	
Note: Households may meet more than one category, so percentages do not total to 100%. Also, when counts are slightly different among tables, it is due to small database problems. It does not substantively change results. All available data is used in the analysis.		

CONCLUSIONS & RECOMMENDATIONS

There are seven conclusions.

Conclusion No. 1 (DWSS): Based on the record of engagement for SFY 2023, the Division of Welfare and Supportive Services is in compliance with legislative program directives and guidance in NRS 702 for SFY 2023.

Conclusion No. 2 (DWSS): As demonstrated in Table 1, the Energy Assistance Program has a substantial positive effect for all low-income groups, *especially for the lowest income poverty group*. For SFY 2023, the programs effect comes very close to meeting the target of the statewide median energy burden, and so performance is consistent with legislative intent as specified in NRS 702. When the temporary additional support is added, energy burden is reduced to approximately zero.

Conclusion No. 3 (DWSS): Also, the Energy Assistance Program has a substantial positive effect, for targeted groups, including households with children aged six and under, households with at least one disabled person, and households with at least on senior in the household (Table 3).

Conclusion No. 4 (DWSS): The Energy Assistance Program was effective in SFY 2023.

Conclusion No. 5 (NHD): The Evaluation Team finds the Nevada Housing Division's Weatherization Assistance Program effective based on the record of weatherization completed for SFY 2023. The program is in compliance with NRS 702.

Conclusion No. 6 (NHD): With complete staff turnover from 2020 to early 2024, and the time gaps caused by civil service hiring procedures, some key knowledge was lost and though production is positive and increasing from the hard impacts of the COVID experience, it needs to be further increased.

Conclusion No. 7 (NHD & DWSS; Joint Requirements): The Evaluation for SFY 2023 finds the Division of Welfare and Supportive Services' EAP and the Nevada Housing Division's WAP fully compliant with the joint provisions of NRS 702.

There are six recommendations:

Recommendation No. 1 (DWSS): In the absence of unusual events, for SFY 2024 DWSS should operate normally while monitoring the operation of the caps. No new changes to processes, management or organization are recommended for DWSS based on the SFY 2023 evaluation. For SFY 2024, the goal should be to continue to operate well with the current processes, management, and organization while continuing to adapt to ongoing changes in the program context.

Recommendation No. 2 (NHD): In the absence of unusual events, for SFY 2024 NHD should continue to work to optimize the Weatherization Assistance Program. The efforts to reduce human error, improve the functionality of the WxPro database, and maintain and improve on-site inspections and office site inspections should continue.

Recommendation No. 3 (DWSS): DWSS has a staff retention problem that was noticeable again in SFY 2023 but has been in existence for over 10 years. Some years the problem does not show much, and in other years it is quite visible. The first solution, several years ago, was to move the staff from temporary positions to civil service positions. This works well, but there is still a recurring problem. DWSS might look at increasing pay for the caseworker positions. We are currently in a time of change in which major portions of the U.S. workforce are receiving wage increases. The recommendation is to study what is possible to increase pay levels to lower turnover rates.

Recommendation No. 4 (NHD): NHD should consider adding two more persons (or, if not possible, then one additional staff) to the weatherization program staffing, managing across all of the NHD weatherization programs. The weatherization unit needs more depth and increased capability. SFY 2020 through and SFY 2022 were difficult years, with the encounter with COVID and also with a complete turnover of civil service staff. An increase in the staff of two would support retention of the situated knowledge that is only gained by

doing the work. For the unit size, key knowledge and perspective can be lost when there is turnover. Nevada is not an extremely large state like California, but it is also not a small state, like New Hampshire or Rhode Island, so it is reasonable to examine the need to increase the size of this unit. Another factor to consider is that in the U.S., weatherization work is beginning to be oriented to climate change through federal legislation. Weatherization is being gradually oriented towards housing resilience in the context of increasing climate pressures. Weatherization is one of the most productive forms of disaster preparedness, and there is a lot of work to do. We can expect climate resilience and adaptation measures to be gradually added to weatherization tasks. Increasing the size of this unit is important in this context.

Recommendation No. 5 (NHD): NHD should continue recovery of production following the COVID years and set a target for spending accumulated funding. Other states have had similar problems, and some have made funding provisions to do more extensive repair and rehabilitation on homes that would otherwise be “walkaways.” It may be useful to gain some experience with more complete treatment of some of these “walkaway” homes, as is happening in, for example, Washington, Pennsylvania, and Michigan.

Looking at recommendations from last year, the overall recommendation for both DWSS and NHD was to operate normally within current processes, management, and organization. Both DWSS and NHD did that, and also had to cope with the lingering effects of the COVID pandemic and its effects on programs.

OVERALL EVALUATION CONCLUSION

NHD WAP and DWSS EAP were fully compliant with all provisions of NRS 702 for SFY 2023. Both programs were effective in SFY 2023.

Executive Summary

SFY 2023 Evaluation
Energy Assistance & Weatherization Assistance Programs

SFY 2023 EVALUATION: ENERGY ASSISTANCE AND WEATHERIZATION ASSISTANCE PROGRAMS

Prepared for the State of Nevada by
H. GIL PEACH & ASSOCIATES

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SFY 2023 EVALUATION: ENERGY ASSISTANCE AND WEATHERIZATION ASSISTANCE PROGRAMS

I. ENERGY ASSISTANCE PROGRAM COMPLIANCE	1
<i>Compliance with Legislative Requirements</i>	3
1.1 Did DWSS ensure UEC funds were administered in a coordinated manner with all other sources of money available for energy assistance?	3
1.2 Was interest and income earned appropriately credited to FEAC?	3
1.3 Were FEAC funds distributed as mandated in NRS 702.260?	4
1.4 Were 75% of the FEAC funds distributed to DWSS?	4
1.5 Did DWSS use no more than 5% of FEAC funds for administrative expenses?	5
1.6 Did DWSS use FEAC funds (after the no more than 5% deduction from funds distributed to FEAC for administrative expenses) to assist eligible households in paying for natural gas and electricity?	5
1.7 Did DWSS use FEAC funds (after the no more than 5% deduction from funds distributed to FEAC for administrative expenses) to carry out activities related to consumer outreach?	6
1.8 Did DWSS use FEAC funds (after the no more than 5% deduction from funds distributed to FEAC for administrative expenses) to pay for program design?	7
1.9 Did DWSS adjust the amount of assistance a household receives based upon the following factors: Household income; Household size; Energy type used, and other factors determined to make household vulnerable to increases in natural gas or electricity costs?	7
1.10 Did DWSS solicit advice from Nevada Housing Division (NHD) and other knowledgeable sources in developing the program to assist households in paying for natural gas or electricity?	14
1.11 Did DWSS identify and implement appropriate delivery systems to distribute money from FEAC?	14
1.12 Did DWSS coordinate with other federal, state, and local agencies that provide energy assistance to low-income persons?	14
1.13 Did DWSS establish a process for evaluating EAP?	15
1.14 Did DWSS establish a process for making changes to EAP?	15
1.15 Did DWSS engage in annual planning and evaluation processes with NHD?	15
1.16 Did DWSS distribute 25% of FEAC funds to Nevada Housing Division?	15
1.17 Did DWSS submit a report to the Director of the Legislative Counsel Bureau on or before January 5 of each year, which specifies the amount of all money in FEAC allocated to DWSS during the preceding year which remains unspent and encumbered?	15
1.18 Did DWSS distribute not more than 30% of all FEAC funds that remained unspent and unencumbered at the end of a fiscal year to NHD?	16
1.19 Did DWSS adopt regulations to carry out provisions of NRS 702.250 and 260?	16
Summary	17

II. ENERGY ASSISTANCE PROGRAM EFFECTIVENESS.....	18
1.20 Did DWSS determine eligibility of EAP households at a maximum income level of no more than 150% of the FPL?	18
1.21 Did DWSS render emergency assistance to health/safety-threatened households experiencing an emergency related to the cost or availability of natural gas or electricity to otherwise EAP-eligible households?	18
1.22 Did DWSS determine the amount of EAP assistance a household is eligible to receive by determining the amount of assistance that is sufficient to reduce the percentage of the household’s income that is spent on natural gas and electricity to the median percentage of household income spent on natural gas and electricity statewide?.....	19
1.23 Numbers Served by Targeted Status and Energy Type Used	22
Summary.....	22

III. WEATHERIZATION ASSISTANCE PROGRAM COMPLIANCE	24
Planning.....	24
Resources	24
Expenditures.....	25
Business Process.....	26
Program Implementation	26
Audit and Compliance	26
Program Logic.....	26
2.1 Did NHD use no more than 6% of FEAC funds for its administrative expenses?.....	29
2.2 Did NHD provide eligible households with services of basic home energy conservation and efficiencies or assist households in acquiring services of load management?	29
2.3 Did NHD pay for appropriate improvements associated with energy conservation, weatherization, and energy efficiency?	29
2.4 Did NHD carry out activities related to consumer outreach?	29
2.5 Did NHD pay for program design?.....	30
2.6 Did NHD pay for annual program evaluation?	30
2.7 Did NHD determine eligibility of households at a maximum income level of no more than 150% of the federally designated level signifying poverty (FPL)?	30
2.8 Did NHD render emergency assistance to health/safety-threatened households experiencing an emergency because of the structural, mechanical, or other failure of their occupied dwelling? ...	31
2.9 Did NHD render emergency assistance to health/safety-threatened households experiencing an emergency because of a failure of a component or system of their occupied dwelling?	31
2.10 Did NHD adopt regulations to carry out and enforce the provisions of NRS 702.270?	31

2.11	Did NHD solicit advice from DWSS and from other knowledgeable sources?	31
2.12	Did NHD identify and implement appropriate delivery systems to distribute money from FEAC? ..	32
2.13	Did NHD coordinate with other federal, state, and local agencies that provide conservation services to low-income persons?	32
2.14	Did NHD encourage other persons to provide resources and services to the extent practicable, to schools and programs providing training in the building trades and apprenticeship programs?	33
2.15	Did NHD establish a process for evaluating the Weatherization Assistance Program (WAP)?	33
2.16	Did NHD establish a process for making changes to WAP?.....	34
2.17	Did NHD engage in annual planning and evaluation processes with DWSS?	34
IV. ASSESSMENT OF WAP PROGRAM EFFECTIVENESS		34
<i>Summary</i>.....		40
V. JOINT REQUIREMENTS SECTION (DWSS AND NHD).....		41
3.6.1	Did DWSS and NHD jointly establish an annual plan to coordinate their activities and programs? .	41
3.6.1.2	Did the plan include resources and services used by each program and efforts to increase or improve resources and services?	41
3.6.1.3	Did the jointly developed DWSS/NHD plan include efforts to improve administrative efficiencies?	42
3.6.1.4	Did the jointly developed DWSS/NHD plan include efforts undertaken to coordinate with other federal, state, and local agencies, nonprofit organizations and any private business or trade organizations providing energy assistance or conservation services to low-income persons?	47
3.6.1.5	Did the Jointly Developed DWSS/NHD annual plan include the measures concerning program design that will be undertaken to improve program effectiveness?	49
3.6.1.6	Did the jointly developed DWSS/NHD annual plan include the efforts that will be undertaken to improve program effectiveness?	51
3.6.2	Continuing Evaluation: Did the DWSS/NHD jointly conduct an annual evaluation of the EAP and WAP programs?	51
3.6.2.1	Did DWSS/NHD jointly solicit advice from the Nevada Public Utilities Commission as part of the annual evaluation?	52
3.6.2.2	DWSS/NHD jointly prepare report concerning the annual evaluation and submit the report to the Governor, Legislative Commission, and Interim Finance Committee?	52
<i>Summary</i>.....		53
<i>Recommendations</i>.....		53
<i>Conclusions</i>		56

Tables

Table 1: Eligibility Certification for SFY 2023.	2
Table 2: FEAC Interest received and distributed for DWSS and NHD.	3
Table 3: FEAC Principal Funds received and distributed for DWSS and NHD.	4
Table 4: Allocation of EAP Funds, SFY 2023.	6
Table 5: DWSS EAP Eligibility Table for SFY 2023.	8
Table 6: SFY 2023 Benefit Cap Table for Households.	8
Table 7: Example 1 - Assistance with and without use of a Cap (Household Size = 1).	10
Table 8: Example 2 - Assistance with and without use of a Cap (Household Size =4).	11
Table 9: Customer Responsibility Percentage of Total Bill Amount.	13
Table 10: Additional Support.	20
Table 11: Energy Burden by Poverty Group.	20
Table 12: Energy Burden for Targeted Groups.	21
Table 13: Payments by Energy Source.	22
Table 14: Work Completed by each WAP Subgrantee, SFY 2023.	35
Table 15: Work Completed relative to Goals, by Subgrantee for SFY 2023.	35
Table 16: Special Needs and High Energy Use Household, SFY 2023.	36
Table 17: Poverty Levels of Completed Homes.	37
Table 18: Housing Type & Primary Heating Source, SFY 2023.	37
Table 19: Housing Type and Own/Rent, SFY 2023.	38
Table 20: Homes by County.	38
Table 21: Average Cost per Unit.	39

Figures

Figure 1: Business Process.	27
Figure 2: Weatherization Business Process.	27
Figure 3: Logic Diagram for Weatherization Assistance Program.	28
Figure 4: Weatherization in Context of Previous Years.	36
Figure 5: US Inflation from 1913 through 2021.	45

Acronyms Used

BPI *Building Performance Institute*

BWR *Building Weatherization Report*

COVID The pandemic virus that attacked humans and some related animals beginning in 2020.

CSA *Community Services Agency*

CSBG *Community Service Block Grant*

DSM *Demand Side Management*

DWSS *Division of Welfare and Supportive Services*

EAP *Energy Assistance Program*

EFSP *Emergency Food and Shelter Program*

ESG *Emergency Shelter Grant*

FAC *Fixed Annual Credit*

FEAC *Fund for Energy Assistance and Conservation*

FPL *Federal Poverty Level*

HEROS *Governor's Home Energy Retrofits for Seniors*

IT *Information Technology*

kWh *Kilowatt hour*

LIHEAP (LIHEA Program) *Federal Low-Income Home Energy Assistance Program*

NAC *Nevada Administrative Code*

NHD *Nevada Housing Division*

NRHA *Nevada Rural Housing Authority*

NRS *Nevada Revised Statute*

PUCN *Public Utility Commission of Nevada*

RFI *Request for Information*

RNDC *Rural Nevada Development Corporation*

RTCA *Rebuilding Together with Christmas in April*

SAFE *Special Assistance Fund for Energy*

SSI *Supplemental Security Income*

SFY *State Fiscal Year*

UEC *Universal Energy Charge*

USDHHS *US Department of Health and Human Services*

USDOE *US Department of Energy*

WAP *Weatherization Assistance Program*

WxPRO *Weatherization Program Management & Audit Software*

Evaluation of Universal Energy Charge, Fund for Energy Assistance and Conservation, Programs for State Fiscal Year 2023

The Home Energy Assistance Program (EAP) and Weatherization Assistance Program (WAP) are funded through Nevada’s Universal Energy Charge (UEC), which was established by the 2001 state legislature.¹ The first full program year was SFY 2002.

