



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 13-1
EFFECTIVE DATE: February 14, 2013

SUBJECT: PROGRAM YEAR 2013 WEATHERIZATION GRANT GUIDANCE

PURPOSE: To issue grant guidance and management information for the Weatherization Assistance Program (Weatherization or WAP) for Program Year (PY) 2013.

SCOPE: The provisions of this guidance apply to Grantees or other entities named in the Notification of Grant Award as the recipient(s) of financial assistance under the Department of Energy (DOE) WAP.

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act, as amended, authorizes the Department of Energy to administer the WAP (42 U.S.C. § 6861, *et. seq.*). All grant awards made under this program shall comply with applicable law and regulations including, but not limited to, the WAP regulations contained in 10 CFR 440 and DOE Financial Assistance Rules at 10 CFR 600.

GRANT GUIDANCE REORGANIZATION: DOE has reorganized the annual grant guidance (historically, the first notice of each federal fiscal year). This guidance eliminates references to issues that are covered by other Program Notices. Where there were significant clarifications in the WPN 13-1 guidance, relevant guidance pieces that encapsulate those changes are being re-issued so Grantees can easily reference all guidance necessary for the implementation of the WAP grant. Those elements that were addressed in WPN 12-1 guidance but not captured in other Program Notices, were either incorporated into appropriate notices or eliminated because they were no longer considered of merit/priority.

This guidance includes the following sections:

- 1.0 Funding;
- 2.0 Grant Application;
- 3.0 Program Notices;
- 4.0 New Initiatives; and,
- 5.0 Website Information.

A table has been added in Section 3.0 which highlights active WAP Notices. This table provides quick references to relevant issues to assist Grantees in the development of their Grantee WAP plans.

1.0 FUNDING

In PY 2013, funding for the WAP, requiring DOE approval for expenditure, can come from several sources:

- Federally Appropriated Funds
- Petroleum Violation Escrow (PVE) Funds
 - Warner and EXXON oil overcharge funds
 - Stripper Well and other oil overcharge funds (including Texaco) which are subject to Stripper Well settlement rules
- Low-Income Home Energy Assistance Program (LIHEAP) funds designated for expenditure under DOE regulations
- Leveraged Resources designated for expenditure under DOE regulations (e.g., utility funds, state trust funds, other)
- Program Income

Note: Leveraged funds identified in the budget which are incorporated into the DOE award must meet all DOE regulations and guidelines and require DOE approval. Leveraged funds not included in the DOE budget or the Grantee Plan, do not require DOE approval.

1.1 FY 2013 APPROPRIATED WEATHERIZATION FUNDING: Please see the PY 2013 Funding Opportunity Announcement (FOA) for the allocation of weatherization funds appropriated in FY 2013.

- **ADJUSTED AVERAGE:** The average per dwelling expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters cannot exceed \$6,500, as adjusted (see, 10 CFR §440.18(a) and (c)). The adjusted annual average for 2013 is determined by using the percentage increase in the Consumer Price Index (CPI) (all items, United States city average) for 2012 or 3 percent, whichever is less. The percentage increase in the CPI for the previous 12-month period (September 2011 – September 2012) was 2%, so a 2% increase was applied to the PY 2012 adjust average at \$6,769. So the adjusted average expenditure limit for PY 2013 is **\$6,904. This average includes units computed in a multi-family building of 5 units or greater.**

In accordance with 10CFR Part 440.18(b) and (c), the expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters for a renewable energy system, shall not exceed an average of \$3,000 per dwelling unit, as adjusted. The PY 2013 adjusted average for renewable energy measures is **\$3,445**. Further discussion on renewable energy measures can be found in Section 5.6, Use of WAP Funds for Renewable Energy Systems.

Note: The adjusted average for renewable energy measures is not a separate average, but part of the overall adjusted average expenditure limit of \$6,904.

- **LIMITS ON CERTAIN BUDGET CATEGORIES:** Certain budget categories have limitations set by law, regulation, or Program policy and identify the percentage of the grant that is allowed to be used for specific purposes other than Program Operations. Please see 10 CFR 440 and the updated Application Instructions for additional information.

