

**BUDGET INFORMATION - Non-Construction Programs**

1. Program/Project Identification No. EE0007928		2. Program/Project Title Weatherization Assistance Program	
3. Name and Address STATE OF MINNESOTA 85 7th Place East, Suite 280 St. Paul, MN 551012198		4. Program/Project Start Date 07/01/2021	5. Completion Date 06/30/2022

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Federal 81.042	81.042	\$ 4,060,091.00		\$ 11,722,051.00		\$ 15,782,142.00
2.						
3.						
4.						
5. TOTAL		\$ 4,060,091.00	\$ 0.00	\$ 11,722,051.00	\$ 0.00	\$ 15,782,142.00

SECTION B - BUDGET CATEGORIES					
6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) Commerce: Admin. (1572)	(2) 1574: SERVICE PROVIDER ADMIN	(3) Commerce: T&TA (1573)	(4) 1574: T&TA	
a. Personnel	\$ 124,182.00	\$ 0.00	\$ 374,257.00	\$ 0.00	\$ 576,661.00
b. Fringe Benefits	\$ 47,517.00	\$ 0.00	\$ 133,781.00	\$ 0.00	\$ 215,003.00
c. Travel	\$ 9,500.00	\$ 0.00	\$ 31,581.00	\$ 0.00	\$ 44,881.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 7,740.00	\$ 0.00	\$ 37,550.00	\$ 0.00	\$ 45,290.00
f. Contract	\$ 236,526.00	\$ 1,271,401.00	\$ 720,753.00	\$ 1,152,492.00	\$ 14,632,595.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other Direct Costs	\$ 142,400.00	\$ 0.00	\$ 60,500.00	\$ 0.00	\$ 204,788.00
i. Total Direct Charges	\$ 567,865.00	\$ 1,271,401.00	\$ 1,358,422.00	\$ 1,152,492.00	\$ 15,719,218.00
j. Indirect Costs	\$ 10,618.00	\$ 0.00	\$ 39,471.00	\$ 0.00	\$ 62,923.00
k. Totals	\$ 578,483.00	\$ 1,271,401.00	\$ 1,397,893.00	\$ 1,152,492.00	\$ 15,782,141.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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5. TOTAL		\$ 4,060,091.00	\$ 0.00	\$ 11,722,051.00	\$ 0.00	\$ 15,782,142.00

SECTION B - BUDGET CATEGORIES					
6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) 1574: PROGRAM OPERATIONS	(2) 1574: HEALTH & SAFETY	(3) 1574: LIABILITY INSURANCE	(4) 1574: FINANCIAL AUDITS &	
a. Personnel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 576,661.00
b. Fringe Benefits	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 215,003.00
c. Travel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 44,881.00
d. Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
e. Supplies	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 45,290.00
f. Contract	\$ 9,281,467.00	\$ 1,140,586.00	\$ 49,427.00	\$ 358,069.00	\$ 14,632,595.00
g. Construction	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
h. Other Direct Costs	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 204,788.00
i. Total Direct Charges	\$ 9,281,467.00	\$ 1,140,586.00	\$ 49,427.00	\$ 358,069.00	\$ 15,719,218.00
j. Indirect Costs	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 62,923.00
k. Totals	\$ 9,281,467.00	\$ 1,140,586.00	\$ 49,427.00	\$ 358,069.00	\$ 15,782,141.00
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Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		\$ 4,060,091.00	\$ 0.00	\$ 11,722,051.00	\$ 0.00	\$ 15,782,142.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) Leveraging (1575)	(2) SPECIAL PROJECTS I	(3)	(4)	
a. Personnel	\$ 78,222.00	\$ 0.00			\$ 576,661.00
b. Fringe Benefits	\$ 33,705.00	\$ 0.00			\$ 215,003.00
c. Travel	\$ 3,800.00	\$ 0.00			\$ 44,881.00
d. Equipment	\$ 0.00	\$ 0.00			\$ 0.00
e. Supplies	\$ 0.00	\$ 0.00			\$ 45,290.00
f. Contract	\$ 421,874.00	\$ 0.00			\$ 14,632,595.00
g. Construction	\$ 0.00	\$ 0.00			\$ 0.00
h. Other Direct Costs	\$ 1,888.00	\$ 0.00			\$ 204,788.00
i. Total Direct Charges	\$ 539,489.00	\$ 0.00			\$ 15,719,218.00
j. Indirect Costs	\$ 12,834.00	\$ 0.00			\$ 62,923.00
k. Totals	\$ 552,323.00	\$ 0.00			\$ 15,782,141.00
7. Program Income	\$ 0.00	\$ 0.00			\$ 0.00

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0007928, State: MN, Program Year: 2021)

**IV.1 Subgrantees**

<b>Subgrantee (City)</b>	<b>Planned Funds/Units</b>
Arrowhead Economic Opportunity Agency, Inc. (Virginia)	\$918,188.92 84
Bi-County Community Action program, Inc. (Bemidji)	\$655,064.03 62
Community Action Partnership of Ramsey & Washington Counties (Saint Paul)	\$1,864,517.09 173
Dakota County Community Development Agency (Eagan)	\$684,781.08 62
Fond Du Lac Reservation Business Committee (Cloquet)	\$30,083.51 3
Inter-County Community Council (Oklee)	\$328,113.95 28
KOOTASCA Community Action, Inc. (Grand Rapids)	\$284,133.64 24
Lakes and Pines Community Action Council, Inc. (Mora)	\$581,272.15 48
Mahube-OTWA Community Action Partnership, Inc. (Detroit Lakes)	\$1,201,942.47 115
Mille Lacs Band of Ojibwe Indians (Onamia)	\$74,526.47 6
Minnesota Valley Action Council (Mankato)	\$475,535.31 42
Northwest Community Action, Inc (Badger)	\$214,688.50 16
Prairie Five Community Action Council, Inc. (Montevideo)	\$130,344.53 11
Semcac (Rushford)	\$843,424.43 77
Southwestern Minnesota Opportunity Council, Inc. (Worthington)	\$212,534.62 17
Sustainable Resources Center (Minneapolis)	\$1,791,275.36 165
Three Rivers Community Action, Inc. (Zumbrota)	\$301,855.83 26
Tri-County Action Programs, Inc. (SC) (Waite Park)	\$542,544.42 49
Tri-County Community Action, Inc. (LF) (Little Falls)	\$495,692.78 43
United Community Action Partnership (Marshall)	\$516,766.47 45
West Central Minnesota Communities Action, Inc. (Elbow Lake)	\$601,321.56 58
White Earth Reservation Tribal Council (Waubun)	\$218,262.02 18
Wright County Community Action, Inc. (Maple Lake)	\$286,572.84 24
<b>Total:</b>	<b>\$13,253,441.98</b> <b>1,196</b>

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**IV.2 WAP Production Schedule**

Planned units by quarter or category are no longer required, no information required for persons.