Legislation establishing these programs requires an annual evaluation of program efficacy and compliance with legislative requirements.

Nevada’s Division of Welfare and Supportive Service and the Nevada Housing Division jointly approved H. Gil Peach & Associates to conduct this evaluation for the 2023 fiscal year. This evaluation is primarily a compliance evaluation, though it includes effectiveness analysis and some background information to provide context.

I. ENERGY ASSISTANCE PROGRAM COMPLIANCE

Evaluation of Energy Assistance Program (EAP) compliance and efficacy were determined using a variety of sources. The following EAP-provided data sets were used for analyses:²

- ◆ **Forms and Notices** - There were 51,674 forms and notices.

¹ The Universal Energy Charge (UEC) was authorized by the [State of Nevada Assembly Bill 661 \(2001\), Section 26](#), effective July 7, 2001, as codified in the Nevada Revised Statutes 702.010 through 702.170 and regulations adopted by the Public Utilities Commission of Nevada, as currently codified in the Nevada Administrative Code 702.010 through 702.870 (<https://www.leg.state.nv.us/nac/NAC-702.html>).

² Across the tables and figures, numbers reported in the evaluation sometimes differ slightly from DWSS management reports. Numbers in Table 1 represent all actions, including situations in which there may be two or more decisions over the year for a household. DWSS program management reports generally provide the current final decision for a household. Also, rounding may also cause slight differences in results reported.

- ◆ **Eligibility Certification**—Eligibility determination was assessed for 29,459 records for SFY 2023 (Table 1), of which 42.0% were found to be eligible.³ This compares with 63.5% in 2022 and 62.1% in 2021.

Table 1: Eligibility Certification for SFY 2023.

Eligibility Certification		
Eligibility	No. of Households	Percentage
Eligible	12,363	42.0%
Ineligible	17,095	58.0%
Total	29,459	100%

- ◆ **Household Members Details** – Data includes 64,692 records on the household members of applicants requesting EAP assistance, including dates of application.
- ◆ **Income Type Detail** – Data includes 30,758 household income entries.
- ◆ **Eligibility Certification** and **Family Members Details** and **Income Type Detail** data sets were merged in different steps of the analyses to obtain comprehensive program and client information.
- ◆ **Eligibility Certification** data was used to characterize clients as eligible or ineligible in all cases. As shown in Table 1, there are N=12,363 eligible cases and N=17,095 ineligible cases. This information was also used in the analysis of demographic and other characteristics of the EAP recipient population.
- ◆ **Energy Burden** analysis was conducted on eligible households, merging the eligible households, including household composition (such as children under 6 years old, disabled, and aged). These certified households were merged with the records for household income contributions by source in the **Household Income** file.
- ◆ **Household Income** (merged with Eligibility Certification data) was used to determine the relationship between social security income and eligibility.

³ Quantitative analysis was carried out using Excel Version 2016 & SPSS Version 25.

Compliance with Legislative Requirements

Legislative requirements are specified in NRS 702.⁴

1.1 *DID DWSS ENSURE UEC FUNDS WERE ADMINISTERED IN A COORDINATED MANNER WITH ALL OTHER SOURCES OF MONEY AVAILABLE FOR ENERGY ASSISTANCE?*

[Reference: NRS 702.250.3, Deliverable 3.4.1]

Yes. The Division of Welfare and Supportive Services (DWSS) receives money for energy assistance from two sources. The Universal Energy Charge (UEC) is a charge on customer electricity and natural gas bills and is collected by the participating utilities and sent to the Public Utilities Commission of Nevada (PUCN). PUCN deducts its collection and oversight cost and transfers the funds to the Fund for Energy Assistance and Conservation (FEAC) which is maintained by the Division of Welfare and Supportive Services. In addition, the program receives funding from the Federal Low-Income Home Energy Assistance Program (LIHEAP or LIHEA Program). The Fund for Energy Assistance and Conservation is maintained by DWSS; funds are distributed per NRS 702 through the Energy Assistance Program. Other funding sources have been from LIHEAP only.

1.2 *WAS INTEREST AND INCOME EARNED APPROPRIATELY CREDITED TO FEAC?*

[Reference: NRS 702.250.4, Deliverable 3.4.1.1]

Yes. Table 2 shows the distribution of FEAC interest between DWSS and NHD. Interest was distributed to each Division per the ratio of their share of the unspent balance of Principal.

Table 2: FEAC Interest received and distributed for DWSS and NHD.

FEAC Interest Received and Distributed, SFY 2023		
Line	Item	Amount
1	Amount Remaining for Distribution Following Refunds	\$488,931
2	Amount Distributed to NHD	\$16,068
3	Amount Distributed to DWSS	\$472,863

⁴ See footnote one.

1.3 WERE FEAC FUNDS DISTRIBUTED AS MANDATED IN NRS 702.260?

[Reference: NRS 702.260.1 Deliverable 3.4.1.2]

Yes. FEAC funds were distributed as mandated in NRS 702.260 (Table 3).

1.4 WERE 75% OF THE FEAC FUNDS DISTRIBUTED TO DWSS?

[Reference: NRS 702.260.1 Deliverable 3.4.2]

Yes. As shown in Table 3, Line 10, \$10,830,723 (75% of FEAC funds principal), were distributed to DWSS.

Table 3: FEAC Principal Funds received and distributed for DWSS and NHD.

FEAC Principal & Interest Received and Distributed, SFY 2023			
Line	Item	Amount	Percentage of Funds Disbursed
4	UEC Receipts (collected by PUCN)	\$14,509,044	
5	PUCN Admin	(\$68,079)	
6	FEAC Amount Received by DWSS from PUCN	\$14,440,965	
7	Refunds (Directed by PUCN)	0	
8	FEAC Principal (Amount Remaining for Distribution Following Refunds)	\$14,440,965	100%
9	Principal Distributed to NHD	\$3,610,241	25%
10	Principal Distributed to DWSS	\$10,830,723	75%
11	Total Interest	\$488,931	
12	Interest to NHD	\$16,068	
13	Interest to DWSS	\$472,863	
14	Total New Revenue 2022 NHD (Principal plus Interest)	\$3,626,309	
15	Total New Revenue 2022 DWSS (Principal plus Interest)	\$11,303,586	

Note 1: Reserve carried over from SFY 2022 is not shown in this table (see Table 4).

Note 2: A difference of a dollar does not affect the evaluation.

Source: SFY23 UEC Annual Eval Financial final copy, and derived results.

1.5 DID DWSS USE NO MORE THAN 5% OF FEAC FUNDS FOR ADMINISTRATIVE EXPENSES?

[Reference: 702.260.1 Deliverable 3.4.2.1]

In comparison with new revenue, administrative expenses were 5.6% of total new revenue. For SFY 2023, the cost of administration was \$627,885 (Table 4, Line 16). As shown by comparing the cost of administration to Total DWSS New Revenue of \$11,303,586 (Table 3, Line 15), DWSS used 5.6% of new FEAC funds for administration, over the 5% specified in NRS 702.260.1. However, inclusion of the reserve of \$15,159,050 carried over from SFY 2022 brings available funding to a total budget of \$26,462,636, so the \$627,885 cost of administration is 2.4% of available FEAC funds, well below the 5% limit.⁵

1.6 DID DWSS USE FEAC FUNDS (AFTER THE NO MORE THAN 5% DEDUCTION FROM FUNDS DISTRIBUTED TO FEAC FOR ADMINISTRATIVE EXPENSES) TO ASSIST ELIGIBLE HOUSEHOLDS IN PAYING FOR NATURAL GAS AND ELECTRICITY?

[Reference: 702.260.2(a) Deliverable 3.4.2.2]

Yes, as shown in Table 4 on Line 17, \$1,791,849 was used as client payments to assist eligible households in paying for natural gas and electricity. Total expenditures for 2023 totaled \$2,954,781 (Table 4, Line 21). Subtracting administrative cost (\$627,885) yields \$2,326,896. Client payments were 77.0% of \$2,326,896. DWSS used 77.0% of FEAC funds expended in SFY 2023 (after subtracting cost of administration), to assist eligible households in paying for natural gas and electricity.

⁵ Final funds for each fiscal year are received after the end of the fiscal year. The Reserve carried over from SFY 2021 for 2022 (Table 4, Line 23) includes this last payment.)

Table 4: Allocation of EAP Funds, SFY 2023.

SFY 2023 DWSS Energy Payment Assistance (Major Line Items) & Reserve for 2024			
Col. 1	Col. 2	Col. 3	Col. 4
Line	Item	(\$)	(%) UCE-FEAC Funds Expended
2023 Energy Assistance Program			
16	Administration	\$627,885	21.2%
17	Client Payments	\$1,791,849	60.6%
18	Outreach	\$14,636	0.5%
19	Program Design (Including computer reprogramming)	\$462,720	15.7%
20	Evaluation	\$57,690	2.0%
21	Total Expenditures (2023)	\$2,954,781	100.00%
22	Total Expenditures (2022) minus Cost of Administration	\$2,326,896	
Reserve			
23	Reserve (from 2022)	\$15,159,050	
24	Total New Revenue (2023)	\$11,303,586	
25	Total Revenue	\$26,462,636	
26	Total Expenditures (2023)	\$2,954,781	
27	Carry-Over Reserve (to 2024)	\$23,507,855	
Source: SFY23 UEC Annual Eval Financial final copy, and derived results.			

1.7 DID DWSS USE FEAC FUNDS (AFTER THE NO MORE THAN 5% DEDUCTION FROM FUNDS DISTRIBUTED TO FEAC FOR ADMINISTRATIVE EXPENSES) TO CARRY OUT ACTIVITIES RELATED TO CONSUMER OUTREACH?

[Reference: 702.260.2(b) Deliverable 3.4.2.3]

Yes, (Table 4, Line 18) outreach accounts for 0.5% (\$14,636) of FEAC funds expended in SFY 2023. Intake sites are paid \$10 per fully completed application. Having this information provided from intake sites makes for faster processing. However, the intake sites do not have access to the eligibility systems that DWSS has, so they can gather necessary information, but review and eligibility determination is carried out by DWSS.⁶

⁶ EAP applications may be obtained from/submitted to Division of Welfare and Supportive Services and contracted intake sites such as county social services, senior citizen centers, or community-based organizations. Completed applications submitted to a contracted intake site are sent to one of the two program offices statewide for processing after securing the documentation necessary to process the

1.8 DID DWSS USE FEAC FUNDS (AFTER THE NO MORE THAN 5% DEDUCTION FROM FUNDS DISTRIBUTED TO FEAC FOR ADMINISTRATIVE EXPENSES) TO PAY FOR PROGRAM DESIGN?

[Reference: 702.260.2(c) Deliverable 3.4.2.4]

Yes, program design accounts for \$462,720 (15.7% of FEAC funds expended in SFY 2023). Program design includes computer reprogramming costs (Table 4, Line 19).

1.9 DID DWSS ADJUST THE AMOUNT OF ASSISTANCE A HOUSEHOLD RECEIVES BASED UPON THE FOLLOWING FACTORS: HOUSEHOLD INCOME; HOUSEHOLD SIZE; ENERGY TYPE USED, AND OTHER FACTORS DETERMINED TO MAKE HOUSEHOLD VULNERABLE TO INCREASES IN NATURAL GAS OR ELECTRICITY COSTS?

[Reference: 702.260.6(b) Deliverable 3.4.5.1]

Yes. First, income eligibility for the Energy Assistance Program is determined in terms of maximum gross household income (Table 5). Applicants must meet the income requirement for household income and household size.⁷ Information in this table is updated yearly, corresponding to the annually updated federal definition of 150% of the federal poverty level.⁸ Second, Benefit Caps are applied. The Benefit Caps vary based on income, household size and the type of energy used (Table 6).

application. In FY2023, the Division of Welfare and Supportive Services will continue to augment the number of intake sites as needed. Contracted intake sites are encouraged to assist the Division of Welfare and Supportive Services in EAP program outreach. The Division of Welfare and Supportive Services shall provide copies of any promotional brochures to its intake sites, other community-based governmental offices, utilities, and other locations throughout the state providing potential applicants with information on energy assistance and energy conservation.” Nevada Fund for Energy Assistance and Conservation State Plan for SFY 2023, P 13.

⁷ Information in Table 5 is taken from the income requirements on the EAP application.

⁸ Households with income exceeding the 150% of poverty level and pay out of pocket medical expenses may have their income reduced by verified qualifying medical expenses for purposes of qualification for EAP.

Table 5: DWSS EAP Eligibility Table for SFY 2023.

Maximum Gross Household Income		
Persons in Home	Annual Income	Monthly Income
1	\$21,870	\$1,822.50
2	\$29,580	\$2,465.00
3	\$37,290	\$3,107.50
4	\$45,000	\$3,750.00
5	\$52,710	\$4,392.50
6	\$60,420	\$5,035.00
7	\$68,130	\$5,677.50
8	\$75,840	\$6,320.00
<p>Note: For families /households with more than eight persons, add \$7,710 to the annual income for each person.</p>		

Table 6: SFY 2023 Benefit Cap Table for Households.

Household Size	<75%	75-100%	100-125%	126-150%
1	\$2,000	\$1,600	\$1,280	\$1,152
2	\$2,106	\$1,684	\$1,348	\$1,213
3	\$2,216	\$1,773	\$1,418	\$1,277
4	\$2,333	\$1,866	\$1,493	\$1,344
5	\$2,450	\$1,960	\$1,568	\$1,411
6	\$2,572	\$2,058	\$1,646	\$1,482
7	\$2,701	\$2,161	\$1,728	\$1,556
8+	\$2,836	\$2,269	\$1,815	\$1,633
<p>Note: Add \$100 for Households with a member who is 60 years or older; disabled; or a child under six; Also, add \$100 for households with oil or propane primary energy source.</p>				

Two adjustments apply to the Benefit Caps (Table 6):

- To better prioritize vulnerable households, \$100 is added to the Benefit Cap for “vulnerable/targeted households” which includes the elderly, households with children younger than 6 years of age, and disabled persons.
- For type of energy, \$100 was added for homes with oil or propane heat, due to the higher cost of these home heating fuels.

The Nevada Energy Assistance Program works in relation to the state household energy burden. For 2023 the statewide median energy burden for Nevada households was 2.29% of household income.⁹ The statewide median household energy burden for natural gas and electricity is updated annually.

⁹ “Energy Burden” means the home energy expenditures of the household divided by the income of the household). Department of Health and Human Services, Division of Welfare and Supportive Services, Nevada Fund for Energy Assistance and Conservation State Plan for Fiscal Year 2023, P. 5, §2.14. The statewide median household energy burden for natural gas and electricity is 2.29% for FY2023. Nevada Fund for Energy Assistance and Conservation State Plan for Fiscal Year 2023, P. 18, §10.1.3.

Table 7: Example 1 - Assistance with and without use of a Cap (Household Size = 1).