1.2 PETROLEUM VIOLATION ESCROW (PVE) FUNDS: WAP can be funded by a number of sources, including PVE funds. PVE funds can be divided into two general categories based on the underlying source of the funds. The first category of PVE funds is comprised of those funds appropriated by Congress, or treated as if appropriated (generically referred to as Exxon funds, and also includes funds provided under the Warner Act). The second category of PVE funds is comprised of those funds that were not appropriated (generically referred to as Stripper Well Settlement funds, and includes Diamond Shamrock funds).

- PVE funds remain subject to the requirements applicable to the underlying source of funds.
- PVE funds included in a Grantee Plan, are subject to the same Grantee Plan approval, Program oversight, and reporting requirements as the annually appropriated funds; and are subject to the **same** statutory and regulatory constraints as annually appropriated funds.
- Generally, if Exxon funds are used for weatherization projects, they must be included in the Grantee Plan. Moreover, Exxon funds cannot be used for administrative expenses.
- A Grantee may elect to use Stripper Well funds for projects either separate from or included within the WAP. If used for activities separate from WAP, Stripper Well Settlement funds are encouraged to be included, for informational purposes only, in the Grantee Plan; they are not subject to WAP rules, oversight, or reporting requirements.
- There is no requirement that Exxon or Stripper Well Settlement funds are to be expended during a particular period of time. A Grantee is permitted to reallocate these funds from one eligible program to another provided that their Plan has been amended and is reviewed by DOE-HQ. If PVE funds designated for expenditure in the prior program year are not expended, the amount of funding that may be used for administrative expenses in the following program year must be adjusted accordingly.
- No more than 5 percent of the combined total of Exxon and Stripper Well Settlement funds budgeted in a Grantee Plan may be used for Training and Technical Assistance (T&TA). Up to an additional 5 percent of these funds may be used for evaluation of a Grantee's WAP and for innovative efforts for leveraging program funds, provided these activities are approved by the DOE Project Officer.

1.3 LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP): This Program was first established in 1981 and is funded annually through federal appropriations. The mission of LIHEAP is to minimize the energy burden on low-income families. As such, if the Grantee elects, a percentage of the LIHEAP assistance funds may be transferred to the WAP and used for the purpose of weatherizing homes. Grantees have the option of administering the LIHEAP funds in addition to the DOE award or including these resources in the DOE budget. The budget section of the grant application provides a chart outlining some considerations for the Grantee in making this decision. Further questions or points of clarification should be directed to the respective DOE Project Officer.

1.4 LEVERAGED RESOURCES: Leveraged funds included in the budget of the DOE award must meet all WAP rules, regulations and guidelines. Grantees should carefully consider the advantages and challenges related to including leveraged funds in the DOE award. Landlord contributions are not considered leveraged resources. They are generally not voluntary and often come with special requirements. Grantees who require further clarifications or guidance on leveraged resources should contact their respective DOE Project Officer.

1.5 PROGRAM INCOME: Program income is more clearly defined and further subject to the specific requirements provided in the DOE Financial Assistance Rule, 10 CFR part 600, subpart B section 600.124 and subpart C, section 600.225. DOE considers program income as any funds earned by Grantees and/or Subgrantees from non-Federal sources during the course of performing DOE WAP activities. The income generated must be used to complete additional dwelling units in accordance with DOE rules. It must be treated as an addition to program funds and is subject to the same rules as appropriated funds. Property owner (i.e. landlord) contributions and leveraged resources (i.e., utility or Grantee funds) are NOT considered to be “program income” for the purposes of the WAP. Grantees requiring further clarification on program income, as it applies to their specific program, should contact their respective DOE Project Officer.

2.0 GRANT APPLICATION

2.1 GENERAL: To increase public involvement and obtain timely suggestions in developing their Application, DOE strongly urges Grantees to hold two meetings: a meeting at the beginning of the planning process, as well as the formal and required public hearing on the completed Plan. DOE may request information in addition to what is expressly identified by the Program rule on a case-by-case basis when warranted.