Weatherization Plans	Units
Total Units (excluding reweatherized)	1,196
	1,196
Rewatherized Units	0
	0

Average Unit Costs, Units subject to DOE Project Rules

**VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)**

A Total Vehicles & Equipment (\$5,000 or more) Budget \$0.00

B Total Units Weatherized 1,196

C Total Units Rewatherized 0

D Total Dwelling Units to be Weatherized and Rewatherized (B + C) 1,196

E Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D) \$0.00

**AVERAGE COST PER DWELLING UNIT (DOE RULES)**

F Total Funds for Program Operations \$9,281,467.17

G Total Dwelling Units to be Weatherized and Rewatherized (from line D) 1,196

H Average Program Operations Costs per Unit (F divided by G) \$7,760.42

I Average Vehicles & Equipment Acquisition Cost per Unit (from line E) \$0.00

J Total Average Cost per Dwelling (H plus I) \$7,760.42

**IV.3 Energy Savings**

Method used to calculate savings: ☒ WAP algorithm ☐ Other (describe below)

	Units	Savings Calculator (MBtus)	Energy Savings
This Year Estimate	1196	29.3	35043
Prior Year Estimate	1907	29.3	55875
Prior Year Actual	1375	29.3	40288

**Method used to calculate savings description:**

**IV.4 DOE-Funded Leveraging Activities**

**PY2021 MINNESOTA WEATHERIZATION ASSISTANCE PROGRAM**

**STATE LEVERAGING PLAN**

Minnesota's leveraging activities for PY21 will build and expand on the PY20 Minnesota Leveraging Plan.

**Foci:**

Minnesota's Leveraging plan is built around seeking funding to support three specific foci:

1. Expanding the number of income-qualified households receiving weatherization services;
2. Reducing deferrals by remediating household conditions which would require deferral under the Weatherization Assistance Program rules; this "Pre-Weatherization" work will expand the number of households eligible to receive weatherization services;
3. Adding Weatherization-Plus activities to provide weatherized households with additional services, while on-site, to increase the health and safety of the home environment for WAP households, over and above the energy-related measures currently provided by WAP.

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**Pre-Weatherization activities:** Minnesota WAP currently has a deferral rate of 47%. Households deferred do not receive weatherization until the deferral condition is remediated, which rarely happens. Therefore, USDOE WAP funds are currently spent to audit households which do not end up receiving weatherization services. By undertaking Pre-Weatherization activities, deferral conditions will be remediated and allow the household to remain eligible for WAP services.

Examples of measures that Pre-Weatherization funding will support include structural issues (roofing, foundation cracks, etc.), mold and moisture issues, asbestos remediation, etc. By funding deferral remediation work, not only will additional low-income Minnesotans receive weatherization services but USDOE funds spent on administrative costs and to audit the household will not become lost costs, as the household remains in queue for weatherization.

**Weatherization-Plus Activities:** Weatherization-Plus activities center on expanding the “menu” of in-home measures available for WAP Service Providers to meet specific needs of WAP clients. Funding for Weatherization-Plus activities will allow implementation of enhanced health and safety measures, focusing on the following programs:

- Aging-in-Place programs, to keep elderly safe and healthy at home;
- Remain-in-Place programs, to provide accessibility modifications for disabled persons;
- Indoor Air Quality programs: lead, radon, vermiculite reduction (See Healthy AIR narrative below);
- Removing triggers (mold and moisture, rodents and pests, etc.) known to negatively affect asthma, other respiratory illnesses and other chronic diseases.

**Commerce Activities:**

Minnesota will use a portion of the leveraging budget to support a fulltime Weatherization Leveraging Specialist position who will continue to focus on:

- Building a robust partnership network;
- Developing long-term, aligned cooperative agreements and projects;
- Investigating and acquiring additional federal and nonfederal leveraged funds to support or expand WAP services.

Full details of the responsibilities of this position are delineated below.

In addition, once State of Minnesota removes the hiring freeze implemented in 2020 as a result of the COVID-19 pandemic, Minnesota will use WAP funds to hire a Project Manager/Analyst position. Through-out PY21, this position will have responsibility for doing data analysis to support leveraging activities, and to assist in program design, implementation and management of programs funded by leveraged funds. Expected increases in state and EAP-transfer funding will expand the services WAP is able to offer, and a Project Manager is needed to provide analytics and manage these programs post-implementation.

The Weatherization Leveraging Specialist (and the Leveraging Project Manager/Analyst, once hired) will be responsible for conducting the endeavors below and provide direction and oversight on the items listed under Contractual leveraging Budget items starting on page 3.

**a. Expanding Services via LIHEAP-transfer, Utility, and State Funded Initiatives**

Minnesota has filed to apply LIHEAP-transfer funding to Pre-Weatherization and Weatherization Plus activities. Additionally, the Minnesota Legislature is considering legislation which would increase the amount of Conservation Improvement Programs (CIP) funding Minnesota utilities are required to provide, including the amount of CIP funding spent to support low-income Minnesotans. With increased focus being given to low-income CIP programs, utilities are expected to add Pre-Weatherization (work necessary to reduce deferrals) as eligible measures for CIP funding.