Example 1							
Row No.	Category	Example Household Income (Multiple of Federal Poverty Level)					
		25%	50%	75%	100%	125%	150%
Household Size = 1 Person							
1	Annual Household Income (Gross)	\$3,645	\$7,290	\$10,935	\$14,580	\$18,225	\$21,870
2	2023 Nevada Median Energy Burden (2.29%). This is the NRS702 target bill for the portion of the bill that should remain a customer responsibility for SFY 2023.	\$83	\$167	\$250	\$334	\$417	\$501
3	Example Annual Household Energy Cost (based on energy usage amount)	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
4	Balance Remaining to Pay, in this example, for energy usage after initial Customer Responsibility	\$1,717	\$1,633	\$1,550	\$1,466	\$1,383	\$1,299
5	Cap (for a one-person household)	\$2,000	\$2,000	\$2,000	\$1,600	\$1,280	\$1,152
6	Difference due to operation of the Cap	None	None	None	None	\$103	\$147
7	Total Bill to Customer (No Program)	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
8	Customer Responsibility: EAP (if there were no Cap)	\$83	\$167	\$250	\$334	\$417	\$501
9	Customer Responsibility: EAP (with Cap)	\$83	\$167	\$250	\$334	\$520	\$648
10	Bill Assistance Amount (if there were no Cap)	\$1,717	\$1,633	\$1,550	\$1,466	\$1,383	\$1,299
11	Bill Assistance Amount (with Cap)	\$1,717	\$1,633	\$1,550	\$1,466	\$1,280	\$1,152

Table 8: Example 2 - Assistance with and without use of a Cap (Household Size =4).

Example 2							
Row No.	Category	Example Household Income (Multiple of Federal Poverty Level)					
		25%	50%	75%	100%	125%	150%
Household Size = 4 Persons							
1	Annual Household Income (Gross)	\$7,500	\$15,000	\$22,500	\$30,000	\$37,500	\$45,000
2	2023 Nevada Median Energy Burden (2.29%). This is the NRS702 target bill for the portion of the bill that should remain a customer responsibility for SFY 2023.	\$172	\$344	\$515	\$687	\$859	\$1,031
3	Example Annual Household Energy Cost (based on energy usage amount)	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
4	Balance Remaining to Pay, in this example, for energy usage after initial Customer Responsibility	\$2,228	\$2,057	\$1,885	\$1,713	\$1,541	\$1,370
5	Cap (for a four-person household)	\$2,333	\$2,333	\$2,333	\$1,866	\$1,493	\$1,344
6	Difference due to operation of the Cap	None	None	None	None	\$48	\$26
7	Total Bill to Customer (No Program)	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
8	Customer Responsibility: EAP (if there were no Cap)	\$172	\$344	\$515	\$687	\$859	\$1,031
9	Customer Responsibility: EAP (with Cap)	\$172	\$344	\$515	\$687	\$907	\$1,056
10	Bill Assistance Amount (if there were no Cap)	\$2,228	\$2,057	\$1,885	\$1,713	\$1,541	\$1,370
11	Bill Assistance Amount (with Cap)	\$2,228	\$2,057	\$1,885	\$1,713	\$1,493	\$1,344

Tables seven and eight show the importance of the Energy Assistance Program in reducing the size of the bill that must be paid by the customer. The program is not intended to pay the full energy bill – the target customer responsibility portion of the bill is set to the median (middle value) household energy burden for Nevada households, expressed as a percentage of household income. This percentage is then applied to the actual household income of each client, resulting in a portion of annual energy cost that is the responsibility of the household.

Household income is shown in Row 1. The corresponding value for the SFY 2023 Median Energy Burden criterion is shown in Row 2. For the first example, the Annual Energy Bill is set at \$1,800 (Row 3) for a single-person household; for the second example, to \$2,400 (Row 3) for a four-person household. The balance remaining to pay (after subtracting the target customer responsibility amount) is shown in Row 4 in both tables.

The Cap amount is shown in Row 5. Row six shows the additional dollars to be paid by the customers due to the operation of the cap. Row 7 shows the customer bill in the “no program” alternative. Rows 8 and 9 show the total customer responsibility amount for two cases: the program as envisioned in the design of NRS 702 (with no Cap); and the program as adjusted, with the appropriate SFY 2023 Cap applied. Rows 10 and 11 show the corresponding Bill Assistance amounts to be provided by the program; first without application of the Cap (Row 10) and then with the application of the Cap (Row 11).

Table 9 summarizes the information in Tables 7 and 8 in the form of percentage of total bill to be paid by the customer. The pattern of greater protection for households with lower incomes is evident in the percentages shown in Rows 2 and 3 and in Rows 5 and 6, with the percentage to be paid by the customer decreasing to the left in each row.

As shown in the tables, households in the lower poverty ranges are not affected by the Cap. The amounts due correspond to those envisioned in the original design of the program. Households in the upper poverty ranges of the tables pay slightly more. Adjustment of the program design using the Cap preserves funding so that more households can be served while maintaining the full level of protection as established in the legislation for households in the lower ranges of poverty. The Caps need to be changed from time to time to re-optimize the program to work within the changing funding constraints for both UEC/FEAC and federal funding.¹⁰

¹⁰ The option for adjustment of the design using a Cap approach was envisioned by the legislature and is within the scope of determination of DWSS as specified in NRS 702.

Table 9: Customer Responsibility Percentage of Total Bill Amount.

Percentage of Total Bill to Customer to be Paid as Customer Responsibility							
as Poverty Income Increases							
With and Without Program and With and Without Cap							
Row No.	Category	Example Income (Multiple of Federal Poverty Level)					
		25%	50%	75%	100%	125%	150%
Example 1: Household Size = 1 Person; Annual Household Energy Cost = \$1,800							
1	Annual Household Income (Gross)	\$3,645	\$7,290	\$10,935	\$14,580	\$18,225	\$21,870
2	Percentage of Bill that remains the responsibility of the customer (if there were no Program)	100%	100%	100%	100%	100%	100%
3	Customer Responsibility (with Program; but without a Cap)	4.64%	9.27%	13.91%	18.55%	23.19%	27.82%
4	Customer Responsibility (with Program; and with Cap)	4.64%	9.27%	13.91%	18.55%	28.89%	36.00%
Example 2: Household Size = 4 Persons; Annual Household Energy Cost = \$2,400							
5	Annual Household Income (Gross)	\$7,500	\$15,000	\$22,500	\$30,000	\$37,500	\$45,000
6	Percentage of Bill that remains the responsibility of the customer (if there were no Program)	100%	100%	100%	100%	100%	100%
7	Percentage Bill Responsibility (with Program; but without a Cap)	7.16%	14.31%	21.47%	28.63%	35.78%	42.94%
8	Percentage Bill Responsibility (with Program; and with Cap)	7.16%	14.31%	21.47%	28.63%	37.79%	44.00%

1.10 DID DWSS SOLICIT ADVICE FROM NEVADA HOUSING DIVISION (NHD) AND OTHER KNOWLEDGEABLE SOURCES IN DEVELOPING THE PROGRAM TO ASSIST HOUSEHOLDS IN PAYING FOR NATURAL GAS OR ELECTRICITY?

[Reference: 702.260.8(a) Deliverable 3.4.7]

Yes. Throughout the year, DWSS managers consulted with the Energy Policy Committee and NHD, consistent with the directives for consultation and coordination in the enabling legislation for the program.

1.11 DID DWSS IDENTIFY AND IMPLEMENT APPROPRIATE DELIVERY SYSTEMS TO DISTRIBUTE MONEY FROM FEAC?

[Reference: 702.260.8(b) Deliverable 3.4.7.1]

Yes, DWSS has implemented and continues to improve delivery systems. DWSS continues to make changes to case processing systems to increase efficiency. DWSS continues to improve IT support. There are multiple demands on IT so there is normally a backlog in working through these optimization requests.

1.12 DID DWSS COORDINATE WITH OTHER FEDERAL, STATE, AND LOCAL AGENCIES THAT PROVIDE ENERGY ASSISTANCE TO LOW-INCOME PERSONS?

[Reference: 702.260.8(c) Deliverable 3.4.7.2]

Yes, DWSS coordinates with several agencies statewide that provide outreach for EAP. There is also coordination among DWSS, Southwest Gas, Nevada Energy, and Sierra Pacific Power for outreach and to exchange information for service to clients. DWSS coordinates Universal Energy Charge and federal LIHEAP funds to meet the needs of clients and works at the federal level each year to secure federal LIHEAP funding.

Current coordination between EAP and the Nevada Housing Division Weatherization Assistance Program (WAP) involves EAP sending WAP a monthly list of newly eligible EAP participants. The Housing Division then divides this list according to subgrantee service areas, and forwards to the subgrantees a list of potential WAP participants within their service areas. Depending on backlog at each subgrantee agency, subgrantees then send postcards to potentially eligible households to alert them to the WAP program. One of the subgrantee responsibilities is recruitment of households into the FEAC weatherization programs, so there are typically many qualified applicants. A point system is used to determine which qualified applicants receive weatherization and which go on waiting lists. Each year some applicants cannot be served.

1.13 DID DWSS ESTABLISH A PROCESS FOR EVALUATING EAP?

[Reference: 702.260.8(d) Deliverable 3.4.7.3]

Yes, The Division of Welfare and Supportive Services and Nevada Housing Division are jointly conducting an annual evaluation of the EAP and WAP for the State Fiscal Year 2023.

1.14 DID DWSS ESTABLISH A PROCESS FOR MAKING CHANGES TO EAP?

[Reference: 702.260.8(e) Deliverable 3.4.7.4]

Yes. All changes are communicated in policy transmittal and manual transmittal letters.

1.15 DID DWSS ENGAGE IN ANNUAL PLANNING AND EVALUATION PROCESSES WITH NHD?

[Reference: 702.260.8(f) Deliverable 3.4.7.5]

DWSS and NHD engaged in public hearings and conducted joint planning activities throughout the year. A public hearing was held in 2022, to adopt the 2023 State Plans for the Low-Income Home Energy Assistance Program (LIHEAP) and the Nevada Fund for Energy Assistance and Conservation (FEAC). The Nevada Fund for Energy Assistance and Conservation State Plan for SFY 2023 became effective July 1, 2022.

1.16 DID DWSS DISTRIBUTE 25% OF FEAC FUNDS TO NEVADA HOUSING DIVISION?

[Reference: 702.270.1 Deliverable 3.4.8]

Yes, 25% of FEAC funds were distributed to NHD (Table 3, Line 9).

1.17 DID DWSS SUBMIT A REPORT TO THE DIRECTOR OF THE LEGISLATIVE COUNSEL BUREAU ON OR BEFORE JANUARY 5 OF EACH YEAR, WHICH SPECIFIES THE AMOUNT OF ALL MONEY IN FEAC ALLOCATED TO DWSS DURING THE PRECEDING YEAR WHICH REMAINS UNSPENT AND ENCUMBERED?

[Reference: 702.275.1 Deliverable 3.4.9]

The fiscal report to the Director of the Legislative Counsel Bureau for the previous fiscal year was submitted Thursday January 6, 2023.

1.18 DID DWSS DISTRIBUTE NOT MORE THAN 30% OF ALL FEAC FUNDS THAT REMAINED UNSPENT AND UNENCUMBERED AT THE END OF A FISCAL YEAR TO NHD?

[Reference: 702.255.2 Deliverable 3.4.9.1]

No. Funds unspent at the end of SFY 2023 were carried over in the DWSS UEC-FEAC account as reserve for SFY 2024.

1.19 DID DWSS ADOPT REGULATIONS TO CARRY OUT PROVISIONS OF NRS 702.250 AND 260?

[Reference: 702.260.7) Deliverable 3.4.6]

This report outlines each provision of NRS 702.250 and 260 and DWSS compliance with those provisions. In summary, by taking the following actions, DWSS implemented the program in compliance with NRS 702.250 and 260.

- ◆ DWSS administered the FEAC, which included all sources of public and private money available for energy assistance.
- ◆ DWSS coordinated the distribution of these funds with all available energy assistance funds.
- ◆ 75% of money in the FEAC was distributed to DWSS.
- ◆ The EAP provided subsidies to households to assist with paying for natural gas and electricity and paid for program design (including IT) and evaluation expenses.
- ◆ As a rule, only households at or below 150% of the FPL were eligible to receive subsidies (though there are limited specified exceptions).
- ◆ DWSS provided emergency assistance to households for whom health and/or safety was threatened by bearing the full cost of heating and cooling.
- ◆ DWSS made a good faith effort to reduce the proportion of household income spent on energy by eligible applicant households to the statewide median, within the provisions authorized in NRS702.
- ◆ The amount of assistance was adjusted based on household income, household size, type of energy used, and the presence of a vulnerable household member.
- ◆ DWSS sought advice from the NHD and coordinated implementation of the EAP with the weatherization program.
- ◆ DWSS established and carried out a process for:
 - Coordinating with other available programs including applications and eligibility.
 - An evaluation process.

- A program design process (including IT) that enabled changes during the fiscal year; and
- Engaged in a planning and evaluation process with NHD.

SUMMARY

The DWSS Energy Assistance Program for SFY 2023 is in compliance with the provisions of NRS 702.

Conclusion 1: Based on the record of engagement for SFY 2023, the Division of Welfare and Supportive Services is in compliance with legislative program directives and guidance in NRS 702 for SFY 2023.

The next section is focused on the effectiveness of the DWSS Energy Assistance Program.

II. ENERGY ASSISTANCE PROGRAM EFFECTIVENESS

1.20 DID DWSS DETERMINE ELIGIBILITY OF EAP HOUSEHOLDS AT A MAXIMUM INCOME LEVEL OF NO MORE THAN 150% OF THE FPL?

[Reference: 702.260.3 Deliverable 3.4.3]

Yes. For SFY 2023, DWSS determined eligibility of EAP households at a maximum level of no more than 150% of the Federal Poverty Level. The 2023 benefit caps enabled DWSS to serve qualifying applicant households at a maximum income level of no more than 150% FPL. There are specified exceptions to this rule for the Energy Assistance Program Crisis Intervention Component.¹¹

1.21 DID DWSS RENDER EMERGENCY ASSISTANCE TO HEALTH/SAFETY-THREATENED HOUSEHOLDS EXPERIENCING AN EMERGENCY RELATED TO THE COST OR AVAILABILITY OF NATURAL GAS OR ELECTRICITY TO OTHERWISE EAP-ELIGIBLE HOUSEHOLDS?

[Reference: 702.260.4 Deliverable 3.4.4]

Yes. In SFY 2023, 19 households were served through the Crisis Intervention program. The Crisis Intervention Component assists households experiencing a special circumstance or crisis and whose gross annual income exceeds the current income limit percentage of poverty (150% of the federal poverty level) except for allowable qualifying expenses that reduce the annual income to the current income limit percentage. Qualifying expenses may include unreimbursed medical expenses for medical emergencies or long-term, chronic medical conditions; unreimbursed compulsory and necessary home repairs; and/or unreimbursed automobile repairs only if transportation is needed for ongoing medical care, the repairs are critical to the operation of the vehicle, and, it is the only registered vehicle in the household. Regular maintenance is excluded, including tire purchases.

In addition to the 19 households served through the Crisis Intervention program, there were 2,649 households served in the Arrearage Forgiveness program, and 195 households served through Fast Track.¹² These are the three additional components of the Energy Assistance Program.

