

September 28, 2022

Texas Department of Housing and Community Affairs
Attn: Gavin Reid
P.O. Box 13941
Austin, Texas 78711-3941
Via email to gavin.reid@tdhca.state.tx.us.

**Re: Department of Energy (DOE) Bipartisan Infrastructure Law (BIL)
Weatherization Assistance Program (WAP) State Plan – Comment by Public
Citizen**

Dear Mr. Reid,

Public Citizen appreciates the opportunity to provide these comments on the Texas Department of Housing and Community Affairs (TDHCA) state plan for the Department of Energy (DOE) Bipartisan Infrastructure Law (BIL) Weatherization Assistance Program (WAP). We would welcome the opportunity to discuss our recommendations further. Please contact Adrian Shelley at ashelley@citizen.org, 512-477-1155.

I. The WAP Saves Customers Money and Can Be Part of a Demand Side Strategy for Grid Stability

The Department of Energy states that WAP saves eligible households an average of \$372/year on energy cost. Further use of WAP in Texas will provide several benefits. First, bill relief for customers who are paying more for electricity ever since Winter Storm Uri. Second, demand reduction that will ease strain on our state's electricity grid.

Another benefit to home weatherization is resilience in extreme weather events. Weatherized homes are not as impacted by temperature extremes including severe cold weather and heat waves, both of which are deadly in Texas. See, e.g. <https://www.keranews.org/energy-environment/2022-09-01/after-texas-catastrophic-winter-blackout-a-county-program-helps-weatherize-a-south-dallas-home>.

For these reasons and others, we are supportive of Texas' plan to spend additional WAP funds. We do have some recommendations below.

II. State Allocation May Be Excessive; Plan Should Adhere to the Existing Allocation Formula

Before the BIL was passed, TDHCA approved a 2022 spending plan for more than \$7.3 million in WAP funds. This plan allocated the funds among 21 subgrantees who administer the program at the city level. The plan also made clear that, "The Texas WAP is available to eligible low-income households in all 254 counties of the state" and that "[a]ll counties are served by 21 Subgrantees." 2022 State Plan at pdf p. 14.

In the present proposal, 81 per cent of the funds (approximately \$121 million of \$149 million) are allocated to a new "TBD Statewide Provider." About this provider, the plan says:

To prepare for the increased WAP funding from the Infrastructure Investment and Jobs Act signed into law on November 15, 2021, the Department *may procure a statewide or regional WAP provider(s)* to support the Department and the network in providing weatherization assistance throughout all 254 counties in Texas.

Plan Draft at pdf. P. 20 (emphasis added). We are concerned that so much of the funds are dedicated to the state despite no statewide provider being identified and no definite plan to procure one. It may be that there is a perfectly good reason for dedicating most of the funds to a new state-led program. We have heard that this decision may be related to an effort to ensure accessibility by multi-family and apartment dwellings. If that is the case, we are supportive of the creation of a state program for this purpose.

But we are still concerned about \$121 million being administered by an unnamed state agent. We are mindful that the city subgrantee allocations are pursuant to a formula found at 10 TAC § 6.404, which reads in part:

The allocation formula allocates funds based on the number of Low Income Households in a Service Area and takes into account certain special needs of individual Service Areas...

The statute goes on to discuss these needs and a 5-factor distribution formula. TDHCA updates the Subgrantee allocations based on factors including poverty income, elderly poverty, median household income, and climate data.

We suggest TDHCA articulate its reasoning for applying 81 per cent of the funds to a new state provider and not distributing them among existing Subgrantees in amounts faithful to existing formulas. At a minimum, the new plan should illustrate how the large state allocation will apply the factors at 10 TAC § 6.404 and stay faithful to the existing allocation formula when distributing funds.

III. We Encourage the Development of the Rooftop Solar Program and a Heat Pump Program

The plan includes a statement that, “The Department is exploring the potential benefits of allocating/diverting WAP BIL funds for a rooftop solar pilot program. This matter is preliminary and, if it occurs, will follow the guidance provided in WAP Memorandum 024.”

Public Citizen has long supported access to solar energy for low-income customers. We support the further development of this program. We hope that TDHCA provides a further opportunity for public input should this program come to fruition.

We also agree with the Sierra Club and its proposal to add a program for the purchase of energy-efficient heat pumps.

IV. The Benefits of Multifamily Weatherization Should Pass Through to Renters

Eligibility for multifamily dwellings is essential to ensure access to these programs by renters. The program should ensure that the financial benefits of WAP participation are passed on to renters. This includes pass through of utility bill savings from the landlord to the renter.

We also support the recommendation by Sierra Club that building owners who take advantage of the WAP be restricted from raising rents for two years. This will prevent landlords charging a premium for renters living in dwellings improved with federal funds.

V. We Support TDHCA Monitoring Other Assistance Programs

The draft plan includes a commitment from TDHCA to monitor subgrantees through July 2027. The plan states that TDHCA will try to monitor via one visit participation in other related programs, including:

- Department of Health and Human Services Community Service Block Grant,
- Low Income Home Energy Assistance Program,
- Housing and Urban Development HOME Program, and
- Housing and Urban Development Emergency Solutions Grant Program.

We are supportive of this approach and add that information about related programs should be shared with participants throughout the monitoring period. Every effort should be made to enroll Subgrantees into other assistance programs for which they qualify. This should also be extended to include state assistance programs.

VI. Conclusion

We are generally supportive of TDHCA's plan to spend additional WAP funds from the BIL. We appreciate the opportunity to provide these comments and hope you consider our recommendations. If you wish to discuss the issues raised, please contact Adrian Shelley at ashelley@citizen.org, 512-477-1155.

Respectfully,

Adrian Shelley
Texas Director

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