2.2 NEW 3-YEAR GRANTS: The DOE WAP 2013 grant awards will be "new" grants, issued for a 3-year performance period with three one year budget periods. Grantees that require an extension of the period of availability of funds for their current awards must obtain prior approval from DOE, as required in 10 CFR 600.230(d)(2). DOE will not provide multiple extensions or additional funding to those existing awards. DOE will not transfer any remaining funds on previous awards to the new award. All remaining funds at the end of the award will be deobligated. If performance period modifications are approved, Grantees will have concurrent WAP grants open and must track all reporting separately for each grant.

2.3 INTERGOVERNMENTAL REVIEW: In the development, submission, and review of grant applications, the provisions of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the DOE Implementing Order (10 CFR 1005) remain unchanged.

2.4 APPLICATION PACKAGE: The application process is now fully electronic and applications must be submitted on the Performance and Accountability for Grants in Energy (PAGE) website at <https://www.page.energy.gov/default.aspx>. The PAGE system contains all the Federal forms required for the application. Please follow detailed program instructions in the annual Funding Opportunity Announcement (FOA), Weatherization Program Notices, and Application instructions attached to this program notice (Attachment 1). This attachment replaces WPN 06-3 WAP Application Instructions and Forms.

2.5 APPLICATION FORMAT AND CHANGES: DOE updated the Application Package and made changes to the PAGE system for implementation in PY2013. All sections of the application are required and must be completed in their entirety. Clarification points that were previously contained in the annual grant guidance have been incorporated into the application package. The following are specific elements that have changed from the prior year submissions that Grantees should take special note of as they begin the application process.

- Grantees will no longer have “standing” on-file information for each year. Applicants must submit updated plan elements every year. Multiple DOE reviewers will review evaluate applications, so complete data and information should be provided expedite the review and award process.
- The application budget section was expanded to provide more detailed descriptions for requested information in an attempt to minimize the number of requests for additional information.
- Many of the repetitive elements that were contained in both the annual file and on-line file (e.g., T&TA, monitoring) have been consolidated. They are only requested in one part of the application to minimize duplication and ease the application process.

2.6 REPORTING REQUIREMENTS: The reporting requirements are set forth in the Federal Assistance Reporting Checklist, DOE F 4600.2, attached to the award agreement.

2.7 PRIOR GUIDANCE RETRACTIONS: In WPN 12-1, DOE stated: “Grantees that weatherize multi-family units must have a multi-family energy audit and procedures as part of their Program year 2013 plan submittal to DOE. The use of the multifamily energy audit tool must include a training component.”

Due to reduced funding levels and the subsequent reduction in the number of multi-family buildings anticipated to be weatherized; DOE is retracting this requirement until further notice. However, Grantees serving more than 20 percent of their annual production in multi-family buildings are still required to have an updated and approved multi-family audit.

While DOE is providing relief on the formalized protocol, there is still the expectation that all eligible families will be served by the Program. DOE still requires each Grantee to explain how this housing stock will be addressed, especially in the absence of approved energy audit

4.0 NEW INITIATIVES

From time to time, DOE undertakes initiatives to improve the WAP operations and effectiveness. While this Section informs Grantees of these initiatives, they are not a requirement of the WAP until provided in a related WPN. The following areas are currently under consideration by DOE:

Potential Program Year Adjustment

For Program Year 2014, DOE is considering moving all Grantee program start dates to April 1st. This will allow DOE to obligate 2014 fiscal year funds 6 months into the federal fiscal year and ensure to Congress that funds are obligated and expended in the year they were intended.

National Training and Technical Assistance Tools and Resources

In March 2010, the DOE tasked the National Renewable Energy Laboratory (NREL) with the development of a suite of voluntary national guidelines for the work and a companion set of knowledge, skills, and abilities for the workforce involved in the residential energy efficiency retrofit industry.

The Guidelines for Home Energy Professionals project is a collaborative effort designed to engage the home performance industry in developing a suite of resources that include work quality specifications, training program accreditation, job task analyses and certifications for workers. The goal of the Guidelines project is to help the WAP demonstrate the quality of the program as well as serve a national need to create a vital and robust home energy upgrade industry.