¹¹ Nevada Fund for Energy Assistance and Conservation State Plan FY 2023, P. 24, §11.1.2.

¹² An additional eleven households were listed as pending for Fast Track at the end of the year.

1.22 DID DWSS DETERMINE THE AMOUNT OF EAP ASSISTANCE A HOUSEHOLD IS ELIGIBLE TO RECEIVE BY DETERMINING THE AMOUNT OF ASSISTANCE THAT IS SUFFICIENT TO REDUCE THE PERCENTAGE OF THE HOUSEHOLD'S INCOME THAT IS SPENT ON NATURAL GAS AND ELECTRICITY TO THE MEDIAN PERCENTAGE OF HOUSEHOLD INCOME SPENT ON NATURAL GAS AND ELECTRICITY STATEWIDE?

[Reference: 702.260.8(c) Deliverable 3.4.5]

NRS 702 specifies that the EAP will use the average statewide energy burden to set benefit levels. For SFY 2023 the statewide median energy burden calculated for all Nevada households was 2.29%.¹³

The use of Benefit Caps helps to ensure that all qualifying households that apply can be served. Some households in the upper ranges of poverty included in the Energy Assistance Program will have a lower benefit amount due to the Caps, which preserves the calculated benefit amount for households in the lower poverty ranges served by the program.

There are adjustments to the Cap to increase for households with a child under six years old, households with at least one senior member, and households in which at least one household member has a disability. There is also an adjustment to increase the Cap for homes heating with oil or propane since these are higher cost fuels.

In addition, there is a final adjustment to take into consideration when increasing utility rates.¹⁴ This adjustment is structured according to poverty level, to provide more funding for households experiencing more severe poverty and less for households experiencing less severe poverty. These adjustments are shown in Table 10.

¹³ The projection of Nevada median household energy burden is based on information on energy usage and energy cost provided by the utilities and Nevada demographic information. The percentage for 2023 is 2.29%. "Energy burden" means the home energy expenditures of the household divided by the income of the household. See Nevada Fund for Energy Assistance and Conservation State Plan FY 2023, Effective July 1, 2022, Page 5, §2.14.

¹⁴ The program legislation (Nevada Administrative Code 702.010 through 702.870) does not directly address the need to provide for increases in utility rates. However, it provides flexibility to make practical adjustments to the program.

Table 10: Additional Support.

Temporary Additional Support (SFY 2023)	
Poverty Level	Amount (\$)
0-75%	500
76-100%	450
101-125%	400
126-150%	350

In Table 11 within the group from 0-75% of the federal poverty level, SFY 2023, energy burden without the program averages 39.1% of Fixed Annual Credit (FAC) income.¹⁵ Column 2 shows the program effectiveness in reducing energy burden for this group to 2.85%. Final adjustments (Column 3) further lower energy cost burden.¹⁶

Table 11: Energy Burden by Poverty Group.

Percentage of FAC Income that EAP Participants are expected to spend on Household Energy, by Poverty Group for SFY 2023			
Poverty Group	Energy Burden (Percent of FAC Income)		
	Col. 1	Col. 2	Col. 3
	Without EAP (No Program)	EAP Program	EAP plus Additional Support
126-150%	5.2%	2.68%	0.00%
101-125%	6.9%	2.68%	0.00%
76-100%	10.3%	2.58%	0.00%
0-75%	39.1%	2.85%	0.00%

¹⁵ Within the lower ranges of poverty, Energy Burden is much higher at 25% of poverty, then even higher at 20%, higher still at 15%, etc. The EAP program resolves this problem for EAP participants.

¹⁶ The values in Table 11, Column 3 are shown as 0.00%, however this is approximate.

Conclusion 2: As demonstrated in Table 11, *the Energy Assistance Program has a substantial positive effect for all low-income groups, especially for the lowest income poverty group.* For SFY 2023, the program effect comes very close to meeting the target of the statewide median energy burden, and so performance is consistent with legislative intent as specified in NRS 702.

Statewide Median for 2023	2.29%
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Program performance with respect to targeted groups (homes with one or more children under the age of six, homes with one or more disabled person, and homes with one or more seniors) is shown in Table 12.

Table 12: Energy Burden for Targeted Groups.

Percentage of Income EAP Participants are expected to Spend on Energy, Before and After Assistance, for Targeted Groups, SFY 2023			
Target Group	Average % FAC Income expected to be Spent on Energy		
	Prior to EAP	With EAP	EAP plus Additional Support
With Children Six and Under	18.34%	3.47%	0.00%
With Disabled	11.36%	2.97%	0.00%
With Senior(s)	10.60%	2.68%	0.00%
Statewide Median for 2023			2.29%

Conclusion 3: As demonstrated in Table 12, the Energy Assistance Program has a substantial positive effect for targeted groups, including households with children aged six and under, household with at least one disabled person, and households with at least one senior citizen.

1.23 NUMBERS SERVED BY TARGETED STATUS AND ENERGY TYPE USED

[Reference: 702.260.2(a) Deliverable 3.4.2.2]

For SFY 2023 there were 5,366 homes in the analysis with at least one person over the age of 60. There were 1,436 homes with one or more children under the age of six. There were 5,783 homes with one or more disabled persons.

Nevada households served by EAP use a variety of energy sources. As shown in Table 13, the primary energy sources are (1) electricity and (2) natural gas.¹⁷

Table 13: Payments by Energy Source.

Payments by Energy Source (SFY 2023)	
Energy Source	Number of Payments
Electric	12,828
Gas	6,732
Propane	276
Heating Oil	14
Wood	2
Pellets	1
	19,853

Summary

DWSS distributed the FEAC funds in a manner consistent with the requirements of the defining legislation (NRS 702). Through the EAP, DWSS provided qualifying applicant households meaningful assistance with their heating and cooling costs during FY 2023. FEAC is not intended to pay the full energy bill, but to make the household payment responsibility equivalent to the Nevada median household energy burden.

¹⁷ In Table 13 the number of payments does not sum to the number of households receiving EAP benefits, since many households split the payment amount between two utilities/energy sources.

DWSS used the flexibility established in NRS 702, including coordination with federal funding, to optimize the EAP program within the funding limitation.

Conclusion 4: The Energy Assistance Program was effective in SFY 2023. This is demonstrated in Tables 11 and 12. Consistent with the program design and legislative intent, eligible participants who applied were able to pay household energy bills within the target median energy burden for the state, or, due to application of Caps, very close to the target. The Evaluation Team finds the Division of Welfare and Supportive Services Energy Assistance Program effective based on the record of work completed for SFY 2023.

The next section is focused on the Weatherization Assistance Program.

III. WEATHERIZATION ASSISTANCE PROGRAM COMPLIANCE

The Weatherization Assistance Program is administered by the Nevada Housing Division (NHD) and is funded through the Universal Energy Charge/Fund for Energy Assistance and Conservation (UEC/FEAC).¹⁸ Performance requirements for this program are codified in Nevada Revised Statutes (NRS) 702. Major components and program activities are Planning, Resources, Expenditures, Business Process, Program Implementation, Weatherization Audits/Compliance, and Program Logic. This section of the evaluation is focused on program compliance with legislative directives and guidance codified in NRS 702.

PLANNING

Toward the end of SFY 2022, the Nevada Housing Division and the Division of Welfare and Supportive Services (DWSS) collaborated on the development of the Nevada Fund for Energy Assistance and Conservation State Plan for SFY 2023, as required by NRS 702.280. NHD and DWSS also worked together to develop the Nevada Low Income Home Energy Assistance Program (LIHEA Program) State Plan for 2023. The LIHEA Program plan is required by the U.S. Department of Health and Human Services (USDHHS); LIHEA is administered in coordination with the UEC/FEAC WAP program.¹⁹ The Nevada Fund for Energy Assistance and Conservation State Plan and the Nevada Low Income Home Energy Assistance Program State Plan are carefully coordinated.

The weatherization planning target (production goal) for SFY 2023 was set at 299 homes, down from 327 in the prior fiscal year,²⁰ but a realistic target due to the drop in production during COVID and a complete turnover of NHD program staff managing weatherization.

RESOURCES

For SFY 2023, NHD received new UEC/FEAC funds for the Weatherization Assistance Program from DWSS in the amount of \$3,610,241.²¹ In addition, NHD received an

¹⁸ State of Nevada fiscal years begin on July 1st and end on June 30th of each calendar year. State Fiscal Year 2023 began July 1, 2022, and ended on June 30, 2023.

¹⁹ While the UEC/FEAC WAP program follows the Nevada fiscal year, the LIHEA Program follows the US federal fiscal year which begins on October 1st and ends on September 30th of each calendar year.

²⁰ Housing Division – SFY 2023 Year to Date Production and Expenditures by Subgrantee report through June of 2023.

²¹ The \$3,610,241 is the amount of the twenty-five percent allocation by DWSS to NHD from new Universal Energy Charge revenue. Source: SFY23 UEC Annual Eval (Financials) Final Copy, provided by DWSS.

interest payment of \$16,068 from the UEC/FEAC account maintained by DWSS.²² The total of new funds is \$3,626,309.²³ The NHD UEC/FEAC reserve balance, carried over from SFY 2022 to SFY 2023 is \$5,910,266.²⁴ With the reserve carryover amount the total UEC/FEAC resource available for SFY 2023 is \$9,536,575.²⁵

On a statewide basis, resources from the Nevada Universal Energy Charge/Fund for Energy Assistance and Conservation funding are coordinated with funding provided by the U.S. Department of Energy, (DOE WAP) the U.S. Department of Health and Human Services Low-Income Home Energy Assistance Program (LIHEA), and other programs.

Over the last two fiscal years, there has been turnover in all positions within the NHD related to the management of the FEAC weatherization program. It takes time to fill positions and for new people to learn their jobs. It is likely that important situated knowledge was lost with these changes; knowledge that must be learned on the job. This problem, plus the time it takes to recover production levels after the COVID years has resulted in underspending and a larger than usual carryover of UEC/FEAC funding, which again carries over into SFY 2024.

EXPENDITURES

In SFY 2023, NHD expended \$2,376,292 on subgrantee and weatherization expenses (including internal subgrantee administration).²⁶

Expenses for FEAC administration were \$176,401, including payroll and operating expenses. No cost was reported for program design or for outreach. The evaluation cost was \$33,413, and the cost for REM Design software was \$5,177. The sum of subgrantee (and weatherization) plus Housing Division administration and other expenditures for SFY 2023 is \$2,591,283.²⁷

²² Source: SFY23 UEC Annual Eval (Financials) Final Copy, provided by DWSS.

²³ NHD sum of 25% allocation plus interest matches total from DWSS (email from Mackenzie Huntoon to Gil Peach, March 4, 2024).

²⁴ E-mail from Raul Betancourt to Gil Peach, January 20, 2023.

²⁵ Sum of new SFY 2023 funding (\$3,626,309) plus reserve carried over from 2022.

²⁶ SFY 2023 Year to Date Subgrantee Expenditure through June 30, 2023. Source: FEAC SFY 2023, CY 2022-2023 LOW INCOME WEATHERIZATION ASSISTANCE PROGRAM, July 1, 2022 – June 30, 2023. Reviewed 04/22/2024.

²⁷ Source: FEAC SFY 2023, CY 2022-2023 LOW INCOME WEATHERIZATION ASSISTANCE PROGRAM, July 1, 2022 – June 30, 2023. Reviewed 04/22/2024.

BUSINESS PROCESS

The Business Process plan (Figure 1) was developed in SFY 2012 and has continued in place through SFY 2023, with small modifications in certain years to follow state priorities. For SFY 2023, the new weatherization assistance program database system, WxPRO, was fully operational throughout the fiscal year.

PROGRAM IMPLEMENTATION

The business process is administered by the Nevada Housing Division, with outreach, applications, ranking of applications, and assessment of individual homes conducted by the Subgrantee agencies. Subgrantees complete installations, typically with their own staff but may also select contractors/subcontractors for parts of the work. Subgrantees also inspect 100% of completed projects, enter data into the WxPro database, and pay contractors. NHD then reimburses the Subgrantee agencies for their parts of the work.

AUDIT AND COMPLIANCE

NHD is responsible for a 10% inspection of weatherization jobs, and for periodic on-site inspections of subgrantee offices. Nevada NHD staff carried out both the 10% weatherization inspections and the office reviews. NHD provides training and assistance, monitors/audits for compliance, submits reports to funders, develops and maintains the database, and implements policies and procedures as required by NRS 702 and as required by funding agencies.

PROGRAM LOGIC

The program logic of the Fund for Energy Assistance and Conservation Weatherization Assistance Program is shown in Figure 1. All resources shown in the figure are drawn upon by the program. In addition to UEC/FEAC funding, for SFY 2023 the program leveraged federal DOE funding. Support is also provided from the Nevada Housing Trust Fund, the Governor's Office of Energy, Home Energy Retrofit Opportunities for Seniors (HEROS) fund and LIHEA.

As shown in the logic diagram, the program is carried out by the NHD, the Subgrantees, and Contractors. Resources include building science technologies and equipment, the database and IT support, and the situated and specialized knowledge required to administer and manage the overall WAP. The immediate outcomes of the weatherization work are reduced energy use and lower energy bills for low-income homes, improvement in health and safety condition of homes, reduced illnesses, and in some cases, saved lives. The program also provides community education and contractor training.

Like most economic variables, housing stock can also be viewed as a flow, from new construction, aging with repairs and replacements, to eventual replacement of

each housing unit. Weatherization typically replaces and/or repairs key components of a house and extends the useful life of buildings. Typically, the NHD weatherization program is the only provider for furnace or AC replacement or extensive repair for households served.

