

ACT

Alliance for a Clean Texas

Energy Efficiency:

Stop Shortchanging Texans - Fund Weatherization Assistance for Existing Homes through the System Benefit Fund

Homes with inexpensive rent or affordable mortgages are attractive to Texans. Unfortunately, often times, these homes do not use energy efficiently. As a result, some Texans live in homes that generate huge, unaffordable utility bills even though their rents or mortgages may be reasonable.

In 1999, the Texas Legislature created the System Benefit Fund (SBF), an account in the General Revenue Fund financed by a mandatory surcharge that all electricity consumers in the competitive markets of Texas must pay every month. Money deposited into the SBF may only be appropriated for very specific purposes as listed under Section 39.903 of the Utilities Code. For example, the Legislature can allocate money from the SBF to the Texas Department of Housing and Community Affairs (TDHCA) to help pay to weatherize homes for Texans living at or below 125% of the federal poverty level. Home weatherization helps individuals who receive the benefit and in addition, the total reduction in energy consumption leads to a significant reduction in **TOTAL** energy use and peak demand for **ALL** Texans. ***However, since 2003, the Legislature has not appropriated any funds from the SBF for home weatherization. As a result, only a fraction of the Texans that qualify for this benefit receive assistance and see a reduction in energy consumption and relief from sky-rocketing energy costs. Texans are being shortchanged and lied to.***

State and Federal Funding for Weatherization in Texas in Millions

Year	Weatherization Assistance Program (Federal Program)	State Weatherization Program through Systems Benefit Fund	Number of Texas Households Benefiting from WAP and SBF Funding
2000	3.6	0	5,845
2001	10.5	0	5,424
2002	15.5	7.2	8,220
2003	17.7	10.8	7,637
2004	7.9	0	5,452
2005	6.9	0	5,416
2006	11.2	0	3,904
2007	7.6	0	5,404
2008	7.4	0	Not available

Source: Texas Department of Housing and Community Affairs, information provided to Sierra Club.

The Legislative Budget Board now estimates that by the end of 2011, there will be almost \$870 million sitting in the Systems Benefit Fund. If the Legislature had spent just \$10 million per year between 2004

and 2008 on weatherization programs for Texans, an additional 15,000 households could have received assistance. However, the Legislature has not allocated any money from the SBF for weatherization programs since 2003 and as a result, Texans have lost out on potential savings. The Legislature has the opportunity to put money back into energy consumers' pockets this year. If \$85 million – 10 % of the total SBF – is allocated from the SBF to fund weatherization projects, approximately 25,000 households will receive assistance that will result in lower energy bills every month. The Legislature must use the SBF for its intended purposes so that energy becomes more affordable for Texans.

ACT 2009 Legislative Recommendation: The Legislature must fully fund the SBF Weatherization Program with an \$85 Million appropriation for 2010-2011.

2009 ACT Energy Efficiency Team:

Kate Robertson, Environmental Defense Fund , lead (krobertson@edf.org)

Thomas Glenn, Environmental Defense Fund

Luke Metzger, Environment Texas

Bee Moorhead, Texas Impact

Cyrus Reed, Sierra Club, Lone Star Chapter

Tom "Smitty" Smith, Public Citizen

For further information about ACT's energy efficiency recommendations, please see www.acttexas.org/issues/energy-efficiency