The Healthy AIR pilot program was implemented in PY17, with State-allocated funds, to address asbestos insulation remediation. The program was paused during the COVID-19 pandemic but is being pursued for reinstatement during PY21. Minnesota is also seeking approval to allow LIHEAP funding to augment State of Minnesota funding on the Healthy AIR program. The revised LIHEAP-funded Health AIR (Air, Insulation, and Remediation) program would include measures to remediate mold and moisture and other indoor air quality issues, in addition to asbestos-containing insulation.

**b. Expanded Solar Program**

Based on the forecasted savings for the 16 solar projects underway in the *Solar into WAP* pilot program, the average energy cost reduction stemming from the addition of the solar system is \$498 annually, or 44% of the energy bill. This savings, which is in addition to energy cost savings resultant from weatherization, demonstrates the importance of expanding the solar program to assist more low-income Minnesotan households. During PY21, Minnesota expects to expand the *Solar into WAP* pilot program in three ways:

- i. Geographically: To the entire state, rather than just within Xcel Energy territory;
- ii. By funding source: Minnesota is seeking approval to use LIHEAP-transfer funds to cover the non-DOE portion of solar installation, therefore allowing expansion to utility

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territories where utility solar rebate funding is not offered;

- iii. Expanding Solar Access: Minnesota will be filing with the USDOE for approval to add solar usage in expanded situational scenarios, addressing inequities in urban and rural areas. Multiple households are currently ineligible for solar installation based on a poor solar resource from obstructions such as trees or other buildings, as well as roof pitch, azimuth, age of roofing, or structural issues. For instance, all manufactured homes are currently ineligible due to the combination of weak roof structures and excessive snow loads. Many low-income urban neighborhoods have a preponderance of housing with detached garages off the alley and many rural areas have tree obstructions or older roofs on residences. In order to address inequities, pole-mounted (aka PV-on-a-Pole) and additional detached but on-site buildings are proposed to be utilized for solar measures:
1. PV-on-a-Pole: This option will expand solar access by utilizing the best ground-mounted solar-suitable on-site location and mounting the system on a pole.
  2. Installation on detached buildings: This option will expand solar access by allowing PV installations on “out” buildings, providing accessibility to solar when eligible households have rooftops which are not solar-suitable based on challenges presented by azimuth, configuration, shading or structural issues).

In support of the statewide solar expansion, Commerce’s WAPLink (formerly FACSPro) production management software will be updated to streamline Service Providers identification and prioritization of prime solar-suitable WAP households. New WAPLink functionality will be added to the platform to incorporate solar resource information gathered under the Spring 2020 Solar Resource Assessment Project (initiated as a remote working project during COVID-19 shutdown).

**c. Solar Technical Assistance Consultant**

A Solar Technical Assistance Consultant was hired in December of 2020. Per one of the Service Providers participating in the solar pilot program, having this consultant on-board to assist and guide Service Providers through the process has been a “critical” component of the program. As a state-wide expansion of the *Solar into WAP* pilot program is planned for PY21, Minnesota will extend the contract for the existing solar consultant till June 30th, 2021, as well as post and fill a second solar consultant position on a half-time consulting basis (also for the full program year).

**d. Individualized Utility Outreach and Program Support**

Minnesota has approximately 180 utilities, with roughly half offering Conservation Improvement Programs (CIP) and a portion of those offering low-income focused CIP programs. The high number of utilities in the State means each of WAP’s 23 Minnesota Service Providers has many CIP programs to track in order to successfully utilize utility CIP programs. Collaboration is needed between the Commerce department responsible for utility regulation and oversight, Commerce WAP staff, the WAP leveraging (CIP) working group and other representatives from the WAP Service Provider network and individual utilities to increase the ability of WAP Service Providers to access and apply CIP funding to WAP projects.

**e. Inter-departmental Coordination**

Efforts to reduce “silos” across State of Minnesota departments and agencies will continue, ensuring inter-departmental awareness of efforts and collaboration and coordination of efforts when warranted.

**f. Outreach and Relationship Development**

Commerce leveraging staff will continue to develop relationships and discuss alignment possibilities with organizations focused on energy equity, health equity and respiratory concerns, climate change, and community improvement/development issues.

**Contractual Leveraging Budget Line Items**

**a. Weatherization Task Force / Leveraging Study**

A bill is currently active in the Minnesota legislature to form a Weatherization task force. The Weatherization Assistance Program is a tool which can be used to make progress towards goals in four identified areas of need within Minnesota – Health Equity, Energy Equity, Climate Change Mitigation and Job Creation. Activities proposed for the Task Force are below. If the taskforce is not authorized by the legislature, a study will be commissioned to accomplish the same work.

- i. Develop a strategy to reduce deferrals due to unaddressed health, environmental, or structural hazards in the home;
- ii. Explore new sources of funding to increase the number of households weatherized;
- iii. Analyze Pre-Weatherization and Weatherization Plus program models in place in other states;
- iv. Identify Pre-weatherization services needed to increase the number of households served with weatherization, but for which supplemental funding (non-U.S. DOE) funding is necessary;
- v. Analyze the current distribution of weatherization services across ethnic groups and across the state to increase the equitable delivery of weatherization;
- vi. Study how additional funding would impact the ability of weatherization assistance service providers to provide weatherization assistance services to more eligible households;
- vii. Examine other related issues the task force deems relevant.

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**b. Under 5 Program Design Consultant**

Minnesota WAP, in consult with stakeholders, has established a goal of under 5% Energy Burden for all Minnesotans. An outside consultant will be contracted to assist Minnesota in designing this user-centered innovative 21st century weatherization program that addresses deferrals, energy, and health needs of the client. As Minnesota seeks funding to support these programs, it will be important for Commerce and WAP Service Providers to be able to convey to potential funders exactly what programs the funding is being sought for – including what specifically will be done in a program, why it is important to the funder, and how much money is sought to implement each program. Contracting with an outside consultant allows Minnesota to incorporate program development and design knowledge in existence nationwide, to quickly and fully build effective programs for implementation. Work on this item will occur in advance and in conjunction with task force/study work described under Contractual Budget item a).