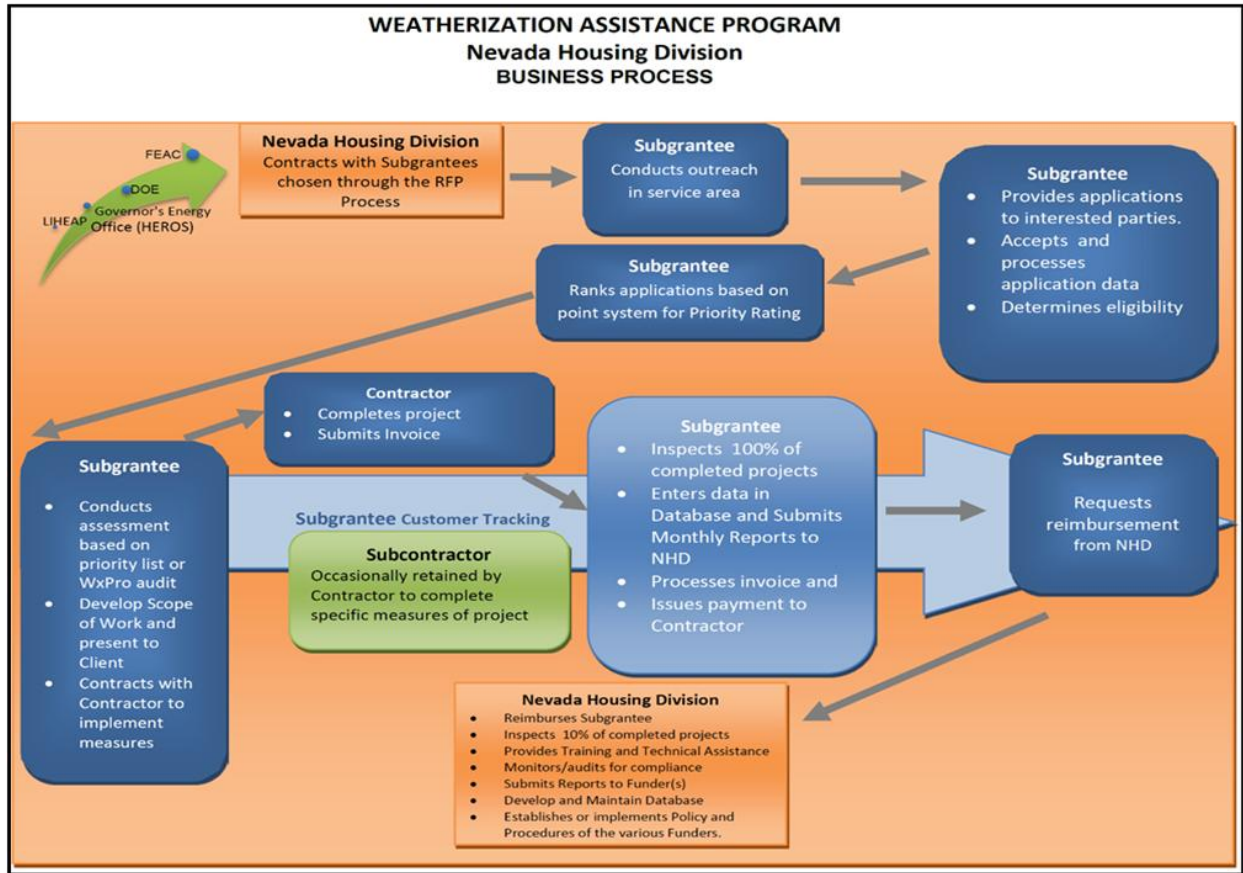


Figure 1: Business Process.

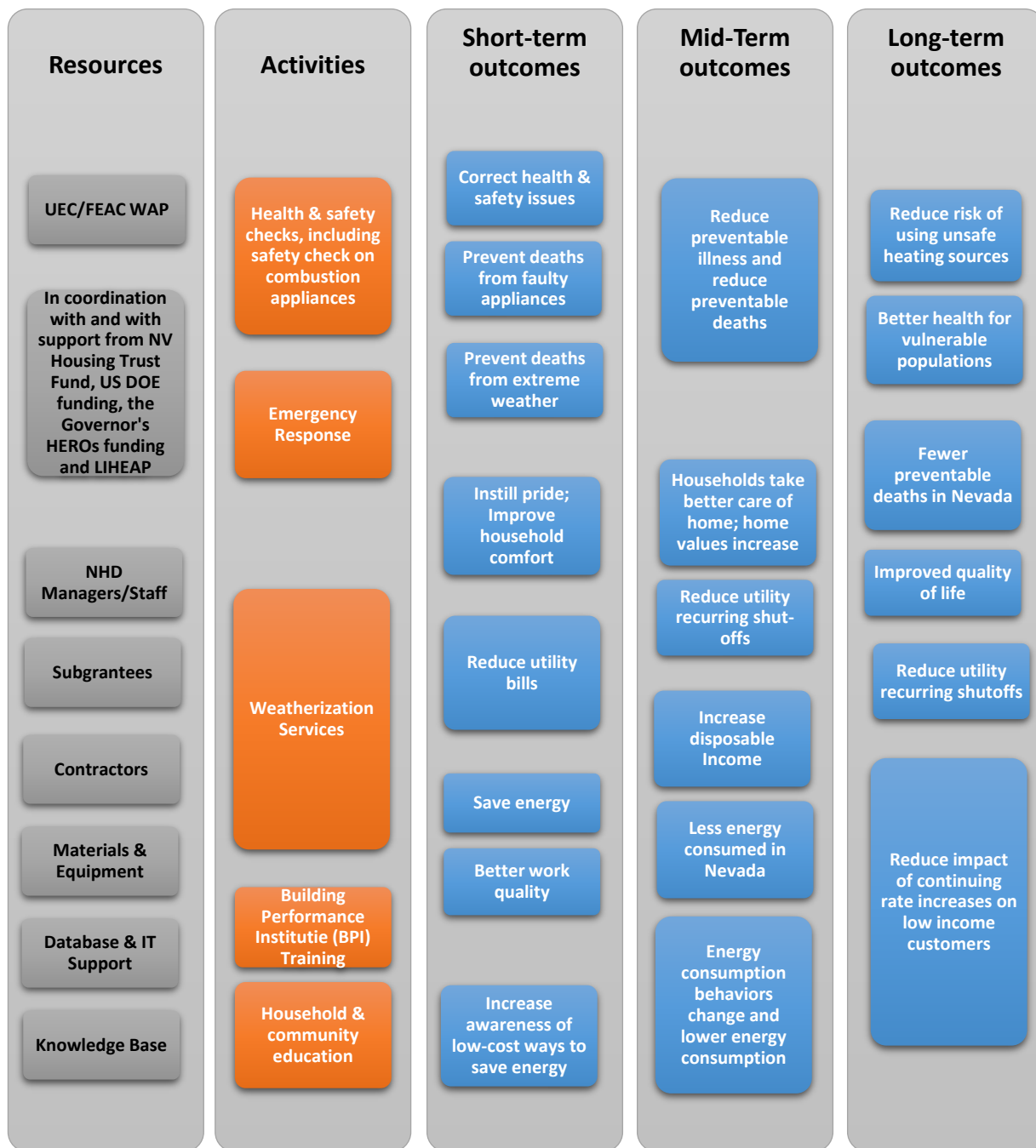


Figure 2: Logic Diagram for Weatherization Assistance Program.

2.1 DID NHD USE NO MORE THAN 6% OF FEAC FUNDS FOR ITS ADMINISTRATIVE EXPENSES?

[Reference: NRS 702.270.1; Deliverable 3.5.1]

Yes, expenditure for administrative expenses for SFY 2023 was under 6%. Expenditures for administrative expenses totaled \$176,401, which is 4.9% of the total \$3,626,309 FEAC funds distributed to the Program for SFY 2023.

2.2 DID NHD PROVIDE ELIGIBLE HOUSEHOLDS WITH SERVICES OF BASIC HOME ENERGY CONSERVATION AND EFFICIENCIES OR ASSIST HOUSEHOLDS IN ACQUIRING SERVICES OF LOAD MANAGEMENT?

[Reference: NRS 702.270.2(a); Deliverable 3.5.2]

Yes, NHD provided eligible households with services of basic home energy conservation and efficiencies which assisted households in reducing energy consumption. Performance was confirmed during NHD Monitoring Reviews of sample projects and database reviews. Load management was not a focus of the program in SFY 2023; the focus was on reducing energy use. Production numbers are provided in the effectiveness section of this report.

2.3 DID NHD PAY FOR APPROPRIATE IMPROVEMENTS ASSOCIATED WITH ENERGY CONSERVATION, WEATHERIZATION, AND ENERGY EFFICIENCY?

[Reference: NRS 702.270.2(b); Deliverable 3.5.2.1]

Yes. Monitoring Reviews by NHD Weatherization Assistance Program staff verified that NHD paid for appropriate improvements associated with energy conservation, weatherization, and energy efficiency measures. This information is also supported by weatherization records in the WxPRO database. The audit function is kept independent from the installation work.

2.4 DID NHD CARRY OUT ACTIVITIES RELATED TO CONSUMER OUTREACH?

[Reference: NRS 702.270.2(c); Deliverable 3.5.2.2]

Yes. The Energy Assistance Program carried out outreach for both EAP and NHD. Throughout the year, consumer outreach was also conducted by NHD Subgrantee agencies. NHD and its Subgrantees responded to phone calls which were referred to by NV Energy and NHD and Subgrantees' websites. The Subgrantees provided intake sites and online service to process applications.

2.5 DID NHD PAY FOR PROGRAM DESIGN?

[Reference: NRS 702.270.2; Deliverable 3.5.2.3]

Yes. Primary program design for UEC/FEAC WAP was accomplished by NHD in 2002-2003 and some changes were made in response to changing conditions in subsequent years. During SFY 2023 some data work related to program design was carried out (Database Revisions, IT Support, WxPro).

2.6 DID NHD PAY FOR ANNUAL PROGRAM EVALUATION?

[Reference: NRS 702.270.2(e); Deliverable 3.5.2.4]

Yes. NHD paid its prorated share of the cost for the annual program evaluation for the previous state fiscal year (SFY 2022).

2.7 DID NHD DETERMINE ELIGIBILITY OF HOUSEHOLDS AT A MAXIMUM INCOME LEVEL OF NO MORE THAN 150% OF THE FEDERALLY DESIGNATED LEVEL SIGNIFYING POVERTY (FPL)?

[Reference: NRS 702.270.3; Deliverable 3.5.3]

Yes. Eligibility criteria were communicated to Subgrantees through verbal and written communications. Income eligibility was verified by the Subgrantees and during NHD staff Monitoring Reviews of samples of client applications from completed projects. Note that other funding, including the Governor's Office of Energy Home Energy Retrofit Opportunities for Seniors program permits treatment of houses up to and including 200% of poverty. Also, for 2023, federal guidelines for the federal Weatherization Assistance Program were continued at 200% of poverty.²⁸ Additionally, program provisions permit NHD to serve households above 150% of poverty in energy crisis.²⁹

²⁸ USDOE, 2022 Federal Poverty Guidelines and Definition of Income, Weatherization Program Notice 22-3, effective February 14, 2022.

²⁹ Nevada Fund for Energy Assistance and Conservation State Plan, effective July 1, 2022, P. 5, §2.15.

2.8 DID NHD RENDER EMERGENCY ASSISTANCE TO HEALTH/SAFETY-THREATENED HOUSEHOLDS EXPERIENCING AN EMERGENCY BECAUSE OF THE STRUCTURAL, MECHANICAL, OR OTHER FAILURE OF THEIR OCCUPIED DWELLING?

[Reference: NRS 702.270.4(a); Deliverable 3.5.4]

No, this fiscal year, emergency assistance was not provided for buildings with structural, mechanical, or similar failures. The problem with dwellings in which there is major structural, mechanical, or other failure of the whole dwelling (for example, very old homes with knob and tube wiring throughout) is that the cost of repairs would be so substantial that the building cannot reasonably be treated, although the authority exists to do so. During SFY 2023, although authorized in NRS 702, no emergency assistance was provided to repair/replace the structural, mechanical, or other failure of an occupied dwelling.

2.9 DID NHD RENDER EMERGENCY ASSISTANCE TO HEALTH/SAFETY-THREATENED HOUSEHOLDS EXPERIENCING AN EMERGENCY BECAUSE OF A FAILURE OF A COMPONENT OR SYSTEM OF THEIR OCCUPIED DWELLING?

[Reference: NRS 702.270.4(a) and (b); Deliverable 3.5.4.1]

Yes. Emergency assistance to health/safety threatened households was provided to households that experienced an emergency because of a failure of a component or system of their occupied dwelling.

2.10 DID NHD ADOPT REGULATIONS TO CARRY OUT AND ENFORCE THE PROVISIONS OF NRS 702.270?

[Reference: NRS 702.270.5; Deliverable 3.5.5]

Yes. The necessary regulations were established primarily in 2002-2003. No new regulations were adopted in SFY 2023 by NHD.

2.11 DID NHD SOLICIT ADVICE FROM DWSS AND FROM OTHER KNOWLEDGEABLE SOURCES?

[Reference: NRS 702.270.6(a); Deliverable 3.5.6]

Yes. Please see the answer to question 2.17.

2.12 DID NHD IDENTIFY AND IMPLEMENT APPROPRIATE DELIVERY SYSTEMS TO DISTRIBUTE MONEY FROM FEAC?

[Reference: NRS 702.270.6(b); Deliverable 3.5.6.1]

Yes. Please see the NHD WAP Business Process diagram (Figure 2).

2.13 DID NHD COORDINATE WITH OTHER FEDERAL, STATE, AND LOCAL AGENCIES THAT PROVIDE CONSERVATION SERVICES TO LOW-INCOME PERSONS?

[Reference: NRS 702.270.6(c); Deliverable 3.5.6.2]

Yes. NHD coordinated with appropriate federal, state, and local agencies.

Federal coordination: During SFY 2023, NHD coordinated directly with federal officials at the U.S. Department of Energy. Also, NHD worked to enable receipt and use of new federal Bipartisan Infrastructure Law (BIL) grant funding. The BIL grant funding was received in 2023 but contracts go out in 2024.³⁰

State coordination: NHD coordinated with state officials through continuing contact with the Division of Welfare and Supportive Services and through the Policy Advisory Council (PAC). Participants in the PAC include representatives of the Division of Welfare and Supportive Services and the Governor’s Office of Energy. Also, in this group are representatives of NV Energy, Southwest Gas, and community-based organizations and advocates.

This year, the Housing Trust Fund and the Governor’s Office of Energy, Home Energy Assistance Retrofit Opportunities for Seniors (HEROS) made possible treatment of homes that required additional work.

Regarding coordination specifically with DWSS, both NHD and DWSS exchange client referrals. NHD uses a one-page application form which includes the question, “Are you currently receiving Energy Assistance (LIHEA or Energy Assistance)?” The applicant’s response is NHD’s opportunity through its Subgrantees to refer clients to DWSS/EAP. NHD also accepts referrals from DWSS and forwards the list of eligible clients provided by DWSS to its Subgrantee agencies and, when possible, to projects funded by others.³¹ While NHD and DWSS are unable to use the same

³⁰ For NHD, the federal Infrastructure Investment and Jobs Act funding (“BIL funding”) will follow the same guidelines as DOE Weatherization Assistance Program (WAP) funding (eligibility is up to and including 200% of the federal poverty level).

³¹ Qualifying referrals from DWSS are not automatically accepted in the Weatherization Assistance Program because referrals are also generated from other sources and only occasionally is there capacity to accept a few more qualifying households. Also, NHD is required to prioritize service

application form due to different eligibility criteria—both agencies are committed, to the fullest extent practicable, to efficiency in the application process.

Local coordination: NHD coordinated with many local agencies through its Subgrantee agencies, serving different areas of the state. This local work by the Subgrantees provides education in energy conservation and program outreach.

2.14 DID NHD ENCOURAGE OTHER PERSONS TO PROVIDE RESOURCES AND SERVICES TO THE EXTENT PRACTICABLE, TO SCHOOLS AND PROGRAMS PROVIDING TRAINING IN THE BUILDING TRADES AND APPRENTICESHIP PROGRAMS?

[Reference: NRS 702.270.6(d); Deliverable 3.5.6.3]

No. Not in SFY 2023. No UEC/FEAC funds were used or leveraged during SFY 2023 to encourage other persons to provide resources and services to schools and programs providing training in the building trades and apprenticeship programs. During the economic stimulus years of the American Recovery and Reinvestment Act or (ARRA), NHD implemented such training in accordance with ARRA requirements. When the stimulus funding ended, there was not a need for any major support of training. There will not be a need for another major focus on training until there is enough need for new trainees. However, Building Performance Institute (BPI) training was provided to Subgrantees.

