

SFY 2019 Evaluation: Energy and Weatherization Assistance Programs

Prepared for the State of Nevada by

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Acronyms Used in this Report

BPI Building Performance Institute
BWR Building Weatherization Report
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 Audit Software

BACKGROUND

Nevada's 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 and became effective during State Fiscal Year (SFY) 2002.¹ The first full program year was SFY 2003. Legislation establishing these programs requires an annual evaluation of program efficacy and compliance with legislative requirements.²

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 codified in the Nevada Administrative Code 702.010 through 702.450.

²

H. Gil

Peach & Associates to conduct this evaluation for the 2019 fiscal year.

ENERGY ASSISTANCE COMPLIANCE WITH LEGISLATIVE REQUIREMENTS (NRS 702)

Evaluation of EAP compliance and efficacy were determined using a variety of sources. The following EAP-provided data sets were used for analyses:³

- ◆ **Forms and Notices** - There were 56,534 forms and notices.
- ◆ **Eligibility Certification**—Eligibility determination was assessed for 35,192 records for SFY 2019. The final determination of eligibility is shown in Table 1.⁴

Table 1: Eligibility Certification for SFY 2019.

Eligibility Certification		
Eligibility	Number of Households	Percentage
Eligible	22,431	63.7%
Ineligible	12,761	36.3%
Total	35,192	100%

- ◆ **Household Members Details** – Data includes 16,041 records on the household members of applicants requesting EAP assistance, including dates of application.
- ◆ **Income Type Detail** – Data includes 54,378 household income entries.

The **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.

- ◆ The **Eligibility Certification** data set was used to characterize clients as eligible or ineligible in all cases. As shown in Table 1, there are N=22,431 eligible cases and

³ Numbers reported in the evaluation differ slightly from DWSS management reports. Numbers here 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, note that rounding may also create very slight differences in results reported here.

⁴ Quantitative and statistical analysis was carried out using Excel Version 2016 & SPSS Version 25.

N=12,761 ineligible cases. This information was also used in the analysis of demographic and other characteristics of the EAP recipient population.

- ◆ Social security income and program **Energy Burden** analyses were conducted on eligible households, merging the eligible households, including household composition such as children, disabled, and aged. These certified households were merged with the records for household income contributions by source in the **Household Income Data** file.
- ◆ **Household Income Data** (merged with **Eligibility Certification** data) were used to determine the relationship between eligibility.

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]

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 their unspent balance of Principal.

Table 2: FEAC Interest received and distributed for DWSS and NHD in SFY 2019.

FEAC Interest Received and Distributed, SFY 2019	
	Amount
Amount Remaining for Distribution Following Refunds	\$149,812
Amount Distributed to NHD	\$9,642
Amount Distributed to DWSS	\$140,170

1.3 Were FEAC funds distributed as mandated in NRS 702.260?

[Reference: NRS 702.260.1 Deliverable 3.4.1.2]

Yes. The distribution of FEAC funds between DWSS and NHD is show in Table 3.

Table 3: FEAC Principal Funds received and distributed for DWSS and NHD for SFY 2018.

FEAC Principal Received and Distributed, SFY 2019		
	Amount	Percentage of Funds Disbursed
FEAC Amount Received by DWSS from PUCN	\$13,880,328	
Refunds (Directed by PUCN)	(\$4,006)	
Amount Remaining for Distribution Following Refunds	\$13,876,322	100%
Amount Distributed to NHD	\$3,469,081	25%
Amount Distributed to DWSS	\$10,407,242	75%

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, \$10,407,242 (75% of FEAC funds), were distributed to DWSS.

1.5 Did DWSS use no more than 5% of FEAC funds for administrative expenses?

[Reference: 702.260.1 Deliverable 3.4.2.1]

Yes. As shown by combining \$140,170 in interest distributed to DWSS (Table 2) with the \$10,407,242 principal allocated to DWSS (Table 3), a total of \$10,547,412 was received by EAP from the combination of new FEAC funds and earned interest. In addition, Reserve funds of \$7,404,123 were available from the prior fiscal year. Adding these amounts together, the total of available FEAC funds for DWSS in SFY 2019 was \$17,951,535. DWSS used \$310,702 (1.73%) of the total FEAC funds for program administration. This percentage is under five percent (5%), so is in conformance with NRS 702.260.1.

Table 4: Allocation of EAP Funds, SFY 2019.

SFY 2019 DWSS Energy Payment Assistance - Major Line Items			
Line	Item	(\$)	Percentage
1	Administration	310,702	3.08%
2	Client Payments	8,647,888	85.64%
3	Outreach	23,092	0.23%
4	Program Design (including computer re-programming)	1,066,199	10.56%
5	Evaluation	50,193	0.50%
6	Total Spent	10,098,073	100.00%
7	Reserve (To Next Year)	7,853,462	
Note: This table contains a one-dollar rounding error.			

Using another measure, the total of DWSS FEAC funds disbursed in SFY 2019 was \$10,098,073. DWSS used 3.08% of the total DWSS FEAC funds spent in SFY 2019 for program administration.

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, \$8,647,888 was used to assist eligible households in paying for natural gas and electricity.

DWSS used 85.64% of FEAC funds disbursed in SFY 2019 to assist eligible households in paying for natural gas and electricity.

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 shows that 0.23% (\$23,092) of FEAC funds disbursed in SFY 2019 were used for consumer outreach. 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 checking systems that DWSS has, so they can gather necessary information, but review and eligibility determination is carried out by DWSS.⁵

DWSS used FEAC funds to carry out activities related to consumer outreach.

⁵ "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 application. In FY19, the Division of Welfare and Supportive Services 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 2019, Pp. 11-12.

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, \$1,066,199 (10.56% of FEAC funds disbursed in SFY 2019) was used in program design (including IT work), as shown in Table 4.

DWSS used FEAC funds to pay for program design.

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, DWSS developed eligibility tables based on household income and household size. DWSS also carefully developed benefit caps, which varied based on income, household size and the type of energy used.⁶ In addition, \$100 per month was 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. See tables 5, 6 and 7.⁷

For 2019 the median energy burden for Nevada households was 2.13% of household income.⁸

An example illustrating the median energy burden goal and the operation of the cap for a household of one person that is not a targeted household (and so, does not receive an added \$100) and does not heat with oil or propane (so does not receive an added \$200) is shown in Table 7.

⁶ SFY 2019 began with a set of benefit caps effective for the fiscal year. However, due to additional EAP funding, the benefit caps were increased retroactive to July 1, 2018 on April 8, 2019. Changes are documented in Policy Transmittal EAP PT 01-19, April 8, 2019. Table 6 shows the revised benefit caps.

⁷ For Table 5, see Nevada Fund for Energy Assistance and Conservation and Weatherization Annual Meeting, March 8, 2018, “Energy Assistance Program, FY 2019 Income Guidelines/Energy Burden/Benefit CAP Table,” Appendix A, P. 1.

⁸ Nevada Fund for Energy Assistance and Conservation State Plan FY 2019, P. 18. “Energy Burden” means the home energy expenditures of the household divided by the income of the household (defined on P. 5 for the FY 2019 State Plan).

A parallel example for a four-person household is shown in Table 8. For these examples, household income has been set to the top value within each income range.

Table 5: DWSS EAP Eligibility Tables for SFY 2019.

Maximum Annual Gross Income					Maximum Monthly Income (150% FPL)
Household Size	Multiple of Federal Poverty Level				
	75%	100%	125%	150%	
1	\$9,105	\$12,140	\$15,175	\$18,210	\$1,517.50
2	\$12,235	\$16,460	\$20,575	\$24,690	\$2,057.50
3	\$15,585	\$20,780	\$25,975	\$31,170	\$2,597.50
4	\$18,825	\$25,100	\$31,375	\$37,650	\$3,137.60
5	\$22,065	\$29,420	\$36,775	\$44,130	\$3,677.50
6	\$25,305	\$33,740	\$42,175	\$50,610	4,217.50
7	\$28,545	\$38,060	\$47,575	\$57,090	\$4757.50
8	\$31,785	\$42,380	\$52,975	\$63,570	5297.50
Add for each additional person:	\$3,240	\$4,320	\$5,400	\$6,480	\$540

Note: The Annual Income Limit for 2019 Eligibility is 150% of the Federal Poverty Level

Table 6: SFY 2019 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

(Add \$100 for Households with a member who is 60 years or older; disabled; or a child under 6; Also, add \$200 for households that include oil or propane as an energy source.)

Table 7: Example 1 – Assistance with and without use of a Cap.

Example1					
Row No.	Category	Example Income (Multiple of Federal Poverty Level)			
		<=75%	75-100%	100-125%	125-150%
Household Size = 1 Person					
1	Annual Household Income (Gross)	\$9,045	\$12,060	\$15,075	\$18,090
2	2019 Nevada Median Energy Burden (2.13%). This is the NRS 702 target for the portion of the bill that should remain a customer responsibility.	\$193	\$257	\$321	\$385
3	Example Annual Household Energy Cost (based on energy usage amount)	\$1,600	\$1,600	\$1,600	\$1,600
4	Balance Remaining to Pay for energy usage after initial Customer Responsibility	\$1,407	\$1,343	\$1,279	\$1,215
5	Cap (for one-person household)	\$2,000	\$1,600	\$1,280	\$1,152
6	Total Bill to Customer (If there were no Program)	\$1,600	\$1,600	\$1,600	\$1,600
7	Customer Responsibility: EAP (If there were no Cap)	\$193	\$257	\$321	\$385
8	Customer Responsibility: EAP (with Cap)	\$193	\$257	\$321	\$448
9	Bill Assistance Amount (If there were no Cap)	\$1,407	\$1,343	\$1,279	\$1,215
10	Bill Assistance Amount (with Cap)	\$1,407	\$1,343	\$1,279	\$1,152

Table 8: Example 2- Assistance with and without use of Cap.

Example2					
Row No.	Category	Example Income (Multiple of Federal Poverty Level)			
		<=75%	75-100%	100-125%	125-150%
Household Size = 4 Persons					
1	Annual Household Income (Gross)	\$18,825	\$25,100	\$31,375	\$37,650
2	2019 Nevada Median Energy Burden (2.13%). This is the NRS702 target for the portion of the bill that should remain a customer responsibility.	\$401	\$535	\$668	\$802
3	Example Annual Household Energy Cost (based on energy usage amount)	\$2,400	\$2,400	\$2,400	\$2,400
4	Balance Remaining to Pay for energy usage after initial Customer Responsibility	\$1,999	\$1,865	\$1,732	\$1,598
5	Cap	\$2,333	\$1,866	\$1,493	\$1,344
6	Total Bill to Customer (If there were no Program)	\$2,400	\$2,400	\$2,400	\$2,400
7	Customer Responsibility: EAP (If there were no Cap)	\$401	\$535	\$668	\$802
8	Customer Responsibility: EAP (with Cap)	\$401	\$535	\$907	\$1,056
9	Bill Assistance Amount (If there were no Cap)	\$1,999	\$1,865	\$1,732	\$1,598
10	Bill Assistance Amount (with Cap)	\$1,999	\$1,865	\$1,493	\$1,344

These tables (7 & 8) 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. For both tables, income fitting into ranges of different multiples of the Federal Poverty Level is shown in Row 1. The corresponding value for the SFY 2019 Median Energy Burden criterion is shown in Row 2. For these examples, the Annual Energy Bill is set at \$1,600 (Row 3) for the single-person household and to \$2,400 for the four-person household. The balance remaining to pay after the target customer responsibility amount is shown in Row 4. The cap amount to be applied is shown in Row 5.

Rows 6, 7 and 8 show the total customer responsibility amount for three cases: the case of the “no program” alternative; the program as envisioned under NRS 702 with no cap; and the program with the appropriate SFY 2019 cap value applied. Rows 9 and 10 show the Bill Assistance amount provided by the program; first without application of a cap and then with the application of the cap applied in SFY 2019.

In Table 9, the customer responsibility portion of total bill is shown as a percentage of total bill for Example 1 (Table 7) and Example 2 (Table 8). The pattern of greater protection for households with lower incomes is evident in the percentages shown in Rows 2, 3, 5 and 6.

Table 9: Customer Responsibility Percentage of Total Bill Amount.