**c. WAP Analytics**

The Weatherization Assistance Program is a tool for goal attainment in four high-interest and high-need arenas: energy equity, health equity, job creation/development and climate change mitigation. A better understanding of the data and research in each of these arenas will allow WAP staff to better understand the cross-implications of weatherization work and better situate WAP to explore a variety of leveraged funding options.

**d. WAPLink Development**

- i. **Solar Resource Assessment Project:** In support of the statewide solar expansion, Commerce's WAPLink (formerly FACSPRO) production management software will be updated to streamline Service Providers identification and prioritization of prime solar-suitable WAP households. New WAPLink functionality will be added to the platform to incorporate solar resource information gathered under the Spring 2020 Solar Resource Assessment Project (SRAP) initiated as a remote working project during the COVID-19 shutdown.
- ii. **Fund Management:** Functionality will be added to WAPLink to assist Service Providers in utilizing, managing and tracking federal and leveraged funding. Development will include functionality to initially validate and assign the appropriate fund, at the measure level, to ensure each WAP household receives the most services possible. Service Provider's will be able to stipulate a specific fund management approach in WAPLink, and the platform will provide real-time tracking and reporting. Minnesota has ~178 utilities; this WAPLink fund management capability will simplify and lighten the heavy administrative burden the 23 WAP Service Providers currently face as they work to maximize the use of multiple utility (and other) leveraged funds in support of income-qualified Minnesotans.

**e. Leveraging Video**

As efforts to acquire non-federal leveraged funding increase, professional tools are needed to assist leveraging staff in quickly and effectively communicating with potential funders. A series of short videos are planned for use in outreach and funding discussions; covered subjects include WAP history, funding and work, remediation/home modification not included in WAP, non-energy benefits of enhancing health and safety, and WAP as a tool to meet funders' goals.

**f. Leveraging Activities by Local WAP Service Providers**

**Leveraging Activity Support Fund:** During Program Year 2020, Minnesota implemented the Leverage Assistance Support Fund (LASF), as delineated in the PY20 Leveraging Plan. The LASF provides support to local Service Providers in acquiring and implementing non-federal leveraged funding programs. Minnesota will continue to allocate funding to this budget category during Program Year 2021. The LASF will be used by WAP Service Providers to pay for staff activity researching, developing, and pursuing leveraged funding and designing, implementing, and securing programs which use leveraged funding.

The LASF allocation for each Service Provider will be variable, determined by the specific activities each Service Provider plans to undertake during PY21. Twelve of the 23 WAP Service Providers currently have staff working on PY20 Leveraging Working Groups, each focused on one of the following: 1) Healthy Homes, 2) Utility Conservation Improvement Programs, 3) Deferrals. The groups are identifying and prioritizing the top needs for which leveraging funding can be sought, delineating how those needs can be specifically addressed, and designing specific programs for use in each priority area to acquire leveraged funds and implement the programs.

**AmeriCorps volunteer program:** WAP Service Providers may choose to utilize some of the LASF to host two AmeriCorps volunteers per agency to work within the WAP/EAP programs. Each Service Provider will prioritize the work the volunteers undertake at each agency. Potential activities include client education, pre-energy audits, household eligibility determination, solar PV suitability assessment, changing light bulbs and other "weatherization-lite" activities. The goal of this program is three-fold:

1. acquire additional staff resources for WAP Service Providers to allow staff to serve additional households;
2. better serve existing WAP/EAP clients, increase the awareness of the programs amongst low-income Minnesotans, and increase enrollment;



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**WEATHERIZATION ANNUAL FILE WORKSHEET**

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3. expose volunteers to the WAP program and develop interest among volunteers in pursuing a career in weatherization thereby building the work-force pipeline to bring additional workers in to serve Minnesota WAP's low-income clients.

**IV.5 Policy Advisory Council Members**

☐ Check if an existing state council or commission serves in this category and add name below

CenterPoint Energy	Type of organization: Utility Contact Name: Carter Dedolph Phone: 6123214412 Email: <a href="mailto:carter.dedolph@centerpointenergy.com">carter.dedolph@centerpointenergy.com</a>
Citizens Utility Board	Type of organization: Non-profit (not a financial institution) Contact Name: Brian Edstrom Phone: 65130047016 Email: <a href="mailto:briane@cupminnesota.org">briane@cupminnesota.org</a>
Clean Energy Resource Teams	Type of organization: Non-profit (not a financial institution) Contact Name: Joel Haskard Phone: 6126258759 Email: <a href="mailto:haska004@umn.edu">haska004@umn.edu</a>
Energy Conservatory	Type of organization: Other Contact Name: Paul Morin Phone: 6128271117 Email: <a href="mailto:pmorin@energyconservatory.com">pmorin@energyconservatory.com</a>
Fond Du Lac Reservation Business Committee	Type of organization: Indian Tribe Contact Name: Joan Markon Phone: 2188794593 Email: <a href="mailto:joanmarkon@fdlrez.com">joanmarkon@fdlrez.com</a>
Fresh Energy	Type of organization: Non-profit (not a financial institution) Contact Name: Ben Passer Phone: 6517267567 Email: <a href="mailto:passer@fresh-energy.org">passer@fresh-energy.org</a>
Great River Energy	Type of organization: Utility Contact Name: Jeff Haase Phone: 7634456106 Email: <a href="mailto:jhaase@greenergy.com">jhaase@greenergy.com</a>
Home Performance Strategies	Type of organization: For-profit or Corporate (not a financial institution or utility) Contact Name: Kevin Brauer Phone: 6128680365 Email: <a href="mailto:kevinbrauermn@gmail.com">kevinbrauermn@gmail.com</a>
Minnesota Valley Action Council	Type of organization: Non-profit (not a financial institution) Contact Name: Kris Perendy Phone: 5073452434 Email: <a href="mailto:krisp@mnvac.org">krisp@mnvac.org</a>
Prairie Five Community Action Council, Inc.	Type of organization: Non-profit (not a financial institution) Contact Name: Laura Milbrandt Phone: 3202696578 Email: <a href="mailto:Laura.Milbrandt@prairiefive.org">Laura.Milbrandt@prairiefive.org</a>
State of Minnesota	Type of organization: Unit of State Government Contact Name: Katherine Teiken Phone: 6512967610 Email: <a href="mailto:katherine.teiken@state.mn.us">katherine.teiken@state.mn.us</a>
State of Minnesota	Type of organization: Unit of State Government Contact Name: Andrew Grewell Phone: 6514313135 Email: <a href="mailto:andrew.grewell@state.mn.us">andrew.grewell@state.mn.us</a>
State of Minnesota	Type of organization: Unit of State Government Contact Name: Michelle Gransee Phone: 6515391855 Email: <a href="mailto:michelle.gransee@state.mn.us">michelle.gransee@state.mn.us</a>