These guidelines also support employment and entrepreneurial opportunities for WAP workers hired to support American Recovery and Reinvestment Act of 2009 projects, underemployed or dislocated workers looking for new prospects, and workers with relevant skills seeking an entry point into the home energy efficiency retrofit industry. Resources available or soon to be available for use in the WAP in 2013 include:

- **The Standard Work Specifications for Home Energy Upgrades (SWS)*:** The SWS define the desired outcomes for any weatherization or home performance task to be effective, durable and safe.
- **The Job Task Analyses for Home Energy Professionals (JTA)*:** The JTAs define the proper installation protocols and what a worker needs to know and do. They were developed through a consensus based process with industry and are the foundation for training program accreditation. The JTA's cover the four most common Home Energy Professional job classifications:
 - Retrofit Installer Technician
 - Crew Leader
 - Energy Auditor
 - Quality Control Inspector

- **Accreditation of Energy Efficiency Training Programs*:** The DOE contracted with the Interstate Renewable Energy Council (IREC) to develop an accreditation for energy efficiency training program based on the four Home Energy Professional JTAs. This accreditation is a third party validation that an organization is qualified to teach all of the knowledge, skills and abilities outlined in the JTAs.
- **Home Energy Professional Certifications*:** Based on the Standard Work Specifications and the Job Task Analyses, these certifications provide continuity among work quality guidelines, training quality and the evaluation of the individual. These are professional credentials that require applicants to demonstrate professional experience, knowledge and skill.

* Resources available or available soon at:

http://www1.eere.energy.gov/wip/retrofit_guidelines_overview.html.

- **The National Weatherization Training Platform (NWTP):** The NWTP is an open-source, online training resource that enhances and supplements traditional classroom, lab and in-field weatherization training. As the home energy upgrade market expands, these advanced training tools will assist workers in developing the knowledge, skills and abilities necessary to build the industry. Housing these tools in an online environment allows up-to-date building science and educational resources to be readily available to the national training network. The NWTP is a valuable supplement to the hands on classroom and in-field training provided by skilled trainers. The NWTP is available at: <https://weatherization-nwtp.nerlearning.org/nwtp/>.
- **Weatherization Plus Health:** The Weatherization Plus Health initiative is a national effort to strategically coordinate resources to improve the energy efficiency, health, and safety of low-income homes. The National Association for State Community Services Programs (NASCS) is implementing the project on behalf of DOE. Weatherization Plus Health will help communities connect resources so that residents can access comprehensive solutions to their housing problems. To meet these goals, Weatherization Plus Health is providing a series of resources that will empower the WAP and Healthy Homes providers to establish strong partnerships, coordinate service delivery, and implement new strategies to benefit their communities. More information is available at: <http://www.wxplushealth.org/>.
- **Multifamily Tool for Energy Audits (MulTEA):** The WAP has commissioned Oak Ridge National Laboratory (ORNL) and Lawrence Berkeley National Laboratory (LBNL) to develop the new Multifamily Tool for Energy Audits (MulTEA). The tool is being developed in direct response to needs expressed from the field. MulTEA will produce an audit that provides auditors with an improved energy simulation and weatherization measure selection tool for multifamily buildings. The new tool will be included with the Weatherization Assistant suite of resources. The tool will be rolled out in two phases in 2013.

5.0 WEBSITE INFORMATION

To assist the Grantee and Subgrantee Network in obtaining the most up to date information on programmatic/policy issues, technical issues, and evaluation studies, please reference the following websites:

Energy Efficiency and Renewable Energy:
<http://www.eere.energy.gov/weatherization>;

Weatherization Assistance Program Technical Assistance Center:
<http://www.waptac.org>;

Oak Ridge National Laboratory:
<http://weatherization.ornl.gov>

Grantees are strongly encouraged to visit these websites often to keep abreast of the latest information and new techniques in the WAP. Grantees should continue to work with their respective DOE Project Officers when technical assistance is needed.

CONCLUSION: It remains critically important that WAP funds be cost-effectively expended in the year in which they were appropriated. Funding decisions at the Congressional and DOE levels are often based on Grantee and Subgrantee past performance. DOE is extremely proud of the WAP network for meeting or exceeding the goals of the Recovery Act period. As we transition back to providing only annually appropriated funding and using other leveraged funds for WAP activities, we must continue to deliver only the highest quality services to those households who benefit from this important Program. Together we can ensure that “Weatherization Works!”



AnnaMaria Garcia
Director
Weatherization and Intergovernmental Programs Office
Energy Efficiency and Renewable Energy