Percentage of Total Bill to Customer to be Paid as Customer Responsibility					
Row No.	Category	Example Income (Multiple of Federal Poverty Level)			
		<=75%	75-100%	100-125%	125-150%
Example 1: Household Size = 1 Person					
1	Total Bill to Customer (If there were no Program)	100%	100%	100%	100%
2	Customer Responsibility: EAP (If there were no Cap)	12.1%	16.9%	20%	24%
3	Customer Responsibility: EAP (with Cap)	12.1%	16.9%	20%	28%
Example 2: Household Size = 4 Persons					
4	Total Bill to Customer (If there were no Program)	100%	100%	100%	100%
5	Customer Responsibility: EAP (If there were no Cap)	16.7%	22.3%	27.8%	33.4%
6	Customer Responsibility: EAP (with Cap)	16.7%	22.3%	37.8%	44.0%

A design using a cap approach was envisioned by the legislature and is within the scope of determination of DWSS as specified in NRS 702. This modification of the program design is appropriate for years in which total funding is not sufficient to fully meet the median energy burden target for all eligible applicants during that year. As is shown in the tables, households within that the lowest poverty range are more protected by the cap than households in the upper poverty ranges. The design preserves funding so that more households can be served

while also providing more protection to the 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.

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 provided supportive funding to eligible households in SFY 2019. 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]

DWSS includes information on the Weatherization Assistance Program website on the EAP application and the EAP pamphlet. The current coordination between EAP and the Weatherization Assistance Program also 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 this program. One of the Subgrantee responsibilities is recruitment of households into the FEAC weatherization program so they may often have a backlog.

1.13 Did DWSS establish a process for evaluating EAP?

[Reference: 702.260.8(d) Deliverable 3.4.7.3]

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 2018; and are currently conducting the evaluation covering the SFY 2019 (July 2018 through June 30, 2019).

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 joint meeting was held in both 2018 and 2019 to review and discuss the Nevada Fund for Energy Assistance and Conservation and Weatherization State Plan. A public hearing was held in July 2019 to adopt the State Plan for 2019; a public hearing was held on June 17, 2019 to adopt the State Plan for SFY 2020.

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.

25% of FEAC funds were distributed to NHD.

1.17 Did DWSS submit a report to the Director of the Legislative Counsel Bureau on or before January 5, 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]

Yes. The fiscal report for the previous fiscal year was submitted on or before January 5, 2019.

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]

When the final accounting records were produced in September 2019, there was a carryover of \$7,853,462 to SFY 2020. However, the possible transfer to NHD will not be known until the end of December 2019.

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 also paid for program design (including IT) and evaluation expenses.
- ◆ Only households below 150% of the FPL were eligible to receive subsidies.
- ◆ 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; and, came very close in fiscal 2019 using the system of caps and other adjustments, 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.

Findings and Recommendations (EAP)

In this section of the evaluation there are two findings and two recommendations.⁹

Finding No. 1 (DWSS): DWSS uses a 10-day window for reply to notices that an application requires additional information. A client may phone and ask for additional time if they are having trouble securing the information missing from the form. Sometimes this is due to a processing delay, for example, for a social security number; or difficulty in securing information from a household member or a landlord. The use of a 10-day window brings EAP into line with other DWSS program procedures.

Finding No. 2 (DWSS): DWSS has optimized the Energy Assistance Program by adjustment of allocation for targeted groups (homes with at least one person who is age 60 or over, homes with at least one child less than age six, and homes with at least one disabled person) and by type of energy used (electricity and natural gas vs. propane). DWSS also optimized the program using systematic caps which provide a more full allocation to the lowest income households, using poverty ranges. The program is highly optimized for SFY 2019 and going into SFY 2020.

Recommendation No. 1 (DWSS): For SFY 2020, consider if the time window for response for missing information might be extended to something between 10 business days (with an allowance for the letter to be received) and 30 calendar days. Providing either too short a window or too long a window would not be good for the client or for efficient operation. Possibly, one or two approaches could be tested to see if the response rate improves.

Recommendation No. 2 (DWSS): In the absence of any unusual events, for SFY 2020 DWSS should operate normally within this optimized structure while monitoring the operation of the caps. No new changes to processes, management or organization are recommended for DWSS based on the SFY 2019 evaluation. For SFY 2020, the goal should be to operate well with the current processes, management and organization.

⁹ These EAP findings and recommendations are repeated on Page 24, along with additional EAP findings.

ENERGY ASSISTANCE PROGRAM ASSESSMENT OF PROGRAM EFFECTIVENESS

EAP is a year-round program. EAP benefits are available wherever UEC participating utility vendors are located. EAP applications are available from the Division of Welfare and Supportive Services (DWSS) and from contracted intake sites such as county social services, senior citizen centers and community-based organizations. A qualifying household's EAP benefit is the Fixed Annual Credit (FAC)¹⁰ not to exceed UEC annual usage or the program benefit cap.

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 2019, DWSS determined eligibility of EAP households at a maximum level of no more than 150% of the Federal Poverty Level.

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. During SFY 2019, the Crisis Intervention Program helped households requiring emergency assistance. In the 2019 fiscal year, eight households were served through the Crisis Intervention program.¹¹ Also, 283 households were served through the Fast-Track program.¹² The Fast-Track program is designed for households that have received a 48-hour disconnect notice from their heating or electric service; or have been disconnected; or are in need of heating and have less than 10% in their tank; or need a deposit to establish service; or have a life-threatening situation if they lose energy; and, have paid at least \$25 on their utility bills during the sixty days prior to the emergency; and, have requested a payment plan and been

¹⁰ The Fixed Annual Credit (FAC) means an annual amount of money enough to reduce the percentage of the applying household's income spent on natural gas/electricity to the median percentage of the household income spent on natural gas/electricity statewide annually. Nevada Fund for Energy Assistance and Conservation State Plan FY 2019, definition 2.19, P. 5

¹¹ Determined as the number of "CI" households classed as Eligible in combined household member file.

¹² Determined as the number of "FT" households classed as Eligible in the combined household member file.

denied or already have a payment plan established but are unable to meet the payment requirements.¹³

DWSS defines energy emergency as meeting one of three criteria: The first means a household has had, or is in danger of having, their heating or electric service disconnected within 48 hours or is in need of heating fuel and has less than 10% in their tank, or is in need of a deposit or if having a loss of energy causes a life threatening situation, *and* must have requested a payment plan from the utility and been denied. The second means a household in crisis whose annual gross income exceeds the current income limit except that allowable qualifying expenses attributable to the crisis reduce the income to the current income limit or less. The third means a household that has an established arrearage on their account with their heating and/or cooling vendor and such arrearage may result in utility shut-off.¹⁴

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 2019 the statewide energy burden calculated for all Nevada households was 2.13%¹⁵ NRS 702 also provides flexibility to DWSS to optimize the EAP program when the number of eligible applicant households exceeds available funding. One primary approach to optimizing subject to the funding constraint is to establish benefit caps.

Benefit caps were in place during SFY 2019 to ensure that EAP could provide a benefit to all qualifying households who applied. Caps enable the EAP program to serve all eligible applications with a meaningful benefit. A meaningful benefit is a grant that reduces the

¹³ Nevada Fund for Energy Assistance and Conservation State Plan FY 2019, P. 22, Section 11.1.1 The Fast-Track Component.

¹⁴ Nevada Fund for Energy Assistance and Conservation State Plan FY 2019, definition 2.15, P. 5.

¹⁵ The projection of Nevada median household energy burden is based on information on energy usage and energy cost provided by the utilities and yearly estimate of median Nevada household income. The median income estimate is posted by the Administration for Children and Families (ACF), Department of Health and Human Services (HHS). For SFY 2019 the median income is \$71,593 and the percentage for energy burden is 2.13% Nevada Fund for Energy Assistance and Conservation State Plan FY 2019, Effective July 19, 2018, P. 19). Energy burden is the proportion of gross household income paid for electricity and heat.

likelihood of service termination by moving households as close as possible to the statewide median energy burden.

When EAP was launched in 2002-2003 and for several years thereafter, from year to year, EAP provided the target median energy burden support level. In part, this was possible because EAP was a new program, just starting up. It took several years for qualifying households to become fully aware of the program, so in the early years the number of qualifying applicants was much smaller than it is today.

The flexibility provided to DWSS under NRS 702 includes caps, changes to program income qualification levels and other program changes. The foresight put into the provision of NRS 702 was especially useful during the years of the “Great Recession”, when UEC revenues declined¹⁶ while the number of eligible applicant households increased rapidly and substantially. During the economic stress of the recession years, the arrearage forgiveness program component was suspended, the eligibility level for program services was reduced, and caps were applied.

DWSS has applied benefits caps since 2009. On Aug 14, 2012, EAP announced a temporary increase in the benefit cap, retroactively effective July 1, 2012 through Sept 30, 2012. On Sept 26, 2012, when the final LIHEA funding was allocated, EAP made increased benefits effective going forward. On Nov 16, 2012, program eligibility was restored to households earning up to 150% FPL. The arrearage program was reinstated, effective December 1, 2012. On April 16, 2013, new benefit cap tables were established to provide better equity for households earning <75% FPL. This raised the targeted average monthly benefit from \$555 in 2012 to \$776 for SFY 2013. The benefit cap tables remained the same for SFY 2015 and SFY 2016 with a targeted average monthly benefit of \$776 for 2015 and \$718 for 2016.¹⁷ New cap tables were effective in SFY 2017 with a targeted average benefit was \$533 per household in SFY 2017. For SFY 2018, a new benefit cap table was effective August 1, 2017 and was expected to produce an average targeted benefit of \$600. However, in June 2018 there was a further adjustment (going

¹⁶ Since the amount collectible for UEC funding is a function of energy use, when energy use declines, the funding for UEC also declines. When energy use in Nevada increases, UEC funding increases. Also, federal funding varies each year, both in timing of payments to Nevada and in amount. These factors make operation of the program design complex in practice, often requiring sequential adjustments as funding becomes clearer over the fiscal year.

¹⁷ Projection of average annual benefit is carried out with information available at the time of the calculation. There is uncertainty included in the projection. Projections for planning purposes are approximate.

forward and made retroactive for the year) that raised the average FAC benefit for SFY 2018 to \$680.¹⁸

In SFY 2019, the year began with one set of benefit cap tables and on April 8, 2019 due to additional EAP funding, the benefit caps were increased for the remainder of the year and made retroactive to July 1, 2018. With these caps in place, for SFY 2019 an additional \$100 was added to each cap for Targeted Households. Targeted Households are those with at least one person aged 60 or over; or with at least one child less than six; or with one or more disabled person. Table 10 shows the substantial benefit of EAP for households using electricity or natural gas, especially for the lowest income poverty groups (compare households in the less than 75% poverty group with households in the other groups).¹⁹ Table 11 shows the same relationship for homes that use propane or fuel oil.²⁰

Table 10: Primary Cap Table.

FY 2019 Benefit Cap Table - All Energy Sources (except Propane and Oil)				
HH Size	HH Percentage of Poverty Range			
	<75%	75-100%	>100-125%	>125-150%
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
(Add \$100 for Targeted Households)				

¹⁸ Based on the Management Monitoring Summary at end of year. Energy Assistance Program Management Monitoring Summary, Year-to-Date SFY 2019. The average FAC benefit was \$821 and the overall average when the much smaller number of Arrearage Payment is averaged in results in an overall average of \$859.

¹⁹ The more income received by a household, generally the lower the percentage of income that is required to be spent on household energy.

²⁰ The benefits for similarly situated households are different between Table 10 and Table 11 due to the higher costs of oil and propane.

Table 11: Cap Table for Propane and Oil.

FY 2019 Benefit Cap Table if Energy Source includes Propane and/or Oil				
HH Size	HH Percentage of Poverty Range			
	<75%	75-100%	>100-125%	>125-150%
1	\$2,200	\$1,800	\$1,480	\$1,352
2	\$2,306	\$1,884	\$1,548	\$1,413
3	\$2,416	\$1,973	\$1,618	\$1,477
4	\$2,533	\$2,066	\$1,693	\$1,544
5	\$2,650	\$2,160	\$1,768	\$1,611
6	\$2,772	\$2,258	\$1,846	\$1,682
7	\$2,901	\$2,361	\$1,928	\$1,756
8+	\$3,036	\$2,469	\$2,015	\$1,833
(Add \$100 for Targeted Households)				

Table 12 shows the resulting lowering of energy burden to qualifying households, due to participation in EAP. The first column in this table is the average household energy burden without EAP and the second column shows the resultant household energy burden with EAP. The average household energy burden for participants in EAP shows a trend towards general improvement going forward (Table 13). Results for 2019 show substantial improvement.

In SFY 2018, DWSS achieved major improvements in case processing time as compared with the previous year. In particular, at least 97% of cases were processed within sixty (60) days within each month of SFY 2018. In SFY 2019 there was substantial additional improvement in case processing time. The average number of days to process a case was eighteen (18) or less in each month, and depending the number of applications by month varied between eleven (11) and eighteen (18).