2.15 DID NHD ESTABLISH A PROCESS FOR EVALUATING THE WEATHERIZATION ASSISTANCE PROGRAM (WAP)?

[Reference: NRS 702.270.6(e); Deliverable 3.5.6.4]

Yes. For the SFY 2023 WAP, as in each year since the requirements of NRS 702 were legislated, the NHD has established a process for evaluating the Weatherization Assistance Program (WAP).

according to specific criteria. Priority goes to households with a child aged six or under, with at least one adult aged sixty or over, and households with at least one disabled household member.

2.16 DID NHD ESTABLISH A PROCESS FOR MAKING CHANGES TO WAP?

[Reference: NRS 702.270.6(f); Deliverable 3.5.6.5]

Yes. The state UEC/FEAC WAP has a process for making changes to WAP, for example, to conform to changes in federal requirements.

2.17 DID NHD ENGAGE IN ANNUAL PLANNING AND EVALUATION PROCESSES WITH DWSS?

[Reference: NRS 702.270.6(g); Deliverable 3.5.6.6]

Yes. During SFY 2023, NHD engaged in annual planning and evaluation processes with the Division of Welfare and Supportive Services. Meetings with the Policy Advisory Council were part of the planning process. Also, NHD made presentations at each Policy Advisory Council meeting regarding funding levels, expenditures, and production performance, and solicited member responses. Further, an annual evaluation for the programs was chartered and sponsored jointly by NHD and the Division of Welfare and Supportive Services.

The formal planning process proceeded (per state and federal requirements), with public participation and formal hearings, resulting in the approved Nevada Fund for Energy Assistance and Conservation State Plan for 2023 and the companion State of Nevada LIHEAP State Plan for 2023.

IV. ASSESSMENT OF WAP PROGRAM EFFECTIVENESS

In SFY 2023, Nevada Housing Division Subgrantees weatherized 276 homes using Fund for Energy Assistance and Conservation (FEAC) funding (Table 14).³² As shown, HELP of Southern Nevada completed almost 50% of homes, and Community Service Agency Development Corporation and Nevada Rural Housing Authority (Las Vegas) each completed roughly 20%.

³² Tables in this section may show different numbers of cases, depending on missing cases and missing data fields for different analyses. Numbers computed from slightly differing numbers of cases may be slightly different from similar numbers in management reporting but are essentially the same. Also, results are shown to nearest tenth of a percent; and the total is 100%. The sum of percentages is sometimes slightly different from 100% (for example, 100.2%) due to rounding, however the computed total is 100%.

Table 14: Work Completed by each WAP Subgrantee, SFY 2023.

Fund for Energy Assistance and Conservation Work Completed by each Subgrantee Agency (SFY 2023)		
Agency	Number of Homes	Percentage of Homes
Community Service Agency Development Corporation (Reno)	48	17.4%
HELP of Southern Nevada (Las Vegas)	133	48.2%
Nevada Rural Housing Authority (Carson City)	26	9.4%
Nevada Rural Housing Authority (Las Vegas)	63	22.8%
Rural Nevada Development Corporation (Ely)	6	2.2%
Total	276	100.0%

Table 15: Work Completed relative to Goals, by Subgrantee for SFY 2023.

Fund for Energy Assistance and Conservation Performance against Goals: Work Completed by each Subgrantee Agency (SFY 2023)			
Agency	Planned	Actual	Percentage Achieved
Community Service Agency Development Corp (Reno)	56	48	85.7%
HELP of Southern Nevada (Las Vegas)	148	133	89.9%
Nevada Rural Housing Authority (Carson City)	23	26	113.0%
Nevada Rural Housing Authority (Las Vegas)	59	63	106.8%
Rural Nevada Development Corporation (Ely)	13	6	46.2%
Total	299	276	92.3%

As shown in Table 15, 92% of the yearly production target for SFY 2023 was achieved. Figure 3 shows work completed in SFY 2023 in the context of the immediately preceding years. Post-COVID, 2023 shows substantial recovery over SFY 2022.

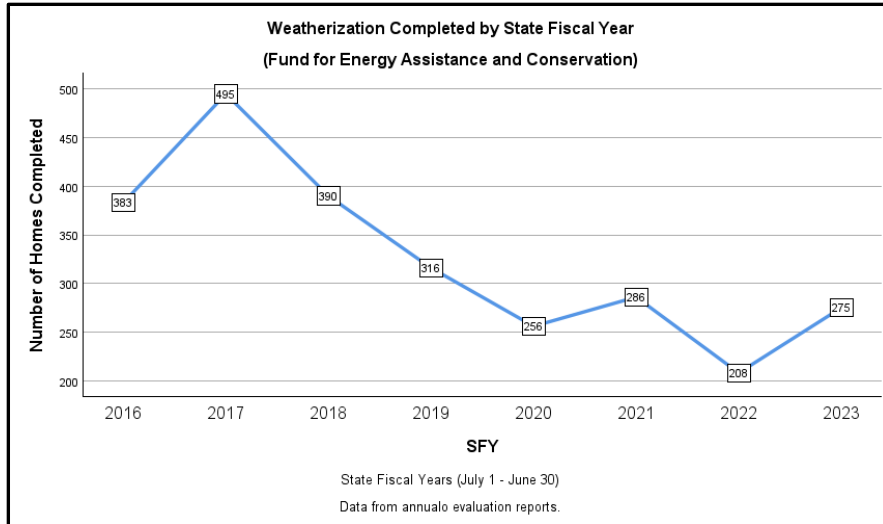


Figure 3: Weatherization in Context of Previous Years.

Of the homes completed during SFY 2023, services to special needs households are shown in Table 16 (entries in this table are for number of homes).³³

Table 16: Special Needs and High Energy Use Household, SFY 2023.

Fund for Energy Assistance & Conservation: Special Needs, Native American, High-Energy Use, and High Energy Burden Households - SFY 2023		
Type	Number of Homes	%
Seniors 60 and older	157	57.1%
Persons with Disabilities	127	46.2%
Children under six	23	8.4%
Native American	4	1.5%
High Energy Usage	104	37.8%
High Energy Burden	72	26.2%
Total	275	
Note: Households may meet more than one category, so percentages do not total to 100%.		

³³ A household may have more than one special need classification. Number of cases may vary across tables due to variations in completed data elements. All available data was used in each analysis.

Homes completed are shown by poverty tier in Table 17.

Table 17: Poverty Levels of Completed Homes.

Fund for Energy Assistance & Conservation: Household Poverty Levels of Completed Homes (SFY 2023)		
Category	Number of Homes	%
Up to 75%	90	58.7%
76-100%	62	29.8%
101-125%	61	5.3%
126-150%	39	2.9%
151% and over	20	1.0%
Total	272	100.0%

Table 18 shows completed homes by heating fuel. As shown in the table, natural gas (81.1%) is the most frequently used heating fuel, with electricity a distant second.

Table 18: Housing Type & Primary Heating Source, SFY 2023. (Multi-family units include rental properties and apartment complexes)

Fund for Energy Assistance and Conservation Dwelling Type and Heating Fuel (SFY 2023)					
House Type	Heating Fuel				Total
	Electric	Natural Gas	Wood	Not Reported	
2-4 Family	3	17	0	0	20
5+ Family	2	10	0	0	12
Mobile Home	6	76	5	1	88
Single Family	34	120	1	0	155
Total	45	223	6	1	275

Table 19 shows the breakdown of weatherized homes between homes owned and homes rented.

Table 19: Housing Type and Own/Rent, SFY 2023.

Fund for Energy Assistance & Conservation Dwelling Type and Own/Rent (SFY 2023)			
House Type	Rent/Owned		Total
	Rental	Owned	
2-4 Family	14	6	20
5+ Family	10	2	12
Mobile Home	18	70	51
Single Family	42	113	155
Total	84	191	275

Table 20 shows the distribution of homes weatherized by county. FEAC funds may only be used in counties in which utilities participate in FEAC. In other counties, weatherization is conducted using federal LIHEA and other federal and state funding sources for customers of non-participating utilities. The combination of state and federal funding permits weatherization work in all Nevada counties.

Table 20: Homes by County.

Fund for Energy Assistance & Conservation: Homes Completed by County (SFY 2023)		
County	Number of Homes	%
Clark	196	71.3
Washoe	48	17.5
Lyon	10	3.6
Douglas	8	2.9
Carson City	4	1.5
Humbolt	3	1.1
Churchill	2	0.7
Mineral	2	0.7
Lincoln	1	0.4
Storey	1	0.4
Total	275	100%

A useful feature of most sources of weatherization funding is that they are “stackable,” so that funds from different sources can be added together when a home qualifies for more than one source of funding. This means that for FEAC jobs, other sources of funding may apply to the total project cost for an individual dwelling unit.³⁴ For individual homes, some costs not covered by FEAC may be covered by the Housing Trust Fund, federal LIHEA funding, and HEROS.

The average FEAC cost reported per unit for fiscal 2023 was \$8,106.³⁵ This is in line with figures from prior years, and also reflects the increase in costs for weatherization materials in recent years. As shown in Table 21, the average FEAC cost per subgrantee agency ranged from \$6,536 (CSA) to \$9,323 (RNDC). Variation in average cost has many causes but is usually primarily driven by the types and numbers of weatherization measures installed.³⁶

Table 21: Average Cost per Unit.

Fund for Energy Assistance and Conservation Average FEAC Amount by Housing Type (SFY 2023)		
Subgrantee	Number	Average Cost per Unit
Community Service Agency Development Corporation (Reno)	48	\$6,536
HELP of Southern Nevada (Las Vegas)	133	\$9,170
Nevada Rural Housing Authority (Carson City)	26	\$7,215
Nevada Rural Housing Authority (Las Vegas)	63	\$7,273
Rural Nevada Development Corporation (Ely)	6	\$9,323
Total	276	\$8,106

³⁴ Another factor in funding work is that the funding sources do not all have an identical definition of fiscal year.

³⁵ The evaluation calculation result is \$8,098, a difference of eight dollars. This is a weighted average calculation and there may be a slight difference in the distribution of housing units between management reporting and the evaluation. A difference of eight dollars is not an important or meaningful difference.

³⁶ The total weatherization cost is not shown because it is not available this year in the WxPRO database.

Also, according to WxPro, out of 275 homes, there were 166 heating system replacements (60% of homes)³⁷ and twelve heating system repairs (4%). Sixteen evaporative coolers were replaced (about 6% of homes), and one was repaired. In total, 149 air conditioners were replaced (54% of homes) and eight were repaired (about 3% of homes). And finally, 99 water heaters were replaced (36% of homes) and two were repaired.

These major improvements, along with several minor improvements transform homes to improve energy efficiency and contribute to lower energy bills. These are also health and safety improvements that make a home more livable and, in some ways, more comfortable. Minor improvements to homes have a life of at least five years, major improvements have a life of 10 or more years, and some improvements, such as insulation, will last 35 years or more. Savings are expected to gradually decrease as different types of improvements reach the end of their effective measure lives, but substantial energy and energy bill savings are expected to persist for many years. In all cases, these changes keep homes livable and, in some cases, make the difference that a family can stay in their home.

Summary

Nevada Housing Division FEAC weatherization focused resources primarily on households in deeper levels of poverty (Table 17), and homes with at least one person over the age of 60 or with at least one disabled person (Table 16). Most of the low-income homes weatherized heat with natural gas. Most were either single family or mobile homes.³⁸ Following the COVID pandemic, NHD FEAC production has started to climb back with 275 homes weatherized in SFY 2023 (Figure 3).

Conclusion 5: The Evaluation Team finds the Nevada Housing Division’s Weatherization Assistance Program effective based on the record of weatherization completed for SFY 2023. The program is in compliance with NRS 702.

³⁷ Of these, twenty-four were replacements of electric heat pumps.

³⁸ While all dwelling types need to be addressed, single family homes and mobile home housing require a high level of skill and engagement.

V. JOINT REQUIREMENTS SECTION (DWSS AND NHD)

3.6.1 DID DWSS AND NHD JOINTLY ESTABLISH AN ANNUAL PLAN TO COORDINATE THEIR ACTIVITIES AND PROGRAMS?

[Reference: NRS 702.280.1; Deliverable 3.6.1]

Yes. Each year, the Division of Welfare and Supportive Services (DWSS) and the Nevada Housing Division (NHD) jointly develop an annual plan, the *Nevada Fund for Energy Assistance and Conservation State Plan*, to coordinate their activities and programs in accordance with NRS 702.280. The plan for SFY 2023 became effective July 1, 2022.

The annual plan includes a description of resources and services used by each program and a description of efforts undertaken to improve services and resources [NRS 702.280.1(a)]. The planned programs are funded by the Universal Energy Charge (UEC)/Fund for Energy Assistance and Conservation (FEAC). These funds support the FEAC Energy Assistance Program (EAP) which is administered by DWSS and the FEAC Weatherization Assistance Program (WAP), administered by NHD.

- EAP assists eligible Nevadans who apply in paying their utility costs on an annual basis and provides emergency assistance for eligible households. The program also has an arrearage component, a fast-track component for eligible households facing utility shutoff and a crisis intervention component to assist qualifying households with payment problems due to chronic or long-term illness and other events which similarly reduce disposable income.
- WAP assists low-income households in reducing their utility costs and energy consumption by providing energy conservation and health and safety measures. NHD can sometimes leverage other funding sources to enable more full weatherization and necessary health and safety work to be completed on homes.

3.6.1.2 DID THE PLAN INCLUDE RESOURCES AND SERVICES USED BY EACH PROGRAM AND EFFORTS TO INCREASE OR IMPROVE RESOURCES AND SERVICES?

[Reference: NRS 702.280.1(a); Deliverable 3.6.1.2]

Yes. The joint annual plan includes resources and services used by each program and there have been efforts to increase and improve both resources and services. Both the Division of Welfare and Supportive Services and the Nevada Housing Division continually work to improve resources and services.

The nature of the challenge for both DWSS and NHD is optimization of resources subject to constraints. The largest constraint is that for each program the need for

the program is much higher than the combined resources available to meet the need. Available resource is the major constraint when need is defined using the official definition of eligibility (provided in NRS 702 and as further defined by each program) or by other approaches to assessment of need (for example, the social work family budget approach). Resources applied include the combination of UEC and other state funding, available federal and city funding, private-sector funding, and funding from institutional, religious and community organizations.

A more focused major constraint is staffing. Both DWSS and NHD have experienced staff turnover, and for DWSS somewhat slower completion of examination and processing of applications due to the need to train replacement personnel. Open positions slow down the work.

3.6.1.3 DID THE JOINTLY DEVELOPED DWSS/NHD PLAN INCLUDE EFFORTS TO IMPROVE ADMINISTRATIVE EFFICIENCIES?

[Reference: NRS 702.280.1(b); Deliverable 3.6.1.3]

Yes. Both DWSS and NHD engage in continual improvement.