**U.S. Department of Energy  
WEATHERIZATION ASSISTANCE PROGRAM (WAP)  
WEATHERIZATION ANNUAL FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

STATE OF MINNESOTA	Type of organization: Unit of State Government Contact Name: Anthony Fryer Phone: 6515391858 Email: <a href="mailto:anthony.fryer@state.mn.us">anthony.fryer@state.mn.us</a>
United Community Action Partnership	Type of organization: Non-profit (not a financial institution) Contact Name: Jeff Gladis Phone: 50753714162136 Email: <a href="mailto:jeff.gladis@unitedcapmn.org">jeff.gladis@unitedcapmn.org</a>
Xcel Energy	Type of organization: Utility Contact Name: Ashly A. Mcfarlane Phone: 6123428967 Email: <a href="mailto:Ashly.A.Mcfarlane@xcelenergy.com">Ashly.A.Mcfarlane@xcelenergy.com</a>
Xcel Energy	Type of organization: Utility Contact Name: David Hueser Phone: 6123306581 Email: <a href="mailto:david.a.hueser@xcelenergy.com">david.a.hueser@xcelenergy.com</a>

**IV.6 State Plan Hearings (Note: attach notes and transcripts to the SF-424)**

Date Held Newspapers that publicized the hearings and the dates the notice ran

04/26/2021 On April 16, 2021, notice of two Virtual State Plan public hearings was sent to all WAP Service Providers and subscribers of the Conservation Improvement Program newsletter, which focuses on utilities (8,500+). The draft copy of the PY21 State Plan was posted on the Commerce website on April 16, 2021 and a link to the posting was included in the WAP Wire. Two Virtual Public Hearings took place on April 26 at 1:00 PM and 3:00 PM via WebEx to comply with the annual state plan hearing required in 10 CFR 440.14 and COVID-related guidance from DOE.

**IV.7 Miscellaneous**

**PY21 Annual File Content: Miscellaneous**

**American Consumer Survey Index Action Plan**

Through the 2019 American Consumer Survey Index (ACSI), MN WAP sub-grantees indicated several areas in which the Minnesota Department of Commerce Weatherization Program was exceling and showed significant increase from the PY17 survey including Fund Distribution, Awareness of efforts to serve eligible households, and Effectiveness of partnerships created to better serve clients. Commerce was gratified to see these improvements as they aligned with a number of our improvement efforts over the past several years.

In other areas, sub-grantees indicated room for improvement, including:

- Technical Assistance
- Consistency and timeliness of monitoring
- Clarity and responsiveness to Agency staff requests

Commerce has updated our ACSI Action Plan for PY21 with the intent to build on the work we have done to address the identified areas with a focus on improving program management and delivering maximum benefits to WAP clients.

Action Items	Status	Details/Next Steps
<b>Development and Implementation of WAPLink (formerly FACSPRO)</b>	In progress	Commerce continues to develop the WAPLink production management system with the aim of increasing weatherization program efficiency and efficacy. Functionality will be improved in a number of areas including efficiency of audit data gathering, fund management, and monitoring. The results will be more efficiency in audit production,

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0007928, State: MN, Program Year: 2021)

<b>Development of WAPLink Dashboard</b>	Pending	<p>improved workflow from audit to completion, fewer monitoring compliance issues, increased leveraging of funds, and closer connection between monitoring and training.</p> <p>Commerce anticipates the development, implementation, and refinement of a one-stop reporting interface within WAPLink for use by both Service Providers and Commerce in PY21. This "dashboard" will provide spending, production, monitoring and training information at-a-glance for Service Providers with the goal of increasing efficiency. Commerce intends to use this reporting functionality to compare production, spending levels, unit and health and safety averages, and blower door results. The goal of this review is to gain understanding about how each Service Provider is balancing the energy conservation demands of the weatherization program against the fiscal requirements to best serve low-income clients and then use that information to promote continuous improvement through training and technical assistance.</p>
<b>ACSI Review group</b>	Complete	<p>Commerce met with a group of subgrantees to review the 2019 ACSI results and discuss underlying issues in order to design effective solutions.</p>
<b>MWAG policy review group</b>	Completed in PY20 Ongoing for PY21	<p>The work of this group drove substantive change to the PY20 Policy Manual. The same approach is being used again to address the PY21 Policy Manual update process. Perhaps indicative of the improved relationship with Service Providers and ongoing policy conversations, very few additional items have so far come forward for consideration in PY21.</p>
<b>Increased partnerships and leveraging efforts</b>	On-going	<p>The leveraging specialist has continued to facilitate the inclusion of solar as a measure in WAP. Additionally, Commerce has maintained a focus on pre-weatherization and weatherization plus activities. Pre-weatherization helps to lower the number of deferred homes. Weatherization-plus activities allows expansion of the in-home</p>