Table 12: EAP Reduction in Energy Burden by Poverty Group.

EAP Reduction in Energy Burden		
Percentage of Income EAP Participants Are Expected to Spend on Energy, Before and After Assistance, by Poverty Group, SFY 2019		
Poverty Group	Average % FAC Income Expected to be Spent on Energy	
	Prior to EAP	With EAP
0-75%	28.44%	2.20%
76-100%	5.58%	2.30%
101-125%	6.64%	2.35%
125-150%	8.57%	2.35%
All	13.42%	2.30%
Statewide Median for 2019		2.13%

Table 13: Change in Energy Burdens for Targeted and Non-Targeted Groups.

Percentage of Income EAP Participants are expected to spend on Energy After Assistance, by Household Composition (Targeted Households), SFY 2013 - 2019							
Household	Average % FAC Income Expected to be Spent on Energy						
	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018	SFY 2019
With Children	6.35%	4.02%	4.26%	4.19%	5.55%	3.41%	2.20%
With Disabled	4.54%	3.79%	3.87%	4.32%	4.66%	3.00%	2.30%
With Elderly	4.06%	3.61%	3.54%	4.13%	4.27%	3.15%	2.35%
Non-Targeted	7.80%	5.45%	4.89%	5.55%	7.59%	5.17%	2.35%
Statewide Median for 2019							2.13%

The average household energy burden for participants in EAP show a trend towards general improvement going forward (Table 13). Results for 2019 show substantial improvement.

Table 14: Energy Burden by Targeted Group, Original and with EAP.

Percentage of Income EAP Participants Are Expected to Spend on Energy Before and After Assistance, by Household Composition, SFY 2019		
Target Group	Average Percent of FAC Income Expected to be Spent on Energy	
	Prior to EAP	With EAP
With Children Under 6	16.86%	2.18%
With Disabled	8.92%	2.39%
With Senior(s)	8.19%	2.30%
Non-Targeted	26.09%	2.09%
Statewide Median for 2019		2.13%

Table 14 shows the EAP program effect for targeted and non-targeted groups Prior to EAP (first column) and with EAP (second column). *For SFY 2019, EAP energy burdens are very close the median Nevada household energy burden.*

1.23 Numbers Served by Targeted Status and Energy Type Used

[Reference: 702.260.2(a) Deliverable 3.4.2.2]

Nevada households use a variety of energy sources and households with a range of sources were served by EAP, as shown in Figure 1. Most EAP households use electricity, natural gas and propane. The numbers of households receiving payments do not sum to the number of households receiving EAP benefits, since some households directed payments to more than one energy supplier.

Figure 2 shows targeted and non-targeted participant households for SFY 2019.

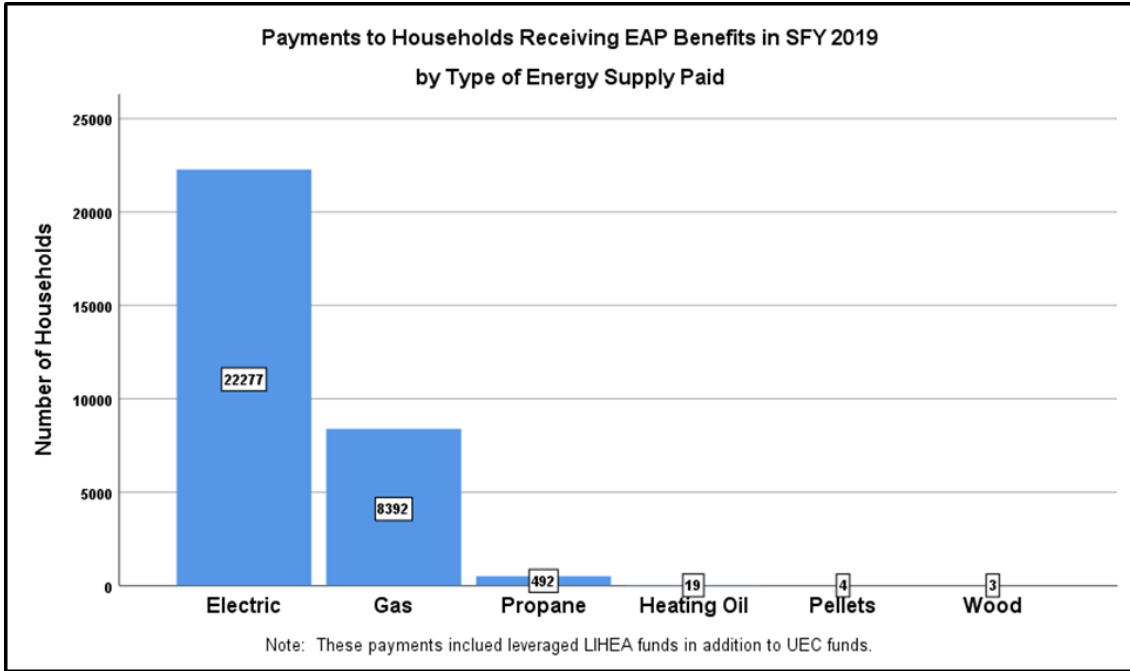


Figure 1: Number of Payments by Type of Energy Supply.

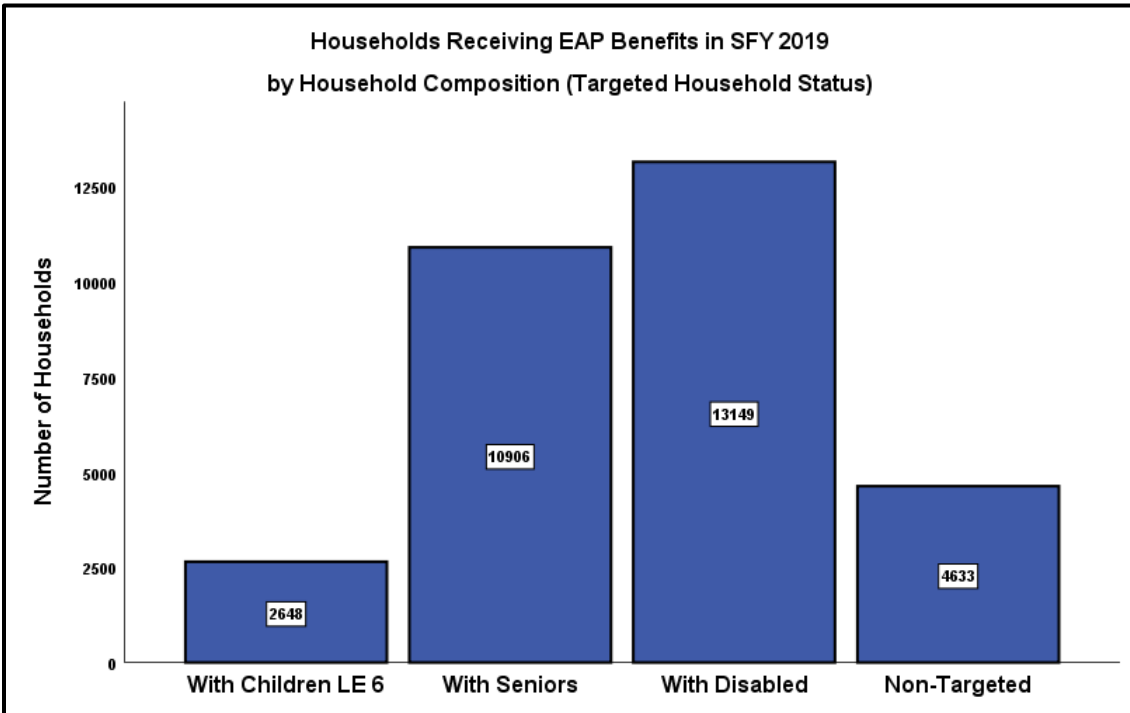


Figure 2: Numbers of EAP households by targeted and non-targeted.

During SFY 2012, there was a substantial and statistically meaningful decline in the proportion of applicants receiving Social Security Income who were eligible for EAP benefits. This was due to a coincidence of reduced eligibility criteria (to serve all eligible applicant households with assistance in the form of a smaller but still meaningful benefit) and a small increase in federal Social Security benefits. These two factors, working together, pushed many applicants with Social Security income just above the program’s income limits for 2012 and participation dropped from 2011 to 2012 (Figure 3). The decline was about one-half of the previous participants.

Then, in 2013, there was a partial recovery of the Social Security applicants who became EAP participants, and since then there has been additional improvement (Figure 3). The number of EAP participants with Social Security income has now returned to the SFY 2011 level in 2018 and though slightly less in 2019 is essentially stable, reflecting the emphasis of DWSS in bringing back households. DWSS has continued outreach to seniors who may not realize that they are again eligible for energy assistance.

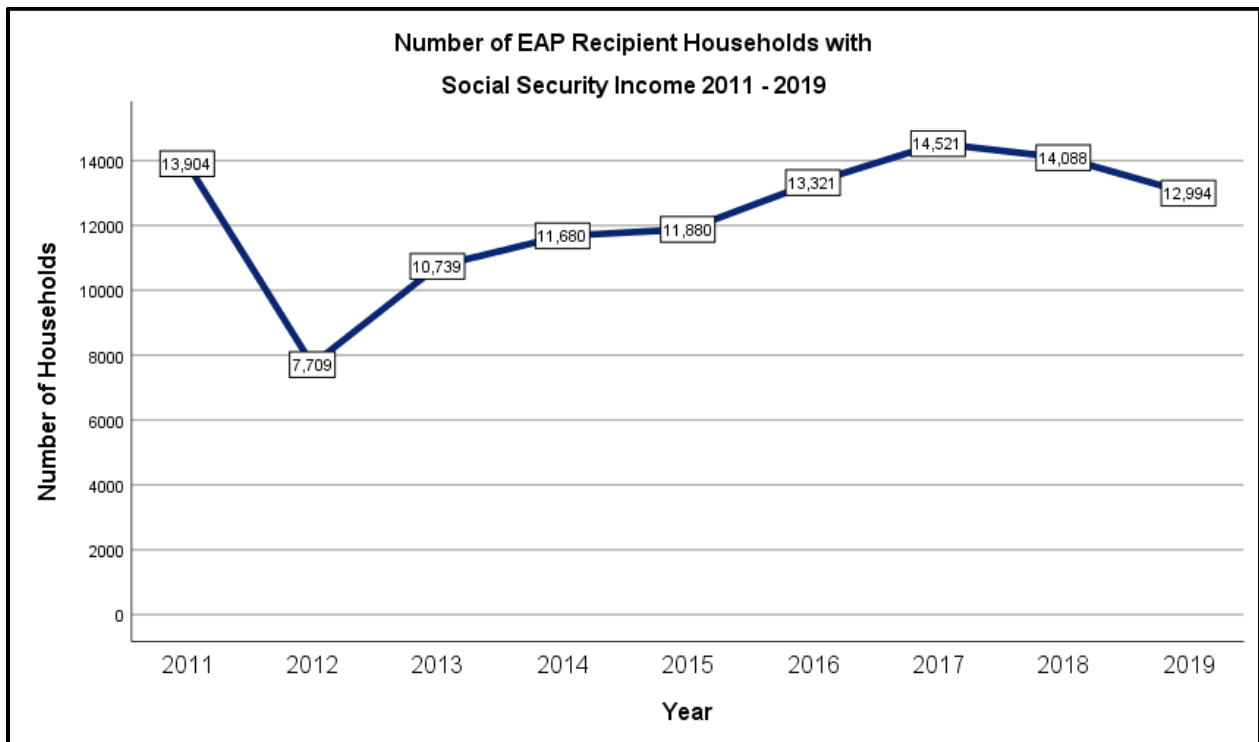


Figure 3: Number of EAP Households with Social Security Income, SFY 2011 - 2019.

As part of this effort, several new intake sites were added in SFY 2015 and SFY 2016. Intake sites, which are often senior centers or food banks, can be an excellent approach to raise awareness and increase enrollment of senior citizens in the EAP program. Some seniors may not have access to or understanding of computer technologies for computer-based applications. Intake sites are an important resource to eliminate technological barriers to services for elderly residents. As shown in Figure 3, the number of EAP households with Social Security income has recovered and is holding stable.

Findings (EAP)

There are eight findings, in all, for EAP.²¹

Finding No. 1 (DWSS): DWSS uses a 10-day window for reply to notices that an application requires additional information. A client may phone and ask for additional time if they are having trouble securing the information missing from the form. Sometimes this is due to a processing delay, for example, for a social security number; or difficulty in securing information from a household member or a landlord. The use of a 10-day window brings EAP into line with other DWSS program procedures.