- For 2023, the Division of Welfare and Supportive Services Energy Assistance Program was ready to apply for federal leveraging credit³⁹ but did not apply since there were no leveraging dollars available. The federal LIHEAP leveraging system is a provision for special LIHEAP funding that was created to reward states with a small allocation of additional federal program dollars in relation to non-federal funding developed within the state to support the programs. However, in most recent years Congress has not funded the provision for leveraging grants.⁴⁰
- DWSS continually analyzes business practices and tries to be as efficient and effective as practicable, making program revisions within the scope of NRS 702 in consultation with the Policy Advisory Council (PAC).⁴¹
- To determine eligibility, the DWSS Energy Assistance Program requires households (1) apply and (2) provide verifications by a specified due date.

³⁹ In accordance with the Nevada Fund for Energy Assistance and Conservation State Plan, Effective July 1, 2021, Section 13.1, P. 26.

⁴⁰ For specifics, see "Leveraging Nonfederal Resources for LIHEAP," compiled by the LIHEAP Clearinghouse, November 2013, <https://liheapch.acf.hhs.gov/pubs/820.htm>,

⁴¹ The Policy Advisory Council advises and assists the Division of Welfare and Supportive Services and the Nevada Housing Division with respect to the development and implementation of policy for the Energy Assistance Program and the Weatherization Assistance Program.

The timing for response to requests for information is consistent with other DWSS programs.

Sometimes, a household may apply and then run into barriers in securing required verifications. For example, Social Security may be slow to respond to a request for documentation of Social Security income, or a landlord may not agree to send in a verification requested by the household. Or other reasons may cause a household not to respond by a specified due date. In these situations, a household must request an extension of time from DWSS. Otherwise, as a rule, the household's existing (incomplete) application will be denied. Once a household has been denied they must start the application process over again. In different years, DWSS has tried different numbers of days for the specified due date, tried counting days as only business days, and counting days as calendar days to try to improve response. DWSS continues to work with this problem of ensuring clear and timely resolution of applications.

- DWSS Benefit Caps were continued from 2022.⁴² This Benefit Cap Tables provide higher caps for the lowest income homes and lower caps for homes toward the upper end of low-income. This prioritizes homes with more severe low-income.
- The arrearage assistance burden that a DWSS applicant household must have paid toward their arrearage during the last 12 months was set to zero in SFY 2022.⁴³ This facilitates moving households in need for arrearage assistance into the arrearage assistance program component.
- Cost-of-living increases for veterans benefits in the current year are not countable as income for DWSS when determining eligibility. Instead, income is the income prior to the increase.⁴⁴ This provides additional benefit to veterans receiving a cost-of-living increase. Similarly, cost-of-living increases for Social Security in the current year are not countable. Instead, income is the income prior to the increase.⁴⁵ This provides additional benefit to households receiving a Social Security cost-of-living increase. The rationale

⁴² DWSS Policy Transmittal EAP PT 05-21, Energy Assistance Program (EAP) Updates for FY 2022 and DWSS Energy Assistance Program Manual, Appendix A, P.2, Benefit Cap Tables.

⁴³ DWSS Policy Transmittal EAP PT 05-21, Energy Assistance Program (EAP) Updates for FY 2022, P. 1 of 1 and DWSS Energy Assistance Program Manual, Appendix A, P. 2, FY 2022 Arrearage Payment Requirement.

⁴⁴ DWSS Policy Transmittal EAP PT 01-22, Veterans Benefits Cost of Living Increase – EAP.

⁴⁵ DWSS Policy Transmittal EAP PT 07-21, Social Security Cost of Living Increase – EAP.

for not counting within year increases is that changes made during an Energy Assistance Program (EAP) year would be inequitable. That is, the year would start without the adjustment, and if the income adjustment were made for some households later in the year, and since the income limits are changed only at the beginning of a new fiscal year, making the adjustments only once a year keeps treatment of all households for that year equitable.

- Nevada Housing Division has been working on minimizing human error in the WxPRO database system. This is continuing sequential work to ensure that the right data is recorded in the right places in the program database and is essential since data entry is performed by each subgrantee agency, and each subgrantee agency experienced turnover.
- NHD has been working to improve administrative effectiveness through training, conducting monitoring, and updating and adding options to the database program, WxPro.
- The average per household expenditure by the UEC FEAC Weatherization program and the maximum cost per unit weatherized have been gradually adjusted over time as weatherization costs have increased. Housing Division staff can authorize exceptions.⁴⁶ The maximum cost per unit has been gradually increased over the years of program operation to cover inflation in cost of materials, to permit solving more problems in individual buildings, and, more generally, to support more complete and more effective weatherization work. During part of the COVID epidemic, costs of materials used in home weatherization increased substantially, although general inflation was initially quite low. Then, for 2021 and 2022 overall U.S. inflation was substantial.⁴⁷ Rising material costs caused an increase in the cost of residential weatherization. The increased maximum cost per unit helps keep the program even with inflation. In practical terms, it makes the program more effective.

⁴⁶ Nevada Fund for Energy Assistance and Conservation State Plan FY 2022, Effective July 1, 2021, P. 20, ¶10.2.6.

⁴⁷ Overall, the year over year inflation rate is 2.37% for 2019, 1.4% for 2020, 7% for 2021, 6.5% for 2022, and 3.4% for 2023 (note the very steep slope at the far right of the graph). See source table at: <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>. (Though the file name says "2008", the file is continuous through 2023.)

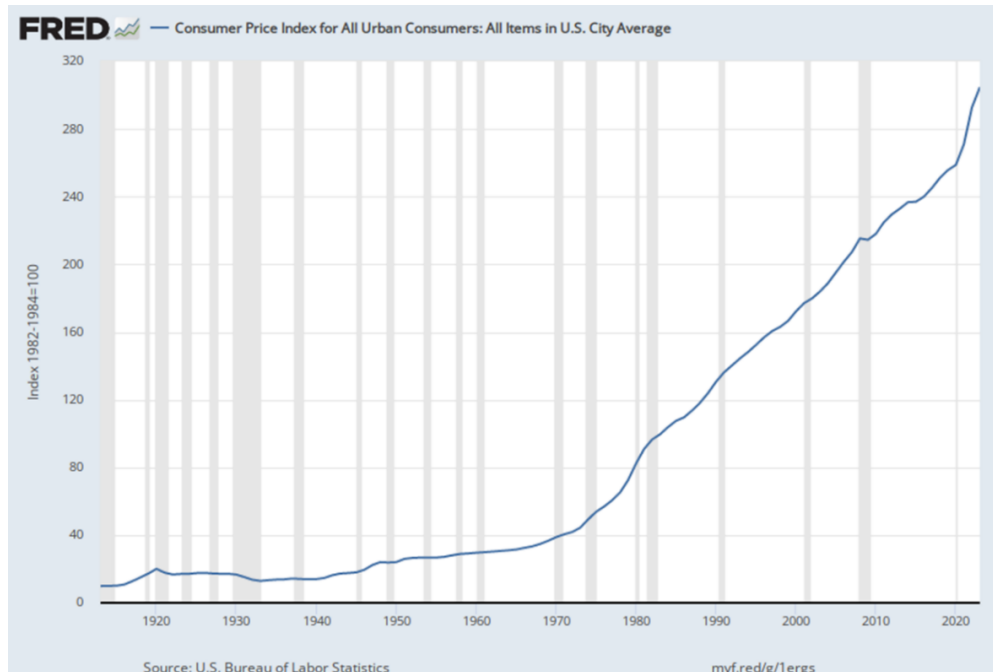


Figure 4: US Inflation from 1913 through 2021.

The recent rise in inflation to the seven percent range is shown in the last two bars of Figure 5.⁴⁸ For perspective, the recent rise in inflation, though substantial on a year over year basis, follows the general pattern of increasing inflation of prices in the U.S. from approximately 1980. While inflation increased 7% in 2021 in comparison to 2020, and then another 6.5% in 2022, plus 3.4% in 2023, in a wider view, inflation rose approximately 305% from 2013 to 2021. Even as inflation is slowing, the cumulative inflation from 2021 through 2023 is embedded in prices. Building materials used for home weatherization had a substantial run-up in pricing during the Covid years.

- The new NHD database system, WxPRO, continued in place.
- NHD Utility Demand-Side Management Programs (Natural Gas & Electric)
 - Natural Gas: In 2017, the Nevada Housing Division could not continue its former arrangement for program coordination with Southwest Gas. This continues for 2023. The change from previous coordination is due

⁴⁸ Figure 1 is from the U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCNS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIAUCNS>, January 21, 2024. For this graph, the data points are yearly averages, and the values for 1982-1984 are set to one hundred.

to a determination by the Public Utility Commission of Nevada (PUCN) related to special rules for utility program cost effectiveness.⁴⁹

For the U.S., coordination of utility low-income effort with state Weatherization Assistance Programs can improve program efficiency and effectiveness.⁵⁰ The Nevada Housing Division is interested in program coordination with the utilities.⁵¹ Opportunity for coordination may emerge from year to year, depending, in part, on utility regulatory decisions by PUCN.

Resolution in moving toward the practical benefits of coordinated programs in Nevada could take place within PUCN regulatory proceedings; for example, by initiating a new proceeding to review cost-effectiveness testing, as outlined in the new National Standard Practice Manual.⁵² One function of the new National Standard Practice Manual is to facilitate bringing higher level state policy goals into assessments of cost-effectiveness.

- Electricity: NV Energy has had difficulty in developing a low-income Demand Side Management (DSM) effort that is cost-effective using the resource acquisition model required for electric utilities in Nevada. A program scope for working with NHD and the Subgrantee agencies was approved by PUCN and was technically operative in the first half of FY 2014, but the envisioned implementation did not occur in 2014 or thereafter. This situation continues in 2023. Uncertainty in cost recovery by the utilities can cause reluctance to implement a program that might be borderline for cost-effectiveness using a resource planning test such as the Total Resource Test, or the Utility Cost Test. Problems of this type cannot be resolved by the Nevada Housing Division but would likely need to be resolved within PUCN regulatory

⁴⁹ However, Southwest Gas provides direct support to the Subgrantee agencies which can be used to further the work of the NHD Weatherization Assistance Program.

⁵⁰ Brown, M.A, and L.J. Hill, Low-Income DSM programs: The cost-effectiveness of coordinated partnerships. Oak Ridge, Tennessee: Oak Ridge National Laboratory, May 1994 (ORNL/CON 375); Brown, Marilyn A., Mark A. Beyer, Joel Eisenberg, Edward J. Laps and Meg Power, Utility Investments in Low-Income Energy Efficiency Programs. Oak Ridge, Tennessee: Oak Ridge National Laboratory, September 1994 (ORNL/CON 379), http://weatherization.ornl.gov/pdfs/ORNL_CON-379.pdf.

⁵¹ Nevada Fund for Energy Assistance and Conservation State Plan, Effective July 1, 2023, P.27, §13.2 Housing Division.

⁵² The National Standard Practice Manual now includes integration of distributed energy resources (DERs). It can be downloaded from: [National Standard Practice Manual - NESP \(nationalenergyscreeningproject.org\)](http://nationalenergyscreeningproject.org).

hearings. For example, through a new proceeding to include higher level state policy goals in cost-effectiveness testing, as outlined in the National Standard Practice Manual.⁵³

3.6.1.4 DID THE JOINTLY DEVELOPED DWSS/NHD PLAN INCLUDE EFFORTS UNDERTAKEN TO COORDINATE WITH OTHER FEDERAL, STATE, AND LOCAL AGENCIES, NONPROFIT ORGANIZATIONS AND ANY PRIVATE BUSINESS OR TRADE ORGANIZATIONS PROVIDING ENERGY ASSISTANCE OR CONSERVATION SERVICES TO LOW-INCOME PERSONS?

[Reference: NRS 702.280.1(c); Deliverable 3.6.1.4]

Yes. The plan for SFY 2023 includes efforts to coordinate with federal, state, and local agencies, nonprofit organizations, and utilities to provide energy assistance and conservation services to low-income persons [NRS 702 280.1(c)]. Trade organizations were not included in the 2023 annual plan. For SFY 2023, coordination is specifically discussed with the following seven entities:⁵⁴

- ◆ **Special Assistance Fund for Energy (SAFE)** – Sierra Pacific Power/NV Energy’s fund. This fund provides some utility bill payment assistance to low-income, elderly, and disabled customers, as well as families facing short-term financial crisis. This program is administered through several local social service agencies. Sierra Pacific Power provides all administrative costs for the program and provides annual financial support.
- ◆ **Emergency Solutions Grant (ESG)** – This program is administered through NHD and funded by the US Department of Housing and Urban Development (HUD). It covers some households experiencing sudden reduction of income with an inability to pay bills. It is aimed at preventing homelessness when there is a reasonable prospect that the household will resume their regular payments in a reasonable amount of time.
- ◆ **Emergency Food and Shelter Program (EFSP)** – United Way’s program to help people with economic emergencies not related to disasters. Funding can be used to help some households supplement food, shelter, rent/mortgage, and utility assistance.
- ◆ **Energy Share** – Southwest Gas’s direct assistance program for qualified people with unexpected financial difficulties, such as job loss and medical emergency. This program had been administered by the Salvation Army but

⁵³ Ibid. The importance of the National Standard Practice Manual is that it supports a structured regulatory procedure to open up the mathematics of energy efficiency benefit-cost tests to state policy, legislative directives, and higher-level state utility regulatory commission policy directives. Specification of specific Nevada policy tests would require a PUCN regulatory proceeding.

⁵⁴ Nevada Fund for Energy Assistance and Conservation State Plan FY2023, Effective July 1, 2023, Pp. 1-3.

is now administered by Help of Southern Nevada in Southern Nevada and by Friends in Service Helping (FISH) in Northern Nevada.

- ◆ **Rebuilding Together with Christmas in April (RTCA)** – RTCA operates in Southern Nevada to provide free housing repairs to low-income seniors and the disabled. It includes an annual corporate volunteer event day in which over 3,000 corporate volunteers make home improvements at no charge to qualifying households. RTCA also maintains rapid repair services for home heating, cooling, plumbing and electrical programs to qualifying homeowners.
- ◆ **The Account for the Affordable Housing Trust Fund** – NHD allocates 15% of the funds received for the Account for Low-Income Housing (Trust Fund) to city and county social service agencies for families who are or are in danger of becoming homeless and need assistance with utilities, security deposits and rental or mortgage payment assistance. Eligibility is restricted to individuals and families with income at or below 60% of area median income as designated by the Department of Housing and Urban Development.
- ◆ **Demand-Side Management Programs (DSM)** – These are natural gas and electric utility programs that implement energy conservation and energy demand reduction and may include access to less expensive renewable energy (such as solar and wind). Sometimes, utilities include distributed energy resources and local microgrid projects in DSM. For lower-income customers, the primary advantages are lower energy bills, better control of temperature in the home, and by lowering energy costs making money available to pay other bills. Also, improvements to homes can increase health and safety and provide a better home environment and so support other household activities and needs.