**U.S. Department of Energy  
WEATHERIZATION ASSISTANCE PROGRAM (WAP)  
WEATHERIZATION ANNUAL FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

		measures that can be implanted.
<b>Development of Monitoring Team</b>	On-going	<p>All monitors continue to meet regularly to review monitoring reports, gain consensus on interpretation of policy, update policy guidance as needed, and update the policy manual annually. This group also works together with the training specialist to triage sub-grantee program questions and provide unified answers. In PY21, monitors will continue to build consistency and clarity in our monitoring approaches. This will primarily mean using the WAPLink reporting functionalities to achieve common understanding of Service Providers status and more tightly connect monitoring with requested and required training for Service Providers.</p>
<b>Deploy Learning Management System (LMS)</b>	Complete	<p>The Learning Management System is now a repository for required and requested training videos and resources which Service Providers can access as needed. In PY21, Commerce will continue to work to incorporate the functionality of WAPLink to tighten the link between monitoring and training resources.</p>
<b>Question of the Week</b>	Complete	<p>Commerce has implemented a weekly email to Service Providers that includes a recently asked question to increase network-wide understanding of policy.</p>
<b>Increase number of field monitors for timely response</b>	Complete	<p>Two field and one admin monitors were brought on in PY17. Commerce anticipates the addition of monitors in PY21. We will build on the training conducted in PY17 and PY18 and continue to aim for consistency and clarity in all monitoring activities.</p>
<b>In partnership with one of our sub-grantees, fund a centrally located technical training facility</b>	Complete	<p>Commerce has built a training room focused on mechanical and ventilation systems at one of our subgrantees. While utilization has been curtailed due to COVID-19 conditions, Commerce is hopeful that utilization will increase in the future.</p>
<b>Provide FACSPRO training to sub-grantees in multiple locations (FACSPRO is a</b>		<p>Work in PY20 focused on incorporating the WA energy modeling functionality and continued</p>

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**WEATHERIZATION ANNUAL FILE WORKSHEET**

(Grant Number: EE0007928, State: MN, Program Year: 2021)

<b>software program used for both financial reporting and interface with Weatherization Assistance)</b>	Complete	development of the field data collection tool. See information above on WAPLink for more information.
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**Recipient Business Officer:**

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**Recipient Principal Investigator:**

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Prefix:	Mr.	
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**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

**V.1 Eligibility**

**V.1.1 Approach to Determining Client Eligibility**

Provide a description of the definition of income used to determine eligibility

The Minnesota Department of Commerce (Commerce) uses a combined LIHEAP/WAP application to determine eligibility for both the Energy Assistance (LIHEAP) and Weatherization Assistance Programs (WAP). For the purpose of this application, income is defined as all income and all money received by each household member. This includes:

- Wages
- Minnesota Family Investment Program, Diversionary Work Program, General Assistance
- Spousal Support or Alimony
- Disability Payments, Veteran's Benefits, Workers' Compensation, Social Security, RSDI and SSI
- Unemployment Compensation
- Self Employed, Farm, and Rental Income
- Interest, Dividend
- Retirement Income
- Pensions and Annuities
- Tribal Bonus, Judgments or Per Capita Payments

Describe what household eligibility basis will be used in the Program

A dwelling unit is eligible for Weatherization services if it is occupied by a household whose income is at or below 200% of Federal Poverty Income Guidelines, or is eligible for assistance under the LIHEAP income limit of 60% of State Median Income, whichever is greater, as allowed by 10 CFR 440.22 and required under Minnesota 2009 Session Laws, Chapter 138, Article 2, Subd. 4.

Households in which one or more members have received payment under Title IV or XVI of the Social Security Act during the preceding 12 months are also eligible.

Households with both ineligible household members and eligible household members may apply for weatherization services to benefit the eligible household members. All household income (including income from ineligible household members) must be considered when determining eligibility. When determining level of benefits, income of ineligible household members must be excluded. Ineligible household members may apply for weatherization services to benefit eligible household children, providing that SSN and proper documentation is provided at the time of application.

In all cases, eligibility is determined by the eHEAT software system, a tool developed by Minnesota's LIHEAP program with input from WAP staff. The eHEAT system determines income eligibility and centralizes payments to utility companies.

The eHEAT system also identifies individuals that do not qualify for LIHEAP but are eligible for WAP. For individuals that choose not to apply for LIHEAP, the application and eHEAT process is used to determine eligibility for WAP services.

All application eligibility expires 12 months from certification date if work on dwelling unit (energy audit) has not been initiated.

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

As noted the Minnesota Department of Commerce (Commerce) uses a combined LIHEAP/WAP application to determine eligibility for both the Energy Assistance (LIHEAP) and Weatherization Assistance Programs (WAP). All potential recipients of WAP services are asked to provide information that ensures they are eligible as described. Per Energy Assistance Program Policy Manual FF21 produced by the Minnesota Energy Assistance Program, qualified aliens may provide an alternative to a Social Security number to meet this requirement.

[FFY21 EAP Policy Manual \(mn.gov\)](#)

**V.1.2 Approach to Determining Building Eligibility**

Procedures to determine that units weatherized have eligibility documentation

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

When occupied by an eligible household, the following dwellings are eligible for weatherization, whether owner-occupied or rental properties:

- Single Family Homes;
- Mobile Homes/Manufactured Homes;
- Multifamily buildings containing 2 or more units;
- Townhomes (treated as individual single-family dwellings provided there is a physical separation between each townhome's thermal barrier, air pressure boundary, mechanical systems, and individually metered units).

**Owner Occupied Dwellings - Proof of Ownership**

Service Providers must verify home ownership and add proof of ownership to the household file for owner-occupied households. Proof of ownership ensures that proper authorization is obtained prior to weatherizing a dwelling.

Proof of ownership documentation includes:

- Property tax statements;
- Mortgage statements;
- Contract for deeds recorded with the county;
- Quit claim deeds recorded with the county;
- Online or written information from a county recorder or assessor;
- Official county receipt for transfer of title;
- Ownership validation from a tribal government;
- Other documentation pre-approved by Commerce.

Mobile/manufactured homes may be owned either as personal property or real property. If the mobile home is titled through Driver and Vehicle Services, it is considered personal property and the Certificate of Title issued by Driver and Vehicle Services serves as proof of home ownership. If the mobile home title was surrendered to the county, then the home is considered real property and documentation of ownership would be the same as for other non-mobile homes.

**Rental Dwelling Income Documentation Requirements**

**Single-Family Rental Requirements:** a single-family dwelling (one unit) must be occupied by an eligible household prior to the start of any weatherization activities. Household eligibility is determined through review of household-supplied information contained in eHEAT as described earlier.

**Multifamily Rental Requirements:** Service Providers may weatherize multifamily buildings containing two or more units. Weatherization is designed to occur on the whole building in a systems approach. A single unit within a multi-unit building may not be weatherized.