Finding No. 2 (DWSS): DWSS has optimized the Energy Assistance Program by adjustment of allocation for targeted groups (homes with at least one person who is age 60 or over, homes with at least one child age 6 or less, and homes with at least one disabled person) and by type of energy used (electricity and natural gas vs. propane). DWSS also optimize the program using systematic caps which provide a more full allocation to the lowest income households, using poverty ranges. The program is highly optimized for SFY 2019 and going into SFY 2020.

Finding No. 3 (DWSS): EAP substantially lowers energy burden for low-income customers and in SFY 2019 came meaningfully close to the median Nevada household energy burden for participants in EAP.

Finding No. 4 (DWSS): DWSS has continued in stabilizing the level of households with Social Security income in SFY 2019.

Finding No. 5 (DWSS): The focus on Targeted Groups (households with children less than age six, households with one or more disabled member and households with seniors) is working well.

²¹ Findings 1 & 2 are brought forward from Page 14.

Finding No. 6 (DWSS): DWSS distributed the FEAC funds in a regular, fair and thoughtful manner consistent with the requirements of the defining legislation. Through the EAP, DWSS provided qualifying applicant households assistance with their heating and cooling costs during FY 2019. The average FAC benefit was \$821.00 per household served.²² The average arrearage benefit for the 193 homes receiving this benefit was \$339.²³ Overall, the average total benefits paid was \$859.²⁴

Finding No. 7 (DWSS): DWSS work in SFY 2019 has been consistent with the requirements of NRS 702. The level of funding available in the FEAC from the Federal LIHEA Program and UEC funds was almost enough to reduce the energy burden of eligible households to the state median. As this analysis demonstrates, DWSS used the flexibility established in NRS 702 to optimize the EAP program within the funding limitation and to prioritized Targeted Groups.

Finding No. 8 (DWSS): Case processing time improved substantially during SFY 2019.

There are two EAP recommendations:²⁵

Recommendation No. 1 (DWSS): For SFY 2020, consider if the time window for response for missing information might be extended to something between 10 business days (with an allowance for the letter to be received) and 30 calendar days. Providing either too short a window or too long a window would not be good for the client or for efficient operation. Possibly, one or two approaches could be tested to see if the response rate improves.

Recommendation No. 2 (DWSS): In the absence of any unusual events, for SFY 2020 DWSS should operate normally within this optimized structure while monitoring the operation of the caps. No new changes to processes, management or organization are recommended for DWSS based on the SFY 2019 evaluation. For SFY 2020, the goal should be to operate well with the current processes, management and organization.

²² Energy Assistance Program Management Monitoring Summary, Year-to-Date SFY 2019, presented at the Policy Advisory Council Thursday, October 10, 2019.

²³ Energy Assistance Program Management Monitoring Summary, Year-to-Date SFY 2019, presented at the Policy Advisory Council Thursday, October 10, 2019.

²⁴ Energy Assistance Program Management Monitoring Summary, Year-to-Date SFY 2019, presented at the Policy Advisory Council Thursday, October 10, 2019.

²⁵ The EAP recommendations are brought forward from Page 14.

WEATHERIZATION ASSISTANCE PROGRAM OVERVIEW of SFY 2019

This evaluation covers the Universal Energy Charge/Fund for Energy Assistance and Conservation (UEC/FEAC) Weatherization Assistance Program (WAP) administered by the Nevada Housing Division (NHD) for State Fiscal Year (SFY) 2019.²⁶ Performance requirements for this program are codified in Nevada Revised Statutes (NRS) 702.

The primary program activities and major contextual factors affecting the UEC/FEAC WAP are:

- **Planning** – During SFY 2019 the NHD and the Division of Welfare and Supportive Services (DWSS) collaborated on the development of two State Plans: The Nevada Fund for Energy Assistance and Conservation State Plan required by NRS 702.280 for SFY 2020 and the Nevada Low Income Home Energy Assistance Program (LIHEA Program) State Plan for 2020. The LIHEA Program plan is required by the US Department of Health and Human Services.²⁷
- **Planning Targets and Accomplishments** - For SFY 2019, NHD received UEC/FEAC funds for the UEC Weatherization Assistance Program in the amount of \$3,478,166.58²⁸. In addition, there was a small carryover balance and a share in interest on the UEC/FEAC account maintained by DWSS.

In SFY 2019, NHD expended \$2,898,086.75 on subgrantee and weatherization expenses, including internal subgrantee administration. The total reserve fund, going forward into SFY 2020 was \$580,079.83.

The planning target (production goal) for SFY 2019 was to weatherize 307 homes.²⁹

- **Program Implementation** – The revised Business Process developed in the later part of SFY 2012 has continued in place through SFY 2019. The Business Process is summarized in drawing represented in Figure 4.

²⁶ State of Nevada fiscal years begin July 1st and end June 30th

²⁷ Additionally, in the final months of SFY 2019 NHD and DWSS jointly developed these plans as required for SFY 2020. The Nevada Fund for Energy Assistance and Conservation follows the state fiscal year which ends each June 30th; the plan for the LIHEA Program is structured by the federal fiscal year which ends each September 30th.

²⁸ The \$3,478,166.58 is the twenty-five percent allocation from new Universal Energy Charge revenue. This amount exceeded the budgeted amount of \$3,460,388.48 by \$17,778.10. Allocation was \$3,309,145.25 for the 2019 program year and \$169,021.33 was allocated to the FEAC reserve.

²⁹ Housing Division – Weatherization Assistance Program All Subgrantees Progress Report, July 18, 2019.

**WEATHERIZATION ASSISTANCE PROGRAM
Nevada Housing Division
BUSINESS PROCESS**

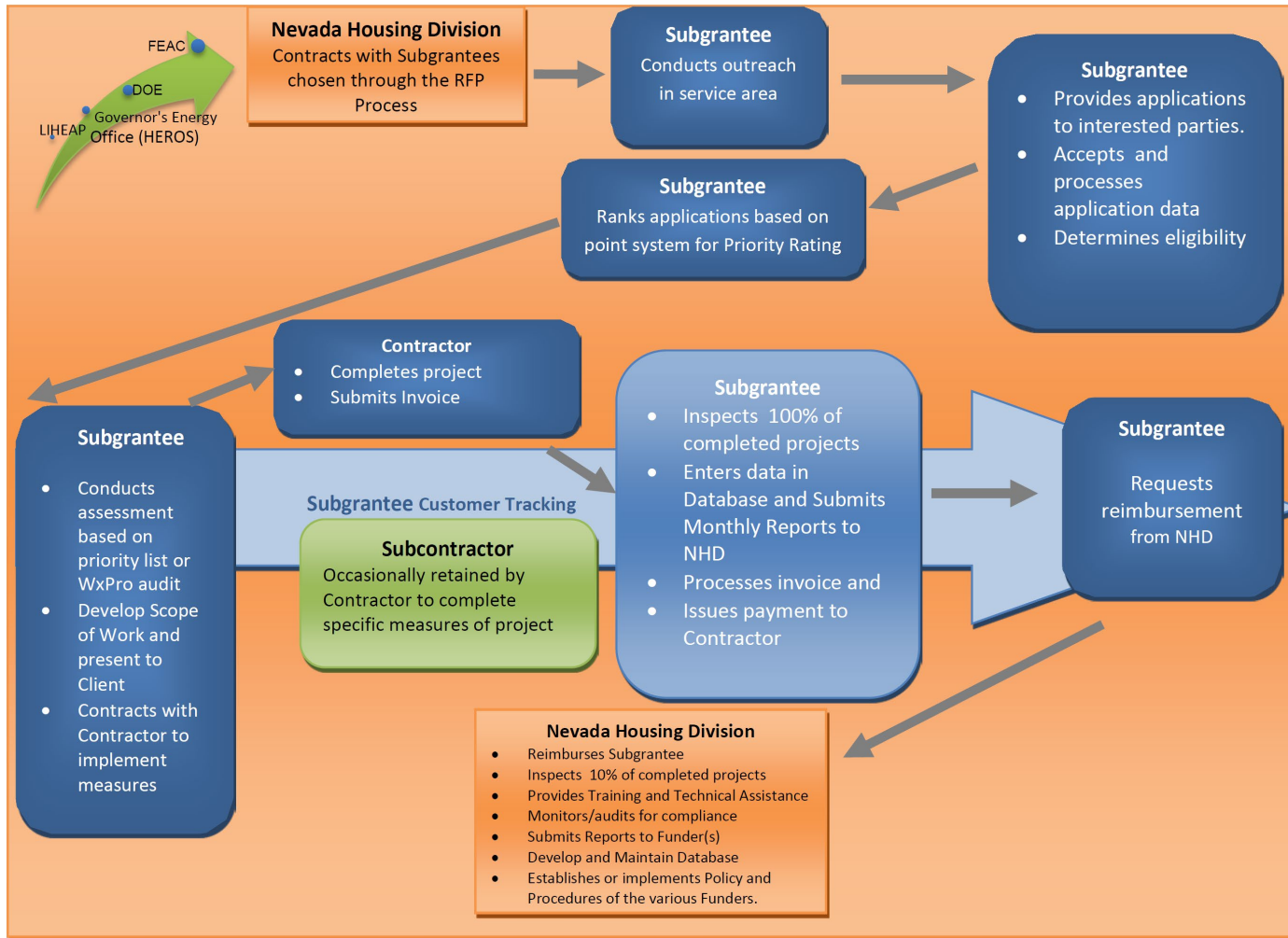


Figure 4: Weatherization: Business Process.

The Nevada Universal Energy Charge/Fund for Energy Assistance and Conservation, the US Department of Energy, and the US Department of Health and Human Services Low-Income Home Energy Assistance Program provided primary funding Weatherization Assistance Program effort for SFY 2019.

Changes in the Percentage of Persons living in Poverty – A time series comparison of percentage of persons in poverty is shown in reported in Table 15nd graphed in Figure 5.³⁰ In 1959 Nevada had a much lower poverty rate than the US. The strong drop in poverty in the US as a whole and a similar though smaller drop in poverty in Nevada from 1959 to 1969 represents the combination of effects of the 1960’s anti-poverty programs and the supercharged economy of the Vietnam War years. Over the time window shown, poverty in Nevada increased overall while poverty in the US decreased overall so that poverty in Nevada is now almost the same as poverty in the US.

Poverty in Nevada increased in the economic recession of the early 2000’s (the “dotcom bubble”), then began to moderate. Then, Nevada poverty increased again in the recession of 2007 (the “derivatives bubble” or the “housing bubble”). In 2018, Nevada poverty is much as it was in 1959 while US poverty is substantially lower than in 1959.

- Nevada poverty reached a peak that exceeded the US percentage in 1985, approached the US level in 1993, and then again exceeded the US level in 2010.

