

HOUSE BILL REPORT

HB 1060

As Reported by House Committee On:
Local Government & Housing

Title: An act relating to updating the weatherization statute to reflect evolving green building and energy conservation practices.

Brief Description: Updating the weatherization statute.

Sponsors: Representatives Liias, Walsh, Simpson, Ericks, Ormsby, Miloscia, Nelson, Rolfes, Conway, Wood, Kenney, Chase, Moeller and Upthegrove; by request of Department of Community, Trade and Economic Development.

Brief History:

Committee Activity:

Local Government & Housing: 1/22/09, 2/2/09 [DPS].

Brief Summary of Substitute Bill

- Modifies definitions and operational requirements of the low-income residential weatherization program.

HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Simpson, Chair; Nelson, Vice Chair; Miloscia, Springer, Upthegrove, White and Williams.

Minority Report: Do not pass. Signed by 4 members: Representatives Angel, Ranking Minority Member; Ericksen, Assistant Ranking Minority Member; Cox and Short.

Staff: Ethan Moreno (786-7386)

Background:

In 1987 the Legislature established the low-income residential weatherization program (program). The voluntary program seeks to achieve monetary and energy savings for low-income households and other energy consumers by directing public and private

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weatherization resources from sponsoring entities or other sources to low income households. For the purpose of the weatherization program, low-income is defined as being at or below 125 percent of the federally established poverty level.

Weatherization services provided under the program include the application of energy efficiency measures to qualifying residences, in accordance with technical and building code requirements.

Examples include:

- insulating ceilings, walls, floors, and ducts;
- closing air gaps that allow heat to escape; and
- modifying heating systems to improve efficiency.

In addition to establishing the program, operational requirements, and a low-income weatherization account in the state treasury, the 1987 legislation charged the Department of Community, Trade and Economic Development (DCTED) with administering the program, soliciting proposals for low-income weatherization programs from potential sponsors, and adopting associated rules.

Summary of Substitute Bill:

Definitions and operational requirements of the low-income residential weatherization program are modified.

Definitions.

- The definition of "low-income" is modified by removing references to the federal poverty level and authorizing the DCTED to define the term, provided the definition does not exceed specified limits.
- The definitions of "sponsor" and "weatherizing agency" are modified to allow tribal nations to qualify under both terms.
- The term "weatherization" is changed to "sustainable residential weatherization or weatherization," terms defined as activities that use funds administered by the DCTED for one or more of the following: energy and resource conservation; energy efficiency improvements; repairs, indoor air quality improvements, and health and safety improvements; and client education.

Funds administered by the DCTED for authorized program activities may only be used for the preservation of a dwelling unit occupied by a low-income household, and must, to the extent feasible, be used to support and advance sustainable technologies.

Operational Requirements.

Sponsor proposal requirements are modified. A provision obligating sponsor proposals for low-income weatherization programs to state the amount requested from the Low-income

Weatherization Account is deleted. Sponsor proposals also must provide that full levels of all cost-effective, structurally feasible, and sustainable weatherization materials, measures, and practices are utilized when a residence is weatherized.

The DCTED, in allocating funds from the Low-income Weatherization Account, must:

- achieve the greatest possible expected monetary and energy savings by low-income households and other energy consumers over the longest period of time;
- identify and correct, to the extent practical, health and safety problems for residents of low-income households;
- leverage, to the extent feasible, environmentally friendly sustainable technologies, practices, and designs; and
- give priority to weatherizing dwelling units occupied by low-income households with incomes at or below 125 percent of the federally established poverty level.

Criteria for distributing the program among different regions and household characteristics are modified to encourage the use of energy efficient and sustainable technologies.

The program-related rule requirements for the DCTED are modified. The rules must ensure that the benefits of weatherization assistance, benefits that are expressly specified to include utility bill reduction and the preservation of affordable housing stock, accrue primarily to low-income tenants occupying a leased or rented residence.

Substitute Bill Compared to Original Bill:

Specifies that the term "low-income," as defined by the DCTED, may not exceed 80 percent of the median household income, adjusted for household size, for the county in which the dwelling unit to be weatherized is located. Specifies that the DCTED must give priority to weatherizing dwelling units occupied by low-income households with incomes at or below 125 percent of the federally established poverty level. Makes technical changes to the definition of "sustainable residential weatherization" or "weatherization."

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill stems from work with the Housing Committee in 2008. Weatherization, as a concept, has existed since the 1970s. Washington's weatherization program has saved energy. This bill is intended to update the weatherization program to reflect modern technologies. The DCTED and others are performing good weatherization

efforts, and this bill offers a chance to promote sustainable weatherization efforts into the future.

The current law inadvertently sets limits on the program and its benefits. This bill lays a platform and sets a direction for the future by establishing a standard and goal that looks to the future for cost effective technologies. This bill provides flexibility and encourages DCTED to be nimble. The bill allows home repairs that are necessary to protect investments, includes flexible income provisions, and sets a first priority of serving the very lowest income households that have the highest energy costs. Four percent of the low-income population is Native American. This bill is an attempt to increase opportunities for serving and working with Native Americans. The bill positions the state well for federal stimulus packages and has no fiscal impact.

The weatherization program has changed in the last 20 years. This bill will allow a broader scope of weatherization efforts, including repairs. Weatherization activities authorized by the bill will employ local contractors and will benefit low-income households. The bill addresses human concerns, and has environmental and financial benefits.

(In support with concerns) Concerns exist about the income provisions of the bill. The DCTED should have more flexibility with income provisions, but the agency should not be unfettered. Establishing an 80 percent or less of average median income requirement might be appropriate. The DCTED should be required to prioritize its program efforts for households with incomes at or below 125 percent of the federally established poverty level.

(Opposed to substitute bill) None.

Persons Testifying: (In support) Representative Liias, prime sponsor; Steven Payne, Department of Community, Trade and Economic Development; David Finet, Opportunity Council; and Carrie Dolwick, Northwest Energy Coalition.

(In support with concerns) Greg Provinzono, Columbia Legal Services.

Persons Signed In To Testify But Not Testifying: None.