



Date: November 14, 2023

Honorable Mayor and Council Members:

Author and title: Erin Brewster, Sustainability Program Manager

Title: **Truckee Weatherization Program**

Jen Callaway, Town Manager

Recommended Action: Authorize use of up to \$310,000 in funds from CIP C1510 through December 31, 2025, to fund a low-income weatherization pilot program in Truckee.

Discussion: On May 24, 2022, the Truckee Town Council approved a year-long partnership with the Truckee Donner Public Utility District (TDPUD) to pilot matching funds for their building envelope rebates. The partnership was created to address gaps in weatherization rebate eligibility, as utility funding constrained these rebates to customers whose primary heating fuel is electricity supplied by TDPUD. Only 12% of occupied homes in Truckee have electric-primary heating, making the vast majority of households ineligible for these rebates. To address this disparity, the Town committed funding to make equivalent rebates available to homes with primary heating from other fuels (i.e. natural gas, propane, wood). These rebates became available in November 2022.

TDPUD increased their rebate amounts in April 2023 in part to address low utilization of these rebates. Despite low utilization of this rebate program, Staff recommended the Town continue to fund the matching rebate program for other Truckee residents at the new, higher rebate levels. Town Council approved the higher matching rebate levels on May 23, 2023, and approved \$40,000 in funds for this program in the FY 23-24 budget.

As part of the reauthorization of these matching rebates, staff highlighted broader program changes necessary to facilitate greater implementation of weatherization measures, particularly among lower-income households. Staff recommended development of a turnkey weatherization service for low- to middle-income households that would be presented to Council for consideration later in 2023. While staff were working to develop a program proposal, a potential funding source became available through the Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) Program. Town staff developed a proposal for a countywide low-income weatherization pilot program in collaboration with Nevada County, Grass Valley, and Nevada City. Council authorized staff on June 27, 2023, to submit an application for the EECBG Program as a co-applicant with other Nevada County jurisdictions. Unfortunately, the grant application was unsuccessful, with reviewers noting that while the program had merit, the geographic area was not a priority area for purposes of this grant.

Accordingly, Town staff are returning to Council with a proposal for a turnkey, no-cost weatherization program in Truckee to facilitate greater adoption of weatherization and energy efficiency improvements for income-qualified households in Truckee. This program would address critical gaps in existing weatherization programs to improve home comfort and safety, lower household energy bills, increase resilience to extreme temperatures, and reduce greenhouse gas emissions in Truckee.

I. Importance of Weatherization

The Truckee area is already experiencing severe climate impacts with increasing frequency, including extreme temperatures, devastating wildfires, and destructive winter storms. These threats leave residents susceptible to power outages (both planned and emergent to do fire or storm events), indoor smoke penetration, significant repair costs, and high energy bills. Many of Truckee's older buildings are in need of basic weatherization measures and critical repairs, particularly after record-high snow loads in the 2022-2023 winter. Improving the resilience, safety, and comfort of these homes while reducing energy costs is critical to achieving equitable climate action, but residents that need these measures most are least able to afford them.

Energy burden, the percentage of income a household spends on energy bills, is high for many Truckee residents. Lower-income households are more likely to spend a larger percentage of their income on energy bills. For households making up to 80% AML, the average energy burden in Truckee ranges from 5% to 13% across Truckee neighborhoods. The Department of Energy considers an energy burden above 6% to be high, and at 10% or above to be severe. Image 1 below shows the average energy burden by census tract for households making up to 80% AML. Properly implemented weatherization measures can reduce energy use by 10-20%, lowering energy bills and making these homes much more comfortable in extreme temperatures. For lower-income households, covering up-front costs of weatherization and efficiency measures can be difficult, even if they are cost-effective in the long term.

Image 1.



Map source: Department of Energy [Low-Income Energy Affordability Data Tool](#)

Building energy use is responsible for the largest share of GHG emissions in Truckee, primarily from residential structures. Weatherization and other energy efficiency measures are the best first step in the home decarbonization process to reduce unnecessary energy use and enable right-sizing of HVAC and water heating equipment. Natural gas or propane is the primary form of heating fuel for over 74% of Truckee's housing units, presenting an opportunity to directly reduce fossil fuel use (and associated GHG emissions) through these types of efficiency measures.