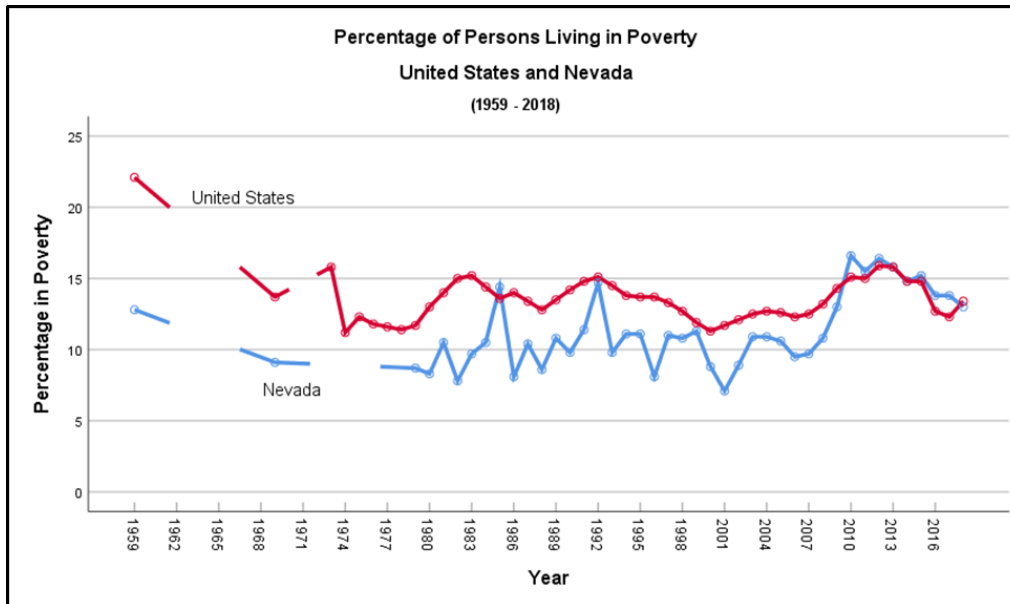
³⁰ For 1959 and 1969, the information used in the figure is from *Poverty in the United States: 2000*, Appendix Table A-1 and from US Census Bureau Table CPH-L-162, Persons by Poverty Status by State. The data from that point through 2011 is from the US Bureau of the Census, Current Population Survey, Annual Social and Economic Supplement, Table 5, Percent of People by Ratio of Income to Poverty Level: 1970 to 2011 and Table 21: Number of Poor and Poverty Rate by State: 1980 to 2011. Data for 2012 and 2013 is from *Poverty 2012 and 2013*, American Community Survey Briefs by Alemayehu Bishaw and Kayla Fontenot, US Department of Commerce, Economics and Statistics Administration, US Census Bureau, September 2014. Data for 2014 is from QuickFacts Beta, Persons in Poverty, Percent (<http://www.census.gov/quickfacts/table/PST045214/00>). Data for 2015 is from QuickFacts, Persons in Poverty, Percent (<http://www.census.gov/quickfacts/table/INC110214/00,32>). For 2016, the Nevada data is from QuickFacts (<https://www.census.gov/quickfacts/NV>); the US data is from the US Census Bureau, *Income and Poverty in the United States: 2016*, Current Population Reports, September 2016. For 2017, the US result is from Fontenot, Kayla, Jessica Smegla and Melissa Kollar, *Income and Poverty in the United States 2017*, September 12, 2018, US Bureau of the Census. The 2018 US results is from The Economic Progress Institute, Facts and Stats 2018: U.S. Census Data and Analysis on Poverty and Income (<http://www.economicprogressri.org/index.php/2018/09/13/facts-and-stats-2018-us-census-poverty-income/>). The Nevada result for 2017 and 2018 is from the Center for American Progress, <https://talkpoverty.org/poverty>. The Bureau, instead of providing precise estimates every ten years, now produces rough estimates every year. The Bureau now warns against making year by year comparisons for the same geographic unit because the precision of their yearly reported results is poor. So, we can characterize Figure 5 as approximately true and based on the best available data.

- There is uncertainty in yearly percentages released by the US Bureau of the Census, so close values can be assessed as essentially the same. From this perspective, poverty in Nevada and poverty in the US have been essentially the same from 2013 through 2018.³¹

Table 15: Persons in Poverty (Nevada & US) - Selected Years.

Persons in Poverty (Percentage) - Selected Years									
	1959	1969	1979	1989	1999	2009	2016	2017	2018
US	22.1	13.7	11.7	13.5	11.9	14.3	12.7	12.3	13.4
Nevada	12.8	9.1	8.7	10.8	11.3	13	13.8	13.8	13.0

Figure 5: Graph of Percentage of Persons in Poverty (United States & Nevada, 1959-2018)



³¹ Percentages for 2019 will be available in 2020. There is definite improvement in Nevada’s economy, yet poverty remains essentially constant from 2009 through 2018.

As shown in Figure 6, unemployment comes in waves. Right now (data through June 2019) unemployment is about the same as in 1976. The jagged wave pattern for the unemployment rate³² suggests it is prudent to be ready for the next wave.

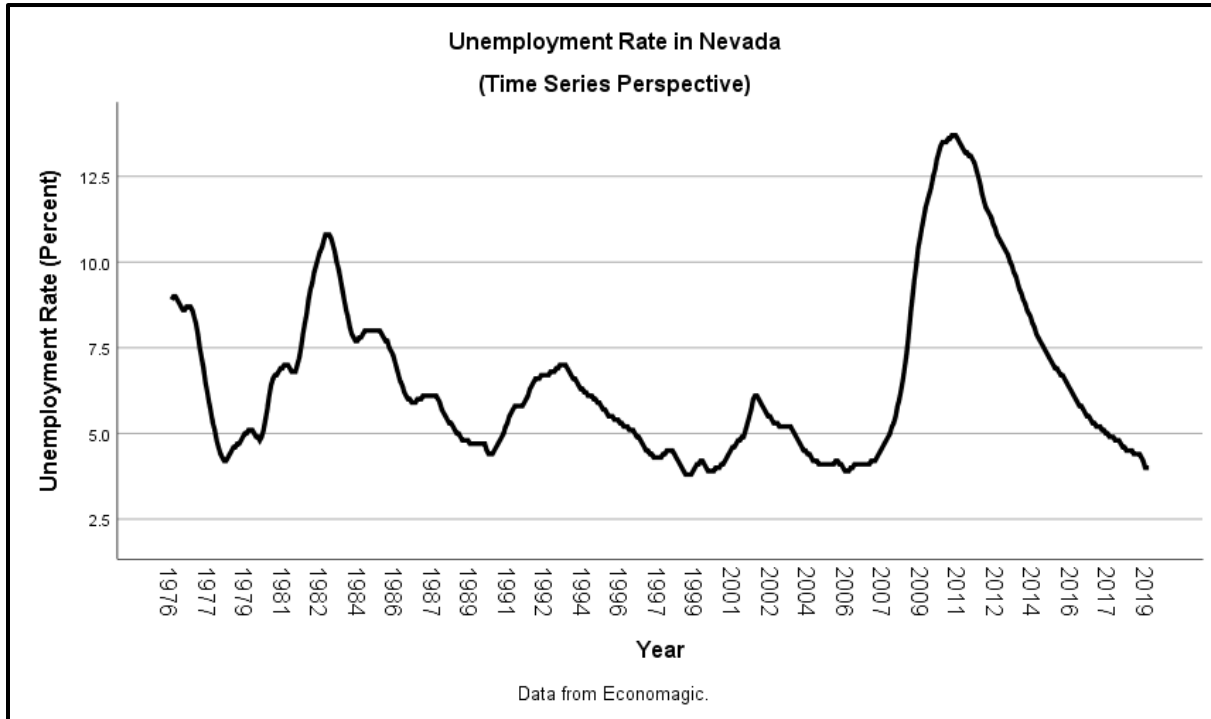


Figure 6: Waves of Unemployment in Nevada.

PROGRAM LOGIC OF THE WEATHERIZATION ASSISTANCE PROGRAM

The program logic of the Universal Energy Charge/Fund for Energy Assistance and Conservation Weatherization Assistance Program is shown in terms of resource inputs and program goals in Figure 7.

All resources shown in the figure are drawn upon by the program. In addition to UEC/FEAC funding, for SFY 2019 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.

³² Source data at <http://www.economagic.com/em-cgi/charter.exe/fedstl/nvur+1976+2019+0+0+0+290+545++0>

As shown in the logic diagram, the direct resources used to carry out the principal activities for SFY 2019 were the NHD; the Subgrantees, the Contractors, building science technologies and equipment, the BWR database and IT support coupled with the 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.

Findings (NHD)

Finding No. 9 (NHD): The percent of persons living in poverty has increased since the early 2000's and in recent years leveled out and has begun to gently decrease. While the poverty rate for Nevada is gently declining since 2010, there is a higher level of need for services now compared with the years from 2000 to 2006.

WAP PROGRAM COMPLIANCE WITH LEGISLATIVE REQUIREMENTS (NRS 702)

This section of the study is focused on direct answers to specific legislative questions.

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, NHD's total cost for program administration was \$208,689.99, or just at six percent (6%) of the total FEAC funds distributed to the Program (\$3,478,166.58) for SFY 2019. However, \$41,939.39 of FEAC administrative expenses were unassigned to SFY 2019.

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 reviews of the Building Weatherization Report database (BWR database). Load management was not a focus of the

program in SFY 2019; the focus was on reducing energy use. Production numbers are provided in the effectiveness section of this evaluation.

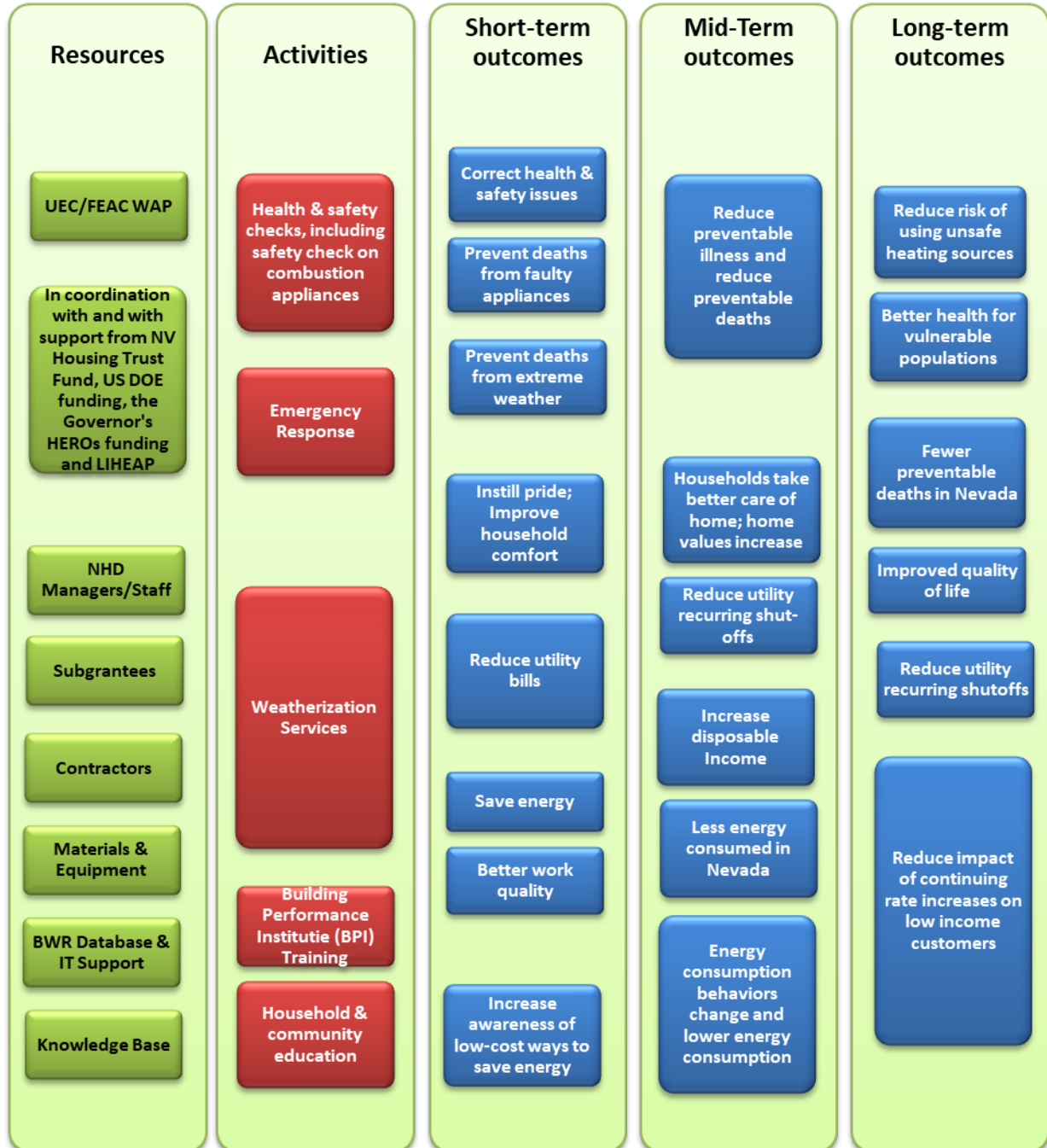


Figure 7: Weatherization Program Logic Diagram.

2.2 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 of a 17% sample of projects for SFY 2019 verifies 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 NHD's BWR database and understanding of the audit procedure. The audit function is now separate from the installation teams.

2.3 Did NHD carry out activities related to consumer outreach?

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

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 referred by NV Energy and NHD and Subgrantees' websites. Subgrantees also participated in NV Energy's Senior Energy Assistance Expositions (one in southern Nevada and one in northern Nevada). Subgrantees also provided outreach at local social service offices, senior centers, through radio and television interviews, newspaper ads, community meetings, energy savings events, poster with tear tabs, and distributed of brochures, flyers and door hangers (documented by Subgrantees). The Subgrantees provided intake sites and online service to process applications. NHD, Subgrantees and Contractors distributed brochures and the "Your Home Energy Savers Book" and Energy Calendars to the public at energy fairs. Outreach through the Subgrantees was verified through Monitoring Review by NHD Weatherization Assistance Program staff.