Eligibility for each building in a multi-family complex of buildings is determined separately. For a multifamily building to be eligible for weatherization services, at least 66% of the building units (50% for duplexes and fourplexes and "certain eligible types of large multifamily buildings" as referenced in WPN 16-5) must meet one of the following:

- Have income-eligible households in the dwelling units, or;
- Will have income-eligible households in the dwelling units within 180 days under a Federal/State program for rehabilitating the building.

Prior to being accepted into the Weatherization program, multi-family buildings are checked against household eligibility requirements, and the expenditure limits for Weatherization work in the building are verified. Minnesota uses the HUD self-certification process when appropriate and otherwise uses the percentage eligibility rule given above.

Rented townhomes with complete separation between the building units' thermal barriers, air pressure boundaries, mechanical systems, and with individually metered units may be treated either as individual units, or, if eligibility is met, as a multifamily building.

**Describe Reweathering compliance**

Minnesota maintains a centralized previously weatherized list in the WAPLink (formerly FACSPRO) production management software used by both Commerce and Service Providers. This centralized list captures all homes previously weatherized using DOE funds in Minnesota and is based on the historical previously weatherized lists of all active and past Service Providers. Service Providers verify previously weatherized status via the WAPLink software to ensure current eligibility prior to undertaking Weatherization work on the home. DOE-funded weatherized Households will be added to WAPLink as Weatherization work is completed.

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

With the new reweatherization guidance from DOE, Commerce will adjust procedures accordingly. Specifically, WAPLink will be programmed to address the new rolling 15-year time frame by allowing only qualified homes to progress through the weatherization process.

Commerce will also track previously weatherized houses completed by HUD, HHS and USDA per the forthcoming DOE guidance.

Describe what structures are eligible for weatherization

Structures that are eligible for weatherization include single family, manufactured homes, and multi-family buildings. Minnesota has approved audits for single family (2021), manufactured homes (2021), and multifamily buildings (2019). Non-traditional dwelling types such as shelters and mixed-use buildings may be allowed but must be reviewed and approved by Commerce prior to weatherization to ensure that the dwelling meets program regulations. If deemed necessary, Commerce will seek approval from the USDOE Project Officer for the weatherization of a non-traditional dwelling. Single family structures must be occupied prior to weatherization.

Service Providers are required to complete a State Historic Preservation (SHPO) review for all dwellings prior to the commencement of any weatherization activity. Minnesota's SHPO Programmatic Agreement (PA) was extended until 12/31/2025. Compliance monitoring includes verification of SHPO review and previously weatherization status in sampled household files.

Describe how Rental Units/Multifamily Buildings will be addressed

Rental dwellings have equal access to WAP services as owner-occupied dwellings with household eligibility determined through eHEAT as described above. Moving into PY21 and the expanded use of the WAPLink software, Commerce will have additional capability to monitor in real time the number of renters and owner households served.

Per 10 CFR 440.22, Service Providers may weatherize rental properties where tenants do not directly pay heating bills, provided the benefits of weatherization accrue primarily to the income eligible tenant(s). In those cases, landlords must provide detailed justification to Service Providers indicating how benefits of weatherization will accrue to tenants.

Examples of accrual of benefits to tenants who do not directly pay heating bills include, but are not limited to:

- Investment of the energy savings from weatherization work in specific health and safety improvements with measurable benefits to tenants,
- Longer term preservation of the property as affordable housing,
- Investment of the energy savings in facilities or services that offer measurable and direct benefits to tenants,
- Improvements to heat or water distribution and ventilation to improve the comfort of residents,
- Continuation of protection against rent increased beyond the local written agreements required under WAP regulations (10 CFR 440.22), and
- Establishment of a shared savings program.

Once deemed sufficient by the Service Provider, Commerce approval is required prior to beginning weatherization work.

Service Providers and landlords are required to sign a Landlord Agreement prior to the start of weatherization work which must contain several elements :

- The Landlord Agreement must contain written permission of the building owner (or agent) for Weatherization service personnel to undertake weatherization work on the building.
- The Landlord Agreement must state that rent on WAP weatherized properties (those using USDOE funds) cannot be increased because of the increased property value associated with the weatherization work. This agreement is required to be in force to cover "a reasonable period of time after weatherization work has been completed."
- Landlord agreements must contain language that no undue or excessive enhancement shall occur to the value of the dwelling unit being weatherized.
- Tenants may file complaints to Service Providers, Commerce, or both if concerns arise over the agreed upon terms of the Landlord Agreement. Landlords, in response to such complaints, shall demonstrate that the rent increase concerned is related to matters other than the weatherization work performed.

During Annual Administrative Monitoring, Commerce confirms that each Service Providers has a Landlord Agreement in place and that it is in compliance with Minnesota WAP Policy.

Minnesota requires the landlord to financially contribute to the weatherization of a multi-family property with five or more dwelling units, except in cases where the landlord also qualifies for weatherization services. Service Providers have discretion in setting the level of contribution.



**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

Local Service Providers may choose to require a landlord contribution when weatherizing rental properties containing 2-4 units. Landlord participation may be used to buy-down an SIR.

Landlord contributions for single family dwellings may not be required but can be accepted.

In Minnesota, duplexes and fourplexes are eligible for weatherization services if at least 50% of the building units meet one of the following:

- Have income-eligible households in the dwelling units, or;
- Will have income-eligible households in the dwelling units within 180 days under a Federal/State program for rehabilitating the building.

**Describe the deferral Process**

There are conditions or situations when an eligible dwelling unit should not be immediately weatherized, but rather deferred until unacceptable conditions are mitigated. A deferral determination may be made during the eligibility process, during the audit, or after weatherization work has begun.

Service Providers may elect to defer a home from receiving weatherization services when health and safety hazards exist for the staff, contractors or clients, or when conditions exist in the home which cannot be addressed by WAP and which prevent the safe and effective implementation of weatherization measures. Weatherization work will be postponed until the problems are resolved or alternative resources are found to address the hazards.