For SFY 2023, WAP's funding sources are: 1) the Nevada Fund for Energy Assistance and Conservation which is funded by the universal energy charge (UEC), 2) the U.S. Department of Energy (DOE), 3) U.S. Department of Health and Human Services Low-Income Home Energy Assistance Program (LIHEAP), 4) The Low-Income Housing Trust Fund, and 5) the Governor's Home Energy Retrofits Opportunities for Seniors (HEROS). Also, depending on needs, using funds unexpended and unencumbered as of December 31, the Division of Welfare and Supportive Services can make up to 30% of LIHEAP funding available to the Nevada Housing Division for weatherization work.

For SFY 2023, EAP's funding sources are: 1) the federal Low-Income Home Energy Assistance Program (LIHEAP) grant from the U.S. Department of Health and Human Services, and 2) the Nevada Fund for Energy Assistance and Conservation which is

funded by a universal energy charge (UEC) assessed to customers of participating utilities.

3.6.1.5 DID THE JOINTLY DEVELOPED DWSS/NHD ANNUAL PLAN INCLUDE THE MEASURES CONCERNING PROGRAM DESIGN THAT WILL BE UNDERTAKEN TO IMPROVE PROGRAM EFFECTIVENESS?

[Reference: NRS 702.280.1(d); Deliverable 3.6.1.5]

Yes. The Energy Assistance Program (EAP) was designed to assist qualifying households with utility cost that exceeds the state median household energy burden, but provides flexibility in altering the design when funding runs short of need.⁵⁵ By basing the UEC energy assistance on the Nevada’s state median household energy burden (Nevada’s median energy burden was computed to be 2.29% of household income for SFY 2023), the Energy Assistance Program (EAP) establishes a realistic and fair level of assistance.

The method for the derivation of this level is rooted in a principle of fairness: energy assistance is provided at the level of the median percentage of household income required for household energy use for the state. Each household in the program is responsible for paying this portion of their utility bills for the year. The portion above that amount may be covered by the Energy Assistance Program.

The EAP has been repeatedly adjusted to meet changing conditions. During the national economic crisis sometimes referred to as the “Great Recession,” it became necessary to cap assistance to stretch funding available in order to serve more households. In SFY 2011 and in prior years, energy assistance was provided to households up to and including 150% of the Federal Poverty Level (FPL) as specified in NRS 702. For SFY 2012 eligibility was capped at 110% of the FPL⁵⁶ due to shortage of funding in relation to increased need. For SFY 2013 eligibility was initially capped at 125% but was raised back to 150% of the FPL when additional

⁵⁵ The “median” is the middle value of a statistical distribution. In this case, half of Nevada households for a given year have energy burdens larger than the median value and half have energy burdens less than the median value for that year. The calculation of median energy burden in Nevada begins with the most recent value of median household income. This is used as the denominator of a fraction. The numerator of the fraction is the cost of household energy use (natural gas and electricity used by the household) for the year. Household energy use data is calculated for each of the two major utilities, Southwest Gas and NV Energy, and the energy use (gas and electricity) is applied to the current residential rate structure of the utilities to derive the cost of energy per household. This cost is then divided by the Nevada median household income to provide the median household energy burden for the year. The actual calculation has some more details and is carried out separately for Northern Nevada and Southern Nevada. The median household income and median household energy burden are updated annually.

⁵⁶ This was raised to 125% FPL when additional federal funds became available in April of 2012.

federal funds became available late in the fiscal year. For 2014, and going forward, the program again operated at its design level of 150% of FPL.⁵⁷ However, to stretch funding to more households, benefit caps were used during 2014, with the caps based on poverty level and a designation for vulnerability (targeted groups, such as households with one or more children under the age of six). Benefit caps were applied during 2015, 2016, 2017 and were adjusted and applied for 2018 and 2019.⁵⁸ Caps in effect at the end of SFY 2019 were continued throughout SFY 2020 through SFY 2023. These changes are implemented and modified as conditions change, using flexibility provided in NRS 702.

DWSS modified the Arrearage Forgiveness component of the Energy Assistance Program for the 2021 State Plan to provide for eligibility once every five years, and this provision continues in SFY 2023.⁵⁹ Also, the minimum payment for the Energy Assistance Program for SFY 2021 was raised from \$180 to \$240. The new levels were continued for SFY 2023.

In 2015, the Nevada Housing Division Universal Energy Charge/Fund for Energy Assistance and Conservation Weatherization Assistance Program, following USDOE guidance, standardized job descriptions and certification requirements for positions in weatherization work. It has also introduced Building Performance Institute (BPI) certification both for the NHD Weatherization Assistance Program/Audit Investigator and for some field staff at each Subgrantee agency. In addition, NHD separated the building audit role from the contractor services role so that auditing is independent of weatherization work. This program approach was continued in SFY 2022. At the same time, NHD has been strengthening its internal capabilities to provide training to subgrantee agency staff and may become less involved with external training agencies.

In summary, both the Division of Welfare and Support Services and the Nevada Housing Division worked continually throughout 2023 to improve program efficiency and effectiveness, and continued improvements introduced in prior years.

⁵⁷ There are no asset or resource criteria for eligibility. There are some more detailed rules for special situations.

⁵⁸ Department of Health and Human Services, Division of Welfare and Supportive Services, Policy Transmittal EAP PT 01-18 from Robert Thompson, Deputy Administrator, Program & Field Operations, June 20, 2018. Caps are continually reviewed to balance provision of a meaningful benefit amount with the number of households that can be served.

⁵⁹ Previously, the Arrearage Forgiveness part of the Energy Assistance Program was limited to once per lifetime. The change to once every five years makes the program more practical.

3.6.1.6 DID THE JOINTLY DEVELOPED DWSS/NHD ANNUAL PLAN INCLUDE THE EFFORTS THAT WILL BE UNDERTAKEN TO IMPROVE PROGRAM EFFECTIVENESS?

[Reference: NRS 702.280.1(e); Deliverable 3.6.1.6]

Yes, effectiveness is improved by the following annual plan changes and continuations:

- The Nevada Fund for Energy Assistance and Conservation State Plan for SFY 2023 continues the 2021 modification to make the Arrearage Payment Component eligibility rule to provide for an assistance payment once every five years.⁶⁰
- The minimum Fixed Annual Credit payment is continued at \$240.⁶¹
- DWSS is provided authority to render emergency assistance to a household if an emergency related to the cost or availability of natural gas or electricity threatens the health and safety of one or more members of the household. This provision was established in SFY 2021 and continues for SFY 2023.⁶²
- For NHD, the average per household expenditure is increased from \$7,669⁶³ to \$8,000⁶⁴. This was continued for SFY 2023.
- For DWSS, the Fast Track program component eligibility was changed to six months: "The household must have experienced an unexpected loss or reduction of income during the last 6 months." Also, the following language was added: "Households are ineligible for Fast-Track assistance if they 1) received Fast-Track assistance in the previous EAP program year, or 2) received arrearage assistance in the last five years, unless there are extenuating circumstances, e.g., terminal illness, car accident, etc."

3.6.2 CONTINUING EVALUATION: DID THE DWSS/NHD JOINTLY CONDUCT AN ANNUAL EVALUATION OF THE EAP AND WAP PROGRAMS?

[Reference: NRS 702.280.2(a); Deliverable 3.6.2]

⁶⁰ Fund for Energy Assistance and Conservation State Plan FY 2021, P. 3, §2.2; Fund for Energy Assistance and Conservation State Plan FY 2022, P. 25, §11.1.3, 2.

⁶¹ Fund for Energy Assistance and Conservation State Plan FY2022, P. 19, §10.1.5.

⁶² Fund for Energy Assistance and Conservation State Plan FY2021, P. 20, §10.1.12; Fund for Energy Assistance and Conservation State Plan FY2022, P. 20, §10.1.12,

⁶³ Fund for Energy Assistance and Conservation State Plan FY 2021, P. 20, §10.2.6.

⁶⁴ Fund for Energy Assistance and Conservation State Plan FY 2022, P. 20, §10.2.6. However, note that FEAC Weatherization is not subject to the DOE WAP maximum statewide cost per dwelling unit, and weatherization measures are not subject to DOE Savings to Investment Ratio (SIR) standards.

Yes. The Division of Welfare and Supportive Services and Nevada Housing Division jointly conducted an annual evaluation of the EAP and WAP for the State Fiscal Year 2022 programs during SFY 2023 and of SFY 2023 programs in SFY 2024.

3.6.2.1 DID DWSS/NHD JOINTLY SOLICIT ADVICE FROM THE NEVADA PUBLIC UTILITIES COMMISSION AS PART OF THE ANNUAL EVALUATION?

[Reference: NRS 702.280.2(b); Deliverable 3.6.2.1]

Although there is provision for the UEC programs to solicit advice from the Nevada Public Utilities Commission (PUCN) in NRS 702, PUCN generally does not provide advice in the area of the Universal Energy Charge programs to DWSS/NHD from year to year.

There was a PUCN hearing to develop information and advice in 2013-2014. This work ended in 2014 and is reflected in a recommendation in the SFY 2014 evaluation consistent with the PUCN conclusion that the utilities should disperse annual DWSS funding to customers on a pro-rated monthly basis (Figure 2).⁶⁵ PUCN recommended this approach to the utilities, rather than implementation by DWSS. Making payments on a monthly basis would not change how DWSS administers the payment assistance program but would change the pattern of application of utility payments. Generally, payments would be made as “please pay” amounts are indicated on utility customer bills. This would prevent the appearance of a surplus amount once a year and would likely encourage more regular payment of bills.

The Commission Finding (Figure 2) is not an order to the utilities but is an expression of PUCN guidance following a formal hearing and deliberation by the Commission. It is an expression of the commission’s guidance to the regulated utilities, which the utilities may or may not decide to implement one day.

3.6.2.2 DWSS/NHD JOINTLY PREPARE REPORT CONCERNING THE ANNUAL EVALUATION AND SUBMIT THE REPORT TO THE GOVERNOR, LEGISLATIVE COMMISSION, AND INTERIM FINANCE COMMITTEE?

[Reference: NRS 702.280.2(c, d, e); Deliverables 3.6.2.2, 3.6.3, 3.6.3.1, 3.6.3.2, 3.6.3.3, 3.6.3.4]

Yes. During SFY 2023 DWSS/NHD jointly prepared a report concerning the annual evaluation for SFY 2022 and submitted the report to the Governor, Legislative Commission, and Interim Finance Committee in accordance with NRS 702 280.2(c).

⁶⁵ This is not within the scope of DWSS, it would need to be implemented by the major utilities that are subject to guidance by the PCUN.

The report consisted of the SFY 2022 evaluation, the SFY 2022 executive summary and a letter of transmittal.

The evaluation includes a full description of the objectives of each program [NRS 702 280.3(a)], an analysis of the effectiveness and efficiency of each program in meeting the objectives of the program [NRS 702 280.3(b)], the amount of money distributed from FEAC for each program and a detailed description of the use of that money for each program [NRS 702 280.3(c)], and analysis of the coordination between the Divisions concerning each program [NRS 702 280.3(d)], and any changes planned for each program [NRS 702 280.3(e)].

Conclusion 6 (Joint Requirements): The Evaluation for SFY 2023 finds the Department of Welfare and Supportive Services' EAP and the Nevada Housing Division's WAP fully compliant with the joint provisions of NRS 702.

Summary

NHD and DWSS were fully compliant with the Joint Requirements of NRS 702 for SFY 2023.

VI. RECOMMENDATIONS

There are five recommendations:

Recommendation No. 1 (DWSS): In the absence of unusual events, for SFY 2024 DWSS should operate normally while monitoring the operation of the caps. No new changes to processes, management or organization are recommended for DWSS based on the SFY 2023 evaluation. For SFY 2024, the goal should be to continue to operate well with the current processes, management, and organization while continuing to adapt to ongoing changes in the program context.

Recommendation No. 2 (NHD): In the absence of unusual events, for SFY 2024 NHD should continue to work to optimize the Weatherization Assistance Program. The efforts to reduce human error, improve the functionality of the WxPro database, and maintain and improve on-site inspections and office site inspections should continue.

Recommendation No. 3 (DWSS): DWSS has a staff retention problem that was noticeable again in SFY 2023 but has been in existence for over ten years. Some years the problem does not show much, and in other years it is quite visible. The first solution, several years ago, was to move the staff from temporary positions to civil service positions. This works well, but there is still a recurring problem. DWSS might look at increasing pay for the caseworker positions. We are currently in a time of change in which major portions of the U.S. workforce are receiving wage increases. The recommendation is to study what is possible to increase pay levels to lower turnover rates.

Recommendation No. 4 (NHD): NHD should consider adding two more persons (or, if not possible, then one additional staff) to the weatherization program staffing, managing across all of the NHD weatherization programs. The weatherization unit needs more depth and increased capability. SFY 2020 through and SFY 2022 were difficult years, with the encounter with COVID and also with a complete turnover of civil service staff. An increase in the staff of two would support retention of the situated knowledge that is only gained by doing the work. For the unit size, key knowledge and perspective can be lost when there is turnover. Nevada is not an extremely large state like California, but it is also not a small state, like New Hampshire or Rhode Island, so it is reasonable to examine the need to increase the size of this unit. Another factor to consider is that in the U.S., weatherization work is beginning to be oriented to climate change through federal legislation. Weatherization is being gradually oriented towards housing resilience in the context of increasing climate pressures. Weatherization is one of the most productive forms of disaster preparedness, and there is a lot of work to do. We can expect climate resilience and adaptation measures to be gradually added to weatherization tasks. Increasing the size of this unit is important in this context.

Recommendation No. 5 (NHD): NHD should continue recovery of production following the COVID years and set a target for spending accumulated funding. Other states have had similar problems, and some have made funding provisions to do more extensive repair and rehabilitation on homes that would otherwise be “walkaways.” It may be useful to gain some experience with more complete treatment of some of these “walkaway” homes, as is happening in, for example, Washington, Pennsylvania, and Michigan.

Looking at recommendations from last year, the overall recommendation for both DWSS and NHD was to operate normally within current processes, management, and organization. Both DWSS and NHD did that, and also had to cope with the lingering effects of the Covid pandemic and its effects on programs.

Conclusion

In looking at program performance, it is beneficial to abstract the program from societal context. But here it is seen that the programs are working well in an increasingly difficult context. Looking ahead, Electric, Natural Gas and Water utilities are under increasing direction not only to maintain and upgrade systems normally, but to make their systems more resilient for harsher climate conditions and so will be engaged in programs over the next 50 years to replace and improve pipes and wires and all other infrastructure equipment. Sizable year over year increases can be expected from decarbonization and electrification work. The same is true for water.

Considering the broader context, the achievements of these programs are particularly noteworthy, akin to swimming upstream against formidable currents. Persistent poverty, periodic unemployment, and wage suppression are structural challenges that hinder program success. Additionally, climate change necessitates program modifications to address extreme heat, cold, drought, water shortages, high winds, intense rainfall, reduced agricultural areas, a contracting global economy, and increasing climate migration. These factors, already in motion and intensifying, demand substantial program adjustments and significant social investments for adaptation. As we look to the future, the work will become increasingly complex, and the challenges will continue to grow.

SFY 2023 Evaluation:

Energy Assistance & Weatherization Assistance Programs