2.4 Did NHD pay for program design?

[Reference: NRS 702.270.2; Deliverable 3.5.2.3]

No. Primary program design for UEC/FEAC WAP was accomplished by NHD in 2002-2003 and updates were carried out in other years. During SFY 2019 there were no major program design activities.

Acceptance of the new program database, working with the University of North Dakota EERC, continued in SFY 2019.

2.1. Did NHD pay for annual program evaluation?

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

Yes. In SFY 2019, NHD paid its prorated share of the cost for the SFY 2018 annual program evaluation.

2.5 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 Subgrantee 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 permit treatment of houses up to and including 200% of poverty.

2.6 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 year, emergency assistance was not provided for buildings with structural, mechanical or similar failure. 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 be treated, although the authority exists to do so. During SFY 2018, although authorized in NRS 702, no emergency assistance was provided to repair/replace the structural, mechanical or other failure of an occupied dwelling.

2.7 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 thirty-two (32) households that experienced an emergency because of a failure of a component or system of their occupied dwelling. A list of SFY 2019FEAC Emergency Services is provided below.

Table 16: Emergency Assistance (HELP of Southern Nevada – SFY 2019).

Household	Emergency	Specific Equipment Failure	Resolution
HF28124	85° NO AC	Bad compressor valves. Installed new 4-ton Rheem model.	Adequate AC to client household.
LF28106	97° No AC	Squirrel cage broken off inside. Installed new Swamp cooler.	Adequate AC to client household.
F27607	90° No AC	Deteriorated low voltage shielding causing cross communication. Installed new 2.5-ton Rheem unit.	Adequate AC to client household.
F28864	97° No AC	Bad gas valve. New 3-ton gas split system installed.	Adequate AC to client household.
F28859	94° No AC	Unrepairable condenser leak. Repair would exceed replacement. New 3 ton straight cool condenser installed.	Adequate AC to client household.
F28807	94° No AC	Leak in evaporative coil and burnt out compressor. New 4-ton heat pump package unit installed.	Adequate AC to client household.
F28436	71° No heat	Compressor drawing high amps and tripping breaker. Reversing valve gone bad. New 2-ton heat pump split system installed.	Adequate Heat to Client household.
F28811	63 No heat°	Broken fan blade, burnt out fan motor and compressor and contactor, clogged evaporative coil. New 5-ton gas package unit installed.	Adequate Heat to Client household.
F28849	96° No AC	Irreparable damage in compressor. New 3 ton straight cool condenser installed.	Adequate AC to client household.
F28381	89° No AC	Over amping compressor and condenser fan motor. No freon in system. Unit not repairable. New 3 ton straight cool condenser installed.	Adequate AC to client household.
F8850	96° No AC	20-Year-old gas pack unit has bad compressor and bad motor. New 3 ton straight cool condenser installed.	Adequate AC to client household.

Household	Emergency	Specific Equipment Failure	Resolution
<i>Continuation of Table 16: Emergency Assistance (HELP of Southern Nevada – SFY 2019).</i>			
<i>HF27762</i>	<i>92° No AC</i>	<i>Unit was stolen. New 3-ton aqua therm split system installed.</i>	<i>Adequate AC to client household.</i>
<i>HF28285</i>	<i>86° No AC</i>	<i>Unit is original 1972 gas split system with Refrigerant leak in condenser. New 3-ton gas split system installed.</i>	<i>Adequate AC to client household.</i>
<i>HF28100</i>	<i>90° No AC</i>	<i>Freon leak on heat pump package. Indoor 70% clogged due to the return can missing the filtered return grill.</i>	<i>Adequate AC to client household.</i>
<i>LF28627</i>	<i>63° No heat</i>	<i>1996 non-functioning Gas pack unit. Excessive rust on indoor coil at condensation pan. New 3, 5-ton gas pack installed.</i>	<i>Adequate Heat to Client household.</i>
<i>F28840</i>	<i>86° No AC</i>	<i>Original unit is a year 2001 heat pump. Leak in evap coil and bad blower motor. New 3-ton heat pump package unit.</i>	<i>Adequate AC to client household.</i>
<i>F28870</i>	<i>86° No AC</i>	<i>Gas split system with a non-functional condenser due to freon leak. New 3-ton unit installed.</i>	<i>Adequate AC to client household.</i>
<i>F28228</i>	<i>58° No heat</i>	<i>Goodman heat pump non-functional due to compressor on AC grounded. New 3-ton heat pump condensing unit installed.</i>	<i>Adequate Heat to Client household.</i>

Table 17: Emergency Assistance (Nevada Rural Housing Authority – SFY 2019).

Household	Emergency	Specific Equipment Failure	Resolution
NRHA19030	<i>In-Op furnace</i>	<i>Mechanical Failure – Replaced FAU</i>	<i>Provided heat to home</i>
NRHA19022	<i>In-Op Furnace</i>	<i>Mechanical Failure – Replaced FAU</i>	<i>Provided heat to home</i>
NRHA19031	<i>In-Op Furnace</i>	<i>Mechanical Failure – Replaced FAU</i>	<i>Provided heat to home</i>
NRHA19017	<i>In-Op Furnace</i>	<i>Mechanical Failure – Replaced FAU</i>	<i>Provided heat to home</i>

Table 18: Emergency Assistance (Las Vegas Urban League – SFY 2019).

Household	Emergency	Resolution
<i>F48407</i>	<i>Bad gas valve and compressor, burnt motor</i>	<i>Could not repair. Replaced unit</i>
<i>201105230166</i>	<i>Bad inducer and bad compressor</i>	<i>Could not repair. Replaced unit</i>
<i>F48701</i>	<i>No A/ grounded compressor</i>	<i>Could not repair. Replaced unit</i>
<i>F19003</i>	<i>Outdoor coil broken</i>	<i>Could not repair. Replaced unit</i>
<i>F49600</i>	<i>Duct system, plenum and multiple freeze</i>	<i>Could not repair. Replaced unit</i>

Table 19: Emergency Services (Community Services Agency – SFY 2019)).

Household	Emergency	Specific Equipment Problem	Resolution
20190415002	<i>Furnace stopped working</i>	<i>Could not repair. Replaced unit due to age</i>	<i>Adequate Furnace installed to Client household</i>
20181113001	<i>Furnace stopped working</i>	<i>Could not repair. Replaced unit due to age</i>	<i>Adequate Furnace installed to Client household</i>
20181219001	<i>Furnace stopped working</i>	<i>Could not repair. Replaced unit due to age</i>	<i>Adequate Furnace installed to Client household</i>
20180913001	<i>Furnace stopped working</i>	<i>Could not repair. Replaced unit due to age</i>	<i>Adequate Furnace installed to Client household</i>
20181017001	<i>Furnace stopped working</i>	<i>Repair made.</i>	<i>Adequate Furnace repair to Client household</i>

2.8 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 2019 by NHD.

2.9 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.

2.10 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 7).

2.11 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 2019, NHD coordinated directly with federal officials at the US Department of Energy. In previous years, NHD coordinated through the National Association for State and Community Services Programs, whose members are state administrators of the US Department of Health and Human Services, Community Service Block Grant (CSBG) and the US Department of Energy/Weatherization Assistance Program for DOE programs. However, NHD discontinued NASCAP membership in SFY 2017, since NASCSP is permitted to lobby and lobbying is prohibited through NHD's funding agreement with US DOE. Coordination at the federal, state and local agency levels also occurred informally in SFY 2019 through the Energy OutWest conference with training in state-of-the-art best practice building sciences techniques.

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, service 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.³³ While NHD and DWSS are unable to use the same

³³ 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 (the UEC/FEAC Weatherization Assistance is underfunded in relation to need). Also, NHD is required to prioritize service according to specific criteria. This means that some households may never be accepted since there are always households above them in order of priority selection. Priority goes to households with a child under six, with at least one adult aged 60 or over, and households with at least one disabled household member.

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.

2.12 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]

Not in SFY 2019. No UEC/FEAC funds were used or leveraged during SFY 2019 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 (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 an enough need for new trainees. However, Building Performance Institute (BPI) training was provided to Subgrantees.

2.13 Did NHD establish a process for evaluating the Weatherization Assistance Program (WAP)?

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

For the SFY 2019 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). For the WAP evaluations for SFY 2012 through SFY 2019, the evaluation criteria have been set to conform exactly to the explicit provisions of NRS 702.

2.14 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 to conform to changes in federal requirements to ensure the programs are undiluted and cost effective.

2.15 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 2019, 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, as well as solicited member responses. Further, an annual evaluation for program 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 conducted, resulting in the approved Nevada Fund for Energy Assistance and Conservation State Plan for 2019 and the companion State of Nevada LIHEAP State Plan for 2019. While the UEC program year runs from the first day of July through the end of the following June, the LIHEAP program year is the same as the federal program year, beginning on October 1 each year and ending on the 30th of the following September.

Home Weatherization from a Household Perspective

Looking at the home by home level, Weatherization Assistance delivers services that are often very important for individual households. The deeper meaning of these improvements cannot be communicated fully through summary statistics; but can be carried by individual examples. Here are some examples:

- The ___ siblings are developmentally disabled. They live in a small manufactured home together in ___, NV. The inoperable furnace was an original 1970s Coleman; the home and clients really needed a new and high efficiency furnace. While on site, the crew assessed and replaced the old water heater with a new efficient one. Being able to replace both mechanical units brought a welcoming peace of mind to the clients.
- Mrs. ___ came to the Weatherization program after getting out of a relationship that ended in domestic violence. Her furnace failed just after the separation. She has four young children and her mother had just moved in to help during the trying times. The subgrantee agency supplied multiple small space heaters during the audit. The crew were able to return the residence very quickly to secure and reliable heating with a new 95% efficient furnace. Mrs. ___ was appreciative of the service during a hard life event.

There are many positive comments about quality of work, diligence and politeness of the crews, also the happiness of now being able to use windows where cracked glass was replaced,

or a stuck window now operates appropriately; that the feeling of security comes with operative heat and hot water.

WEATHERIZATION ASSISTANCE PROGRAM: ASSESSMENT OF PROGRAM EFFECTIVENESS

In SFY 2019, Nevada Housing Division Subgrantees weatherized 316 homes using Fund for Energy Assistance and Conservation (FEAC) funding (Table 20).

Table 20: Work Completed by Subgrantee Agency (SFY 2019).

Fund for Energy Assistance and Conservation Work Completed by each Subgrantee Agency (SFY 2019)		
Agency	Number of Homes	Percentage of Homes
HELP	203	64.4
CSA	42	13.3
Urban League	36	11.4
NRHA	31	9.8
RNDC	4	1.3
Total	316	100.0

Production for the SFY 2019 exceeded the planning goal of 307 homes by nine homes, or about three percent (3%) as shown in Table 21. The energy savings target for SFY 2019 was an overall average of about 293 therms and 5,091 kWh per home weatherized.³⁴ During SFY 2019, the Urban League in Las Vegas withdrew from participation as a subgrantee agency; some of their planned effort was picked up by HELP of Southern Nevada. There was also a smooth transition of crews between the Urban League and HELP, and work continued. RNDC FEAC production was notably lower than planned. However, most of their projects in their queue for

³⁴ Goals provided by Nevada Housing Division.

2019 did not qualify for FEAC funding. Projects in rural areas of Nevada are often customers of local utilities that have not opted to join in with the Universal Energy Charge utilities to support FEAC. Most RNDC work for the year was alternatively funded as Department of Energy (DOE) projects (15) and LIHEAP projects (11). This is an example of how, in rural areas where FEAC funding often does not apply, NHD is able to serve using alternative funding. There was also some contractor turnover at RNDC.

Table 21: Work Completed vs. Performance Goal by Subgrantee (SFY 2019).

Fund for Energy Assistance and Conservation Performance against Goals: Work Completed by each Subgrantee Agency (SFY 2019)			
Agency	Planned (Production Goals)	Actual	Percentage of Agency Goal Achieved
HELP	156	203	130%
CSA	47	42	89%
Urban League	61	36	59%
NRHA	29	31	107%
RNDC	14	4	30%
Total	307	316	103%

Of the homes completed during SFY 2019, services to special needs and high energy use households are as shown in Table 22.³⁵

³⁵ A household may have more than one special need classification.

Table 22: Services to Special Needs and High Energy Use Households (SFY 2019).

Fund for Energy Assistance and Conservation Services to Special Needs and High Energy Use Households (SFY 2019)		
Category	Number of Homes	Percentage
Elderly over 60	177	56.0%
Persons with Disabilities	125	39.6%
Children under 6	45	14.2%
Native American	5	1.6%
High Energy Users	89	28.3%
Note: This table contains category overlaps, so percentages do not add to 100%. The base for calculation of percentages is three hundred sixteen (316) homes.		