I. Existing Weatherization Assistance

Currently, there are three no-cost, low-income weatherization programs available to certain Truckee residents, depending on household income and primary heating fuel source. Participation in these programs in the Truckee area has been extremely low due to several program barriers.

Southwest Gas and Liberty Utilities offer an Energy Savings Assistance (ESA) Program to households whose primary heating fuel is either natural gas supplied by Southwest Gas or electricity supplied by Liberty Utilities. The program is limited to households with an annual gross income of up to 250% of the federal poverty level. This translates to \$49,300 for a 2-person household, or \$75,000 for a family of four. These low income thresholds make participation difficult in a higher cost-of-living area like Truckee. Southwest Gas reports only one home in Truckee has participated in weatherization upgrades through their ESA program.

The federal Weatherization Assistance Program also offers no-cost weatherization assistance for homes with any type of heating fuel. However, this program has a lower income threshold of 200% of the federal poverty level, with prioritization for households at or below 75%. This program has funded around 45 projects in Truckee, the majority in 2013 at the Estates Drive senior apartments. There have been only a handful of additional projects completed in the last 5 years.

The current weatherization rebates available through TDPUD (and matched by the Town) provide funding of up to \$200-\$500 per measure for certain weatherization measures. Utilization of these rebates has been very low, as they cover only a small portion of total project costs. Unlike the turn-key services offered by the ESA and federal weatherization programs, customers using the TDPUD rebates are responsible for finding and booking all contractors, covering up-front costs, then applying for rebates as a reimbursement. This presents a significant barrier to participation for lower-income households.

Town staff has met with the operators of both the utility-funded ESA programs and federal Weatherization Assistance Program to identify key barriers to greater program participation, outline how the Truckee Weatherization Program could integrate with rather than duplicate existing programs, and design a program structure to facilitate a streamlined weatherization services model for the Town.

II. Proposed Truckee Weatherization Program

Staff are proposing a centralized, no-cost weatherization program in the Town of Truckee for households making up to 80% AMI. Income-qualified renters would be eligible to participate if they pay utility bills for the property, as long as they have permission from the property owner. The Truckee Weatherization Program would provide these households with:

- A home assessment to document existing conditions and determine program eligibility.
- A proposed scope of work for each home that outlines recommended weatherization measures and identifies available programs or incentives to compliment Town-funded programs.
- Supplemental funding for critical repairs and upgrades required to enable participation in existing utility-funded or federal weatherization measures.
- No-cost weatherization services, including associated critical home repairs, to households who are not eligible for existing utility or federal programs.

The goal would be to leverage existing programs to the fullest extent possible by addressing barriers to participation and increasing access to weatherization upgrades in the following ways:

1. Provide a centralized program to help residents access available assistance.
Currently, Truckee residents must navigate a patchwork of three different utility and federal weatherization assistance programs, each with different eligibility criteria. This has significantly hampered effective program outreach and enrollment, and made it difficult for the Town and local community organizations to promote these programs to residents. The Truckee Weatherization Program would standardize eligibility criteria and centralize program outreach, allowing for consistent Town-wide messaging. Staff anticipate that this simplified messaging and increased outreach and engagement to residents will result in greater participation in existing programs.
2. Provide supplemental repair funds to enable participation in existing programs.
Many households otherwise eligible for existing weatherization programs have been unable to participate due to pre-existing safety issues such as leaky roofs, pest infestation, mold infiltration, or plumbing or electrical systems in need of repair/upgrade. While existing programs provide some funds for these types of home repairs, not all necessary health and safety measures may be covered, and many have home repair needs in excess of the low program cost limits. ProjectGo, the program administrator for the federal Weatherization Assistance program, identified pre-weatherization repairs as a major barrier to participation in their program, and indicated additional funds for repairs would significantly increase their ability to

serve homes in the region. The Truckee Weatherization Program would coordinate with utility and federal programs to provide supplemental funding for these types of critical repairs to otherwise eligible households to facilitate participation in existing programs.

