



## Deploy Shovel-Ready Energy Efficiency Projects to Modernize Our Homes and Businesses

**Jobs Protected or Created: 7,940<sup>1</sup>**

**Total Cost: \$397 million total**

### ***Framing Statement***

The energy efficiency sector is the single largest employer in the clean energy sector with 69,000 jobs, representing everything from insulation manufacturing and installers to efficiency engineers and high-efficiency windows production (E2, 2019). The energy efficiency sector is also the clean energy industry hardest hit by the COVID-19 crisis. The losses in the energy efficiency sector account for about two-thirds of all clean energy unemployment filings as electricians, plumbers, construction workers, energy auditors and others were unable to enter homes, offices and other buildings because of coronavirus quarantines (Renewable Energy World, 2020). As a large, growing, and sustainable industry, policymakers should focus investments on supporting these workers and projects.

Protecting existing and creating new jobs in energy efficiency will have three major impacts. First, it will help restore and grow our regional job market for skilled labor. Second, it will lower the cost of utilities for homeowners and businesses at a time when everyone is trying to make ends meet. Third, it will improve the overall quality of life for Pennsylvanians while they're stuck at home. The new normal is that staying at home also means staying safe from infection, but many people do not have access to safe, healthy, and affordable housing. As we move into the warm summer months, high cooling bills and energy inefficient homes will stress our already energy burdened region (Drehobl & Ross, 2016).<sup>2</sup>

## Recommended Policy Interventions

- Increase the borrowing authority of the *Redevelopment Assistance Capital Program (RACP)* by \$250 million to issue grants for energy efficiency retrofits in schools around the Commonwealth. In 2020, Governor Wolf proposed a \$1 billion increase in RACP for lead and asbestos removal in schools, an important and priority investment. This additional increase would complement these potential toxic removal projects and allow for a more robust retrofit of school buildings at a time when they are closed and school years may be shortened.
- Re-capitalize the *Pennsylvania Energy Development Authority (PEDA)* by \$100 million to provide low-interest loans, grants, and loan guarantees for large energy efficiency projects around the Commonwealth.<sup>3</sup>
- Work with the Public Utility Commission to convene energy distribution and energy efficiency companies to share best practices, develop new virtual tools for efficiency providers and explore issuing advance payments on contracts.<sup>4</sup>
- Invest in energy efficiency projects for small businesses by increasing funding for the DEP *Small Business Advantage* grants program from \$1 million to \$10 million. The grant cap should be increased from \$7,000 to \$10,000 and the matching cap increased from 50 percent to 75 percent. The program provides grants to small businesses of 100 employees or less to construct projects that save the business at least 25 percent on their energy bills annually.
- Expand the *Small Business Pollution Prevention Assistance Account* loan program at DEP from \$2 million to \$20 million to provide for large, low-interest loans up to \$100,000 for energy efficiency projects such as HVAC, lighting, energy efficient machinery upgrades. Program loans provide up to 75 percent of project costs and are eligible for businesses of 100 employees or less, but the program should be expanded for multi-family buildings, providing an additional tool for landlords to provide better quality of life for its lessors.
- Expand DCED's *Weatherization Assistance Program* by investing \$20 million to match the federal government's FY20-21 investment. The weatherization program through DCED is funded by the U.S. Department of Energy to provide grants, averaging \$7,000, to low-income residents for energy assessments and housing retrofits.



## Endnotes

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- 1 The American Council for an Energy-Efficient Economy provides job multipliers for investments in energy efficiency. Because of the diverse, and more labor intensive, nature of energy efficiency activities, projects average 20 gross jobs per \$1 million of investment, of 7,940 projected new, gross jobs.
- 2 In an “Energy Burden” review of 48 major U.S. metropolitan areas that African-American and Latino households spend disproportionate amounts of their income on energy and that more energy efficiency measures would help close the gap by at least one-third. Philadelphia ranked 8th, with low-income households paying 8.8 percent of their household income on utilities - more than three times the amount than higher income households that pay on average 2.3 percent.
- 3 PEDAs last awarded funds for 21 projects in 2014 for a total investment of \$81 million. With an investment of \$100 million, it's estimated that 25 large projects could be provided funding.
- 4 This convening was proposed by the Keystone Energy Efficiency Alliance (KEEA) in their Act 129 Phase IV public comments, found here: <https://kealliance.org/keea-covid-policy-response/>



## PennFuture

610 North Third Street  
Harrisburg, PA 17101  
717-214-7920

**[www.pennfuture.org](http://www.pennfuture.org)**

**Contact PennFuture:**  
[info@pennfuture.org](mailto:info@pennfuture.org)

PennFuture is leading the transition to a clean energy economy in Pennsylvania and beyond. We are protecting our air, water and land, and empowering citizens to build sustainable communities for future generations.

Citizens for Pennsylvania's Future—PennFuture—was created in 1998 as a statewide environmental advocacy organization. Since our founding, we have achieved significant legal and policy victories that reduce pollution and protect the environment. We have provided millions of dollars in pro bono legal services while setting critical precedents and enforcing environmental laws across the commonwealth.

Our team is working daily to protect public health, restore and protect natural resources, and move Pennsylvania toward a clean energy future. With offices in Harrisburg, Pittsburgh, Philadelphia, Erie, and Mt. Pocono, our team litigates cases before regulatory bodies and in local, state, and federal courts; advances legislative action on a state and federal level; provides public education; assists citizens in public advocacy; engages with grassroots citizenry to support environmental causes; and engages with communities to increase participation in democratic processes.