Homes completed by county are shown in Table 23. These completions approximately follow the population sizes of Nevada counties. Some rural Nevada counties do not have utilities that arrange for payment into the Universal Energy Charge. Weatherization of homes weatherized by NHD in these counties is funded from federal and other funds (and is not included in the tables).

Table 23: Homes by County (SFY 2019).

Fund for Energy Assistance and Conservation Homes Completed by County (SFY 2019)		
County	Number of Homes	Percentage
Clark	239	75.6%
Washoe	42	13.3%
Carson City	14	4.4%
Lyon	13	4.1%
Humboldt	4	1.3%
Douglas	3	0.9%
Churchill	1	0.3%
Total	316	100%

Table 24 shows completed homes by housing type and heating fuel. This table reflects the relative frequency in the population of natural gas as a heating source as compared with electricity, oil and propane.

Table 24: Housing Type and Primary Heat Source (SFY 2019).

Fund for Energy Assistance and Conservation Type of House and Primary Heating Fuel (SFY 2019)						
House Type	Fuel Type				Total	Percentage
	Electric	Natural Gas	Oil	Propane		
2-4 Family	8	13	0	0	21	6.7%
5+ Family	2	53	0	0	55	17.4%
Mobile Home	11	109	0	9	129	40.8%
Single Family	25	83	1	2	111	35.1%
Total	46	258	1	11	316	100.0%
Percentage	14.6%	81.7%	0%	3.5%	100%	

Note: Counts are correct. Percentages have small rounding errors.

Federal and state guidelines for weatherization work include a strong emphasis on health and safety goals. Certain measures are not primarily for energy savings but to enable a family to remain in its home. In FY 2019 these installations included 252 combustion safety inspections, 95 refrigerators replaced, 126 air conditioner replacements, 329 air conditioner repairs, 27 evaporative cooler replacements, 2 evaporative cooler repairs, 28 heat pump replacements, 71 heat pump repairs, 33 gas appliance replacements, 102 furnace replacements, 39 furnace repairs and installation of 282 carbon monoxide sensors.

Table 25 shows own/rent status by housing type. Overall, 75% of homes are owned and 25% are rentals.

Energy savings improvements to homes have a life of at least five to twenty years, and the major improvements, such as insulation, will last thirty-five years or more. Savings are expected to gradually decrease as different types of improvements reach the end of their effective measure lives, but to persist substantially for many years.

Table 25: Own/Rent Status by Housing Type (SFY 2019).

Fund for Energy Assistance and Conservation Ownership Status by Type of House (SFY 2019)			
House Type	Rent/Own		Total
	Rental	Owned	
2-4 Family	5	16	21
5+ Family	51	4	55
Mobile Home	64	123	129
Single Family	17	94	111
Total	79	237	316
Percent	25%	75%	100%

A summary of direct weatherization costs per home is shown in Table 26. Direct weatherization cost includes all FEAC contractor costs (including materials and labor).³⁶ FEAC cost is also shown in the table.

Table 26: Direct Weatherization Costs & FEAC Weatherization Costs (SFY 2019).

Fund for Energy Assistance and Conservation Weatherization Cost by Type of House (SFY 2019)					
House Type	Number	Direct Weatherization Cost		FEAC Cost	
		Median	Mean	Median	Mean
2-4 Family	21	\$5,965	\$5,488	\$5,614	\$4,721
5+ Family	55	\$3,425	\$3,265	\$3,425	\$3,177
Mobile Home	129	\$7,522	\$7,174	\$5,663	\$5,343
Single Family	111	\$6,928	\$3,188	\$5,682	\$5,541
Total	316	\$6,399	\$6,177	\$4,284	\$4,994

Note: Values rounded to nearest dollar.

In Table 26, mobile homes (manufactured homes) have the highest median and mean direct weatherization costs. There have been advances that permit more things to be done on these

³⁶ Direct Weatherization Cost excludes Subgrantee agency costs and NHD costs. Also, for some homes additional funding sources were leveraged to provide more complete installation of measures. For these cases the additional funding is included in the Direct Weatherization Cost.

homes, including elastomer applied to roofs. Today, manufactured homes tend to have excellent quality control in the factory (arguably better than many stick-built homes). However, the older manufactured homes require more measures. There are sometimes questions about applying weatherization to older manufactured homes, but these are often the only affordable (and for seniors who may have downsized) the last homes for an aging household, so they do require service. Homes that are not in repair can be provided minor repairs to support the weatherization work. Homes needing extensive repairs are not included in the program.

Findings (NHD)

Finding No. 10 (NHD): The UEC/FEAC Weatherization Assistance Program was well run and somewhat exceed goals for SFY 2019.

Finding No. 11 (NHD): Regarding all the specific provisions of NRS 702.270 for NHD, NHD was fully compliant for SFY 2019.

DWSS and NHD COMPLIANCE WITH JOINT REQUIREMENTS

NRS 702 also specifies several joint requirements for DWSS and NHD.

3.1 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 Department 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 2019 became effective July 19, 2018 and the plan for SFY 2020 became effective July 1, 2019³⁷.

These annual plans include 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 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 in paying their utility costs on an annual basis and provides emergency assistance for eligible households in crisis. The program also has a one-time 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.
- WAP assists low-income households in reducing their utility costs and energy consumption by providing for 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.

³⁷ Nevada Division of Welfare & Supportive Services (https://dwss.nv.gov/Energy/6_Documents___Links/).

3.2 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 other approaches to assessment of need which produce defacto estimates of level of need (for example, the 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.

3.3 Did the 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 2019, the Division of Welfare and Supportive Services Energy Assistance Program was ready to apply for federal leveraging credit but did not apply since there were no leveraging dollars available.³⁸
- 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.³⁹

³⁸ The federal LIHEAP leveraging system 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. For specifics, see “Leveraging Nonfederal Resources for LIHEAP,” compiled by the LIHEAP Clearinghouse, November 2013, <https://liheapch.acf.hhs.gov/pubs/820.htm>,

³⁹ 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.

- To determine eligibility, the DWSS Energy Assistance Program requires applicant households to provide verifications by a specified due date. The timing for response for requests for information is consistent with other DWSS programs. Sometimes, a household may run into barriers securing required verifications. For example, Social Security may be slow to respond to a request for documentation or a landlord may not agree to send in a verification. Or, other reasons may cause a household not to respond in time. In these situations, a household must request an extension of time. Otherwise, as a rule, the household's existing (incomplete) application will be denied. Once a household has been denied they must start the application over again. In different years, DWSS has tried different numbers of days, counted days as business days and counted days as calendar days to try to improve response. DWSS continues to work with this problem of insuring a clear and timely resolution of applications.
- There is turnover in front line staff positions. Once a person has been on staff long enough to have a credible record of experience and learned on the job how the civil service system works, it is not uncommon to look towards other higher-level positions as they become open. Also, as Nevada's economy continues to improve, some staff move from the civil service to the private sector creating staffing vacancies. Production is influenced when there are vacancies; at the same time, such movement is normal for first-level civil service positions and advancement of staff into other positions with the state strengthens the civil service overall. However, reducing turnover is a continuing focus to insure timely review and processing of applications.
- For the Nevada Housing Division, the addition of the Governor's Home Energy Retrofits for Seniors (HEROS) funding provided substantial benefit in that it made it possible to coordinate funding to make the program more effective by treating some homes that required more work and otherwise would not have been treated.
- The Nevada Housing Division has increased the maximum cost per unit weatherized from \$8,000 to \$10,000. This will permit housing weatherization workers for the subgrantee agencies to solve more problems in individual buildings and carryout deeper, more complete weatherization work. Although the rate of inflation is currently low, over time the effect is substantial. The increased maximum cost per unit, in part, keeps the program even. In practical terms, it makes the program more effective.
- The Nevada Housing Division has been engaged in better database development and updating calculation systems. This will eventually eliminate manual entry of paper records. The new system was implemented for federal Weatherization Assistance in 2019 and will be implemented for Nevada Fund for Energy Assistance and Conservation funded weatherization in 2020.

- The Nevada Housing Division increased the *minimum* for inspections from 5% to 10% of homes where weatherization was provided.⁴⁰ (For SFY 2019, 54 out of 307 or just over 17% of homes funded by the Fund for Energy Assistance and Conservation were inspected).⁴¹
- Utility Demand-Side Management Programs (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 2019. The change is due to a determination by the Public Utility Commission of Nevada (PUCN) related to special rules for utility program cost effectiveness.⁴² Across the US, coordination of utility low-income effort implemented with state Weatherization Assistance Programs is considered to improve program efficiency and effectiveness.⁴³ The Nevada Housing Division remains open to more direct program coordination with the utilities, should the PUCN open a proceeding to revise the standard practice approach. Opportunities for coordination may change from year to year, depending on decisions by PUCN.

Resolution in moving towards the practical benefits of coordinated programs in Nevada would need to 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.⁴⁴
 - Electricity: NV Energy has had difficulty in developing a low-income DSM effort that is cost-effective using the resource acquisition model required for electric utilities as Nevada standard practice by the PUCN. A program scope for working

⁴⁰ Nevada State Division of Welfare & Supportive Services Public Hearing to Adopt Low-Income Home Energy Assistance Program (LIHEAP) and Nevada Fund for Energy Assistance and Conservation, 2019 State Plans, P. 3.

⁴¹ Nevada Housing Division, All Subgrantee Progress Report, prepared July 18, 2019.

⁴² However, Southwest Gas does provide some direct support to the Subgrantee agencies which can be used to further the work of the NHD Weatherization Assistance Program.

⁴³ 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.

⁴⁴ The National Standard Practice Manual can be downloaded from: <https://nationalefficiencyscreening.org/national-standard-practice-manual/>.

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 2019. 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 or the Utility Cost Test. Problems of this type cannot be resolved by the Nevada Housing Division but would need to take place within PUCN regulatory hearings. For example, through a new proceeding to include state policy perspectives in cost-effectiveness testing, as outlined in the new National Standard Practice Manual.⁴⁵

3.4 Did the 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 2019 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 2019 annual plan. For SFY 2019, coordination is specifically discussed with the following entities:

- ◆ **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 Shelter 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.

⁴⁵ Ibid.

- ◆ **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 is now administered by Help of Southern Nevada in Southern Nevada and by Friends in Service Helping (FISH) in Northern Nevada.
- ◆ **Seniors Helping Seniors Weatherization Program** – Seniors Helping Seniors provides some qualified Southwest Gas customers with weather-stripping, caulking, door sweeps, low-flow showerheads, pipe insulation, switch and outlet gaskets, water heater blankets and energy education. This program is limited to Southern Nevada, to homeowners at least 55 years of age or disabled and with annual income not exceeding \$25,000.
- ◆ **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 volunteers 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.
- ◆ **Low-Income Housing Trust Fund Welfare Set-Aside Program** – 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 cost 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.
- ◆ **Governor’s Office of Energy Weatherization Assistance Funds/Home Energy Retrofits Opportunities for Seniors (HEROS)** – This initiative provides funding that can permit substantial improvement in seniors’ homes. It can provide for upgrades that permit some homes to be served that would otherwise be “walkaways” – homes that require more work than is sustainable under the regular weatherization rules.

- ◆ **Housing Division set aside funds.** Certain Nevada Housing Division set-aside funds can be used to supplement weatherization work.

For SFY 2019, 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) US 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). Depending on needs, the Division of Welfare and Supportive Services makes up to 10% of LIHEAP funding available to the Nevada Housing Division weatherization work.

EAP has two funding sources: 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 every public utility retail customer in the state (with a few specified exceptions).

3.5 Did the plan include 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.⁴⁶ By basing the UEC energy assistance on the Nevada's state median household energy burden (Nevada's median energy burden was

⁴⁶ 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.

computed to be 2.13% of household income for SFY 2019)⁴⁷ the Energy Assistance Program (EAP) establishes a realistic and fair level of assistance.

The level is inherently 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 further cap assistance to stretch existing funds 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 assistance eligibility was capped at 110% of the FPL⁴⁸ 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 federal funds became available late in fiscal year. For 2014, the program again operated at its design level of 150% of FPL.⁴⁹ 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. Benefit caps were also applied during 2015, 2016, 2017 and were also adjusted and applied for 2018.⁵⁰ The use of caps is designed to support continuing operation throughout the year. These changes are implemented as conditions change, using flexibility provided in NRW 702 to provide smaller grants and serve more households.