Examples of covered repair types include:

- Repairs needed to mitigate immediate hazards (e.g. door repairs where doors will not close or lock)
- Repairs needed to mitigate major infiltration sources (e.g. broken windows, holes in doors, etc.)
- Repairs required to permit the installation of an eligible measure (e.g. interior repairs necessary to facilitate installation of insulation or eligible appliances)

3. Expand access to weatherization assistance to homes with all heating fuels.

ESA programs in California are only available to residents whose primary heating is supplied by an investor-owned utility like Southwest Gas or Liberty Utilities. While the federal weatherization program covers all fuel types and supports homes with wood stoves or fireplaces, it has a lower income threshold. The Truckee Weatherization Program would standardize no-cost weatherization services available across all heating fuel types and utility providers, leveraging existing programs whenever possible. Creating uniform program eligibility criteria will significantly simplify messaging and outreach to residents.

4. Increase household limits for eligibility.

Existing no-cost weatherization programs require income qualification at 200-250% of the federal poverty level (approximately 37-46% of Nevada County AMI). This low threshold makes it challenging for many households, particularly in higher cost-of-living areas such as Truckee, to participate in these programs. The Truckee Weatherization Program would offer no-cost weatherization assistance to households making up to 80% AMI that do not qualify for existing programs. The table below compares the income qualification thresholds for the existing federal and utility ESA programs with the proposed limits for the Truckee Weatherization Program.

Household size	Program Household Income Limits		
	Weatherization Assistance Program (200% poverty level)	Utility ESA programs (250% poverty level)	Truckee Weatherization Program (80% AMI)
1	\$29,160	\$36,450	\$63,000
2	\$39,439	\$49,300	\$72,000
3	\$49,720	\$62,150	\$81,000
4	\$60,000	\$75,000	\$90,000
5	\$70,280	\$87,850	\$97,200
6	\$80,560	\$100,700	\$104,400

Weatherization assistance programs have been much more successfully implemented elsewhere in the region, demonstrating a high likelihood of success if program barriers can be addressed. Pacific Gas & Electric reports treating nearly 5,200 homes through their ESA program in their territory in western Nevada County, which is over 43% of estimated eligible households. Southwest Gas reports over 1,000 households meet income eligibility for their ESA program in their Nevada County service territory, which is primarily in the Town of Truckee. This demonstrates significant potential to expand implementation of income-qualified weatherization programs in Truckee.

Greater participation in weatherization programs will immediately reduce GHG emissions by reducing energy use, especially from natural gas and propane heating, while providing residents with cost savings. In the long term, this program could help accelerate adoption of clean energy technologies like heat pumps by conducting the necessary building envelope upgrades to more efficiently implement future electrification measures.

Similar to existing turnkey weatherization programs, the Truckee Weatherization Program would be managed by a program administrator. The program administrator would oversee program outreach and implementation, manage customer intake and communications, and be responsible for providing program participants with the scope of services outlined above. This includes identifying and contracting with licensed contractors to implement approved weatherization measures and associated critical repairs. Town staff would work with the program administrator to jointly define program criteria such as eligible measures and not-to-exceed prices for each measure and home. Town staff would issue an RFP to select a program administrator and return to Council for approval to execute the contract.

III. Program Goals and Metrics

The objective of the Truckee Weatherization Program is to accelerate the implementation of weatherization measures throughout the Town of Truckee, reducing GHG emissions and providing participating households with benefits such as lower energy bills, increased home comfort and safety, and improved resilience to extreme weather and other climate impacts. To assess the success and impact of this program, the following metrics will be tracked:

Category	Metric
General	<ul style="list-style-type: none"> • Outreach conducted: type and quantity • Number of homes treated, including: <ul style="list-style-type: none"> ○ Additional homes treated by existing weatherization programs due to enhanced outreach and assistance ○ Homes made eligible for existing weatherization programs due to supplemental repair funds ○ Homes not eligible for existing weatherization programs treated by the Truckee Weatherization Program • Cost: per measure and per home
Environmental	<ul style="list-style-type: none"> • Energy savings by fuel type (electricity, natural gas, propane) • Associated GHG emissions reduction
Health and Safety	<ul style="list-style-type: none"> • Number of homes treated for health and safety issues • Cost of home remediation measures
Equity	<ul style="list-style-type: none"> • Program participation by household income level and home type • Estimated cost savings for participating household
Economic Development	<ul style="list-style-type: none"> • Total dollars and job hours employing local contractors

IV. Program Costs

Staff propose to use \$310,000 in funds from the Greenhouse Gas Emissions Reduction CIP (C1510) through FY 25-26 to support the administration and implementation of this program. The 5-year CIP projection approved in June 2023 includes \$200,000 each year from FY 23/24 to FY 27/28 for home energy retrofit programs, including the \$40,000 allocated to the TDPUD rebate matching program for FY 23/24. The Truckee Weatherization Program will leverage funding and services provided through the existing ESA and federal Weatherization Assistance Programs whenever possible, as well as any other available rebate or incentive programs. Town funds will support program administration and outreach, supplemental repair costs for existing programs, and implementation of weatherization measures for households making up to 80% AMI who are ineligible for existing programs. The following table outlines estimated funding allocation:

	FY 23/24	FY 24/25	FY 25/26	TOTAL
Program Administration	\$27,000	\$54,000	\$27,000	\$108,000
Home Upgrade Costs	\$40,500	\$81,000	\$40,500	\$162,000
Supplemental Repair Funds	\$10,000	\$20,000	\$10,000	\$40,000
TOTAL:	\$77,500	\$155,000	\$77,500	\$310,000

This funding would facilitate weatherization upgrades for at least 40 homes, including 20 made eligible for existing programs through supplemental repair funding and 20 complete home weatherization upgrades for homes not eligible for existing programs. Additionally, the outreach and assistance provided by the program administrator is anticipated to increase participation in existing programs for already eligible households, resulting in additional weatherization upgrades in the Truckee community.

Some program costs will be fixed, such as the portion used for program administration, while the total cost spent on implementation of eligible measures will depend on program participation and actual costs for each participating home. Estimates for upgrade and repair measures are based on average costs per home in other local weatherization programs. Actual costs per home in Truckee may be higher or lower. If the program is successful and exhausts available funds for home upgrades and supplemental repairs, staff may return to Council to request additional funding for weatherization measures.

V. Next Steps and Timeline

If approved, staff will issue a Request for Proposals for a program administrator and return to Council for approval of the contract. The goal would be to have a program administrator selected by February 2024 to allow the program to be active by the start of the 2024 construction season. The first step once a program administrator is selected would be to jointly define program details such as eligible measures, not-to-exceed costs, and collaborate with the program operators of existing weatherization programs to streamline program integration, inter-program referrals, and supplemental repair funding. Staff want the selected program administrator will engage with the Contractors Association of Truckee-Tahoe during this program development phase. Staff has proposed funding this program as a pilot through December 31, 2025 to allow for the program to operate for two full construction seasons.

Staff are also currently developing an Existing Building Decarbonization Roadmap to outline policy and program options to reduce GHG emissions from existing residential and commercial buildings. As weatherization has already been identified as an urgent need and a key first step to more comprehensive building decarbonization initiatives, staff recommend moving forward with this program before the Roadmap is complete.

Priority:



☐ Enhanced Communication
☐ Infrastructure Investment

☒ Climate and Greenhouse Gas Reduction
☐ Emergency and Wildfire Preparedness

☒ Housing
☐ Core Service

Fiscal Impact: This program would utilize \$77,500 of the \$200,000 in approved FY 23/24 funding for home energy retrofit programs from CIP C1510. It would also allocate \$155,000 in FY 24/25 and \$77,500 in FY 25/26 from these CIP funds. The 5-year CIP projections approved in June 2023 included \$200,000 in funding for home energy retrofits each year.

Public Communication: Agenda Posting.

Attachments: None.