In 2018, the benefit cap to Targeted households was set by the Division of Welfare and Supportive Services at \$50 greater than for non-targeted households. For 2019, this was increased to \$100 to further reduce the energy burden of households whose members are the most vulnerable to temperature extremes.

In 2015, The Nevada Housing Division Universal Energy Charge/Fund for Energy Assistance and Conservation Weatherization Assistance Program, following USDOE guidance, standardized job

⁴⁷ Nevada Fund for Energy Assistance and Conservation State Plan FY 2019, op. cit., P. 18.

⁴⁸ This was raised to 125% FPL when additional federal funds became available in April of 2012.

⁴⁹ There are no asset or resource criteria for eligibility. There are some more detailed rules for special situations.

⁵⁰ 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.

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. This program approach was continued in 2019. 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.⁵¹

In summary, both the Division of Welfare and Support Services and the Nevada Housing Division worked continually throughout 2019 to improve program efficiency and effectiveness.

3.6 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. The most recent evaluation (of SFY 2018 programs, dated December 13, 2018) contained six recommendations. Of the six, three were fully implemented, one was largely implemented and two were not. The evaluation recommendations from SFY 2018 and actions during SFY 2019 are as follows:

2018 Recommendation EAP 1 (DWSS): For 2019, continue to track processing time and set a goal of meeting the performance levels achieved during 2018.

- *DWSS fully implemented this recommendation. Throughout 2019, DWSS carefully and continuously tracked case processing times and worked on factors to improve processing. Processing time was meaningfully improved during SFY 2019.*

2018 Recommendation EAP 2 (DWSS): In the absence of any unusual events, for SFY 2019 DWSS should operate normally within (its already) optimized structure for the Energy Assistance Program while monitoring the operation of the caps. No new changes to processes or to management organization are recommended for DWSS based on the 2018 evaluation. For SFY 2019, the goal should be to operate well with the current processes, management and organization.

- *DWSS fully implemented this recommendation. DWSS operated the Energy Assistance Program and demonstrated proficiency in accomplishment of legislated program goals with the given resource limits and within an optimized organizational structure in Fiscal Year 2019.*

⁵¹ It is possible that the increase in USDOE specifications for certification, while useful initially, may have gone beyond the balance point in terms of time and resources that need to be put into certification. This is something that can be looked at in the 2020 evaluation.

2018 Recommendation WAP 1 (NHD): NHD should fully implement their new software in 2019.

- *NHD largely implemented this recommendation. NHD proceeded in 2019 to implement the new software, step by step. Full implementation for the Fund for Energy Assistance and Conservation is expected in 2020.*

2018 Recommendation WAP 2 (NHD): For 2019, NHD should continue to optimize the WAP program by continuing to work optimally within budget as in 2018.

- *NHD fully implemented this recommendation. NHD operated optimally within budget and during 2019. The increase of the maximum dollars per unit from \$8,000 to \$10,000 improves program effectiveness. Further, NHD developed an approach to leverage among funding sources to stack permitted funding for a home. This is expected to be implemented in SFY 2020 and will permit even deeper and more complete weatherization for individual homes, making the program more effective.*

2018 Recommendation JOINT 1: Federal program guidance for LIHEA is to set income eligibility for households at 150% of the federal poverty level and it is useful to harmonize NRS 702 eligibility for payment assistance with federal guidance. However, the federal adjustment procedure for taking inflation into account loses a meaningful amount of inflation each year. Over a set of years, this problem cumulates so that the actual level of need for Nevada households comes to exceed that indicated by the federal guidance. This is a complex problem and the best adjustment would be at the federal level. At the same time, the problem should be noted, and consideration could be given to modifying NRS 702 to keep actual eligibility constant by raising the NRS 702 income eligibility for payment assistance to compensate for the lost inflation in the federal method.

- *This recommendation was not implemented. However, this is a policy recommendation that would have to be addressed at the legislative level.*

2018 Recommendation JOINT 2: Consider seeking an amendment to NRS 702 to broaden the emergency provisions for inclusion of all households in temporary economic difficulties.

- *This recommendation was not implemented. However, this is a policy recommendation that would have to be addressed at the legislative level.*

The Division of Welfare and Supportive Services was successful in adding a provision to the state plan that the Administrator has discretion to authorize use of LIHEAP funding to assist eligible recipients with in-kind and emergency needs.

3.7 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]

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 2018 programs during SFY 2019 and are currently conducting the SFY 2019 evaluation covering the programs from July 1, 2018 through June 30, 2019.

3.8 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]

The Nevada Public Utilities Commission (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 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 (see Figure 8).⁵² PUCN did not recommend this payment of payment assistance grants by month be implemented by DWSS.

⁵² 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.

As part of the upcoming SFY Evaluation, the Commission should advise that DWSS continue to evaluate utility customers for EAP eligibility on an annual basis and EAP payments continue to be disbursed to the utilities in annual lump sum payments for EAP customers. However, utilities should now credit 1/12th of each payment to the corresponding EAP customer on a monthly basis over a 12-month period.

Figure 8: Commission Finding.

We checked with commission staff and the PUCN advice will remain constant until there is another proceeding regarding the Universal Energy Charge/Fund for Energy Assistance and Conservation. The Commission Finding (Figure 8) is not an order to the utilities but is an expression of PUCN deliberation and advice for the payment assistance program. It is an expression of the commission's deliberative desire which the utilities may or may not decide to implement.

3.9 Report to Governor, Legislative Commission and Interim Finance Committee. Did DWSS/NHD describe the objectives of each program?; include an analysis of the effectiveness and efficiency of each program in meeting the objectives of the program, include the amount of money distributed from FEAC for each program and a detailed description of the use of that money for each program, include an analysis of the coordination between the Divisions concerning each program and include any changes planned for each program?

[Reference: NRS 702.280.2(c) & NRS 702.280.3(a-3); Deliverables 3.6.2.2, 3.6.3 & 3.6.3.1 through 3.6.3.4]

Yes. During SFY 2019 DWSS/NHD jointly prepared a report concerning the annual evaluation for SFY 2018 and submitted the report to the Governor, Legislative Commission and Interim Finance Committee in accordance with NRS 702 280.2(c).

The report consisted of the SFY 2018 evaluation, the SFY 2018 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)].

Summary and Conclusion (Joint Requirements)

Regarding all the specific provisions of NRS 702.270 for joint DWSS and NHD responsibility, DWSS and NHD were fully compliant for SFY 2019.

SUMMARY OF ALL FINDINGS & RECOMMENDATIONS

There are eleven findings and four recommendations.

Findings

Finding No. 1 (DWSS): DWSS uses a 10-day window for reply to notices that an application requires additional information. A client may phone and ask for additional time if they are having trouble securing the information missing from the form. Sometimes this is due to a processing delay, for example, for a social security number; or difficulty in securing information from a household member or a landlord. The use of a 10-day window brings EAP into line with other DWSS program procedures.

Finding No. 2 (DWSS): DWSS has optimized the Energy Assistance Program by adjustment of allocation for targeted groups (homes with at least one person who is age 60 or over, homes with at least one child less than six, and homes with at least one disabled person) and by type of energy used (electricity and natural gas vs. propane). DWSS also optimize the program using systematic caps which provide a more full allocation to the lowest income households, using poverty ranges. The program is highly optimized for SFY 2019 and going into SFY 2020.

Finding No. 3 (DWSS): EAP substantially lowers energy burden for low-income customers and in SFY 2019 came meaningfully close to the median Nevada household energy burden for participants in EAP.

Finding No. 4 (DWSS): DWSS has continued in stabilizing the level of households with Social Security income in SFY 2019.

Finding No. 5 (DWSS): The focus on Targeted Groups (households with at least one child less than age six, households with one or more disabled member and households with seniors) is working well.

Finding No. 6 (DWSS): DWSS distributed the FEAC funds in a regular and thoughtful and fair manner consistent with the requirements of the defining legislation. Through the EAP, DWSS provided qualifying applicant households assistance with their heating and cooling costs during FY 2019. The average benefit per household during this year was \$821.00 if the arrearage average is not included,⁵³ and \$859.00 if arrearage is included in calculation of the overall average. The arrearage benefit part of the program had 3,123 applications, of which 2,515 were approved. The average arrearage benefit for the year was \$339.00⁵⁴

Finding No. 7 (DWSS): DWSS work in SFY 2019 has been consistent with the requirements of NRS 702. The level of funding available in the FEAC from the Federal LIHEA Program and UEC funds was almost enough to reduce the energy burden of eligible households to the state median. As this analysis demonstrates, DWSS used the flexibility established in NRS 702 to optimize the EAP program within the funding limitation and to prioritized Targeted Groups.

Finding No 8 (DWSS): Case processing time was substantially improved in SFY 2019.

Finding No. 9 (NHD): The percent of persons living in poverty has increased since the early 2000's and in recent years leveled out and has begun to gently decrease. While the poverty rate for Nevada is gently declining since 2010, there is a higher level of need for services now compared to the years from 2000 to 2006.

Finding No. 10 (NHD): The UEC/FEAC Weatherization Assistance Program was well run and met and exceeded goals for SFY 2019.

Finding No. 11 (NHD): Regarding all the specific provisions of NRS 702.270 for NHD, NHD was fully compliant for SFY 2019.

⁵³ This is the FAC benefit. The arrearage part of the program is separate.

⁵⁴ Averages and applications in Finding 6 (DWSS) are from Energy Assistance Program Management Monitoring Summary, Year to Date SFY 2019 as presented by DWSS at the Policy Advisory Council meeting, Thursday October 10, 2019 in Carson City.

Recommendations

Recommendation No. 1 (DWSS): For SFY 2020, consider if the time window for response for missing information might be extended to something between 10 business days (with an allowance for the letter to be received) and 30 calendar days. Providing either too short a window or too long a window would not be good for the client or for efficient operation. Possibly, one or two approaches could be tested to see if the response rate improves.

Recommendation No. 2 (DWSS): In the absence of any unusual events, for SFY 2020 DWSS should operate normally within this optimized structure while monitoring the operation of the caps. No new changes to processes, management or organization are recommended for DWSS based on the SFY 2019 evaluation. For SFY 2020, the goal should be to operate well with the current processes, management and organization.

2019 Recommendation WAP 1 (NHD): NHD should fully implement their new software in 2020.

2019 Recommendation WAP 2 (NHD): For 2020, NHD should continue to optimize the WAP program by continuing to work optimally within budget as in 2019.

OVERALL EVALUATION CONCLUSION

NHD WAP and DWSS EAP were fully compliant with all provisions of NRS 702.280 for SFY 2019.

APPENDIX: CONTEXTUAL FACTORS

Sometimes contextual factors have as much or even more strength in affecting program process and results than program variables that are under direct control by program management and staff. The following are factors that operate in the background and influence program results.

- (1) The federal poverty metric is an early (1960's) try at establishing an index of income-insufficiency; and is not a fully adequate measure of need.
- (2) The federal consumer price index (CPI) adjustment does not fully account for inflation. It works well for closely adjacent years, but not over longer time windows. Since this is the adjustment to the poverty ranges each year, federal poverty classifications are not kept up with actual poverty as experienced. This lowers federal payments coming into the state.
- (3) Social Security payments are adjusted using the same CPI index, rather than the CPI index for senior citizen. This lowers Social Security payments coming in to the state.
- (4) Climate change is accelerating and intensifying. Most climate impact numbers are some years out of date due to the cooperative structure within which they are constructed, and time taken for (very careful) review. The planet is warming. This means more cooling degree-days (CDD) year by year and fewer heating degree-days year by year. Air conditioning will become increasingly important and necessary as the CDDs rise. There is no clear end to this trend. Heating degree days (HDD) generally are declining; however, changes in atmospheric rivers (disturbance of the jet stream) may bring sporadic super-cold incidents within the overall warming pattern. Changes in air movement are causing more intense drought punctuated by more intense and slow-moving rain.
- (5) Since about 1970, income inequality in the US has been increasing dramatically. Since income is increasingly concentrated at the top of the income distribution by households, income to the lower and middle portions of households by income is suppressed. This makes voluntary support for households in need more difficult.
- (6) Funding varies by energy use in Nevada, since UEC/FEAC funds are generated by a rate that is dependent on energy usage.
- (7) SFY2019 was a good year for reduced unemployment, about as good as it gets. As shown in Figure 6, unemployment in Nevada shows a wave pattern and was at a good

(low) point for 2019 over four decades (as low previous lows in 2006, 1999 and lower than 1977).

SFY 2019 Evaluation:

Energy and Weatherization Assistance Programs