Service Providers are expected to pursue reasonable options on behalf of the dwelling owner and to use good judgment in dealing with difficult situations. Service Providers shall not defer service without pursuing other options and identifying other resources to address the identified hazards. Whenever appropriate, educational information on how to address the hazard shall be shared with the occupant. If corrections are made to the deferred dwelling and the corrections eliminate the issue that led to the deferral, the Service Provider may proceed with weatherization so long as the household's EAP application is current and approved. Beginning in PY21, information about deferred dwellings will be tracked in WAPLink.

Conditions where Service Providers must not use DOE funds to weatherize dwellings include:

- The dwelling was weatherized less than 15 years prior to the current date;
- The dwelling is scheduled for demolition;
- The condition of the structure would make weatherization impossible or impractical (e.g. inability to meet SWS).

Other deferral situations may arise as the result of a review and judgement made by the Service Provider. Examples where the deferral may occur, depending on the Service Provider assessment, include, but are not limited to:

- The dwelling is in the process of being sold;
- The dwelling is in the process of being remodeled;
- The owners have refused cost effective measures determined by the energy modeling software tool. Service Providers must then defer that dwelling per WPN 19-4 attachment 8 unless approval from Commerce is requested and approved;
- The building structure or its mechanical systems (including electrical and plumbing), are in such a state of disrepair that failure is imminent, and the conditions cannot be resolved cost-effectively;
- The house has sewage or other sanitary problems that would further endanger the client and or weatherization installers if weatherization work were performed;
- The house has been condemned or a major household system (electrical, heating, plumbing, or other equipment) has been "red tagged" by a local or state building official or a utility, and the unacceptable conditions cannot be resolved with WAP funds;
- The dwelling has severe moisture problems that cannot be resolved under existing health and safety measures and with minor repairs;
- The dwelling has dangerously high carbon monoxide levels in combustion appliances that cannot be resolved under existing health and safety measures;
- The extent and condition of lead-based paint in the house would potentially create further health and safety hazards;
- The energy auditor determines a condition(s) exists which may endanger the health or safety of the work crew or subcontractor, requiring that the work not proceed until the unsafe condition is corrected;
- The client has a known health condition(s) that prohibits the installation of insulation and other weatherization materials;
- Dwellings which contain vermiculite insulation, as all vermiculite insulation is assumed to contain asbestos.
- The cost to weatherize a home is so significant that it will negatively impact the Service Provider's ability to meet the state-wide average cost per dwelling. Commerce must be notified in writing prior to deferring a dwelling for this reason.

Service Providers may also defer households for the reasons below. In these cases, Service Providers must issue, in a timely manner, written notification to the client. Client signatures on a deferral form are not required in cases where Service Provider staff feel threatened or unsafe. In these cases, notification by certified mail is recommended.

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

- The presence or use of any controlled substance is evident or observed by auditors, inspectors, contractors, crews, or anyone else who must work on or visit the home;
- The client is uncooperative, abusive, or threatening to the crew, subcontractors, auditors, inspectors, or others who must work on or visit the house.
- In cases where an individual client feels a deferral is unfairly determined, the client may appeal a decision to defer.

Additional information about deferral process can be found in the Minnesota Weatherization Assistance Policy Manual Section 3.8 (Policy Manual attached).

Commerce provides Service Providers with a deferral catalog template through WAPLink. In this way information about the causes of deferrals are tracked and frequency of causes can be determined and inform leveraging work (See Leveraging Plan, re: Pre-Weatherization).

### V.1.3 Definition of Children

Definition of children (below age): **19**

### V.1.4 Approach to Tribal Organizations

☐ Recommend tribal organization(s) be treated as local applicant?

If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

All eligible households, including those with Native American Indian members, are served equally without regard to race, color, national origin, gender, or religion. The Minnesota Weatherization Assistance Program contracts directly with three of Minnesota's tribal nations. Tribal sub-grantees for the Minnesota WAP program are Fond du Lac Reservation Business Council, White Earth Reservation Tribal Council, and the Mille Lacs Band of Ojibwe. The other five tribal nations within Minnesota are served by the WAP Service Providers who serve the closest geographic territory to tribal lands.

### V.2 Selection of Areas to Be Served

Minnesota serves all 87 counties in the state and provides equal access to WAP services for all eligible households. The Minnesota Weatherization Assistance Program serves these 87 counties via a network of 23 Service Providers. Service Providers are either Community Action Partners, Tribal Nations, Counties, or other non-profit organizations.

### V.3 Priorities

As required by federal regulation, Minnesota WAP prioritizes households which contain:

- Children under 19;
- Persons with disabilities;
- Elderly persons;
- A high-energy burden;
- High-energy use.

On an annual basis, WAP staff work with LIHEAP staff to determine thresholds for high energy use and high energy burden. In PY20, Commerce updated the high energy burden priority to use the median energy burden for all low-income Minnesota households from the American Communities Survey data from 2016 that was made available through the LEAD tool.

Service Providers set the order of priorities to determine which households to weatherize first and may elect to use a combination of priorities to best serve the eligible population in their service territory. Service Providers may also choose to queue waiting households within a prioritization category based on the length of time since the EAP/WAP application approval date. Service Providers are required to have a documented policy for their prioritization system and they must not discriminate due to housing type.

High energy use households, especially those without secondary heat sources, may be prioritized by a Service Provider when an energy crisis is anticipated or in the year following an energy crisis, especially for households using high-cost fuels such as propane.

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

Service Providers use WAPLink to communicate to Commerce the household prioritization criteria implemented and then to select from eligible applicants in their Service Area based on the prioritization system they have documented. Commerce staff monitor for performance against goals during the annual Administrative Monitoring visit.

#### V.4 Climatic Conditions

Minnesota has a continental type climate, subject to frequent outbreaks of continental polar air during the cold season and periods of prolonged heating during summer, particularly in the southern portion of Minnesota. Mean annual temperatures range from 37.4 ° F in the extreme north to 48.85 ° F along the Mississippi River in the southeast. State temperature extremes range from -60 to 114° F. Monthly mean temperatures vary from 85° F in the southwest to -11° F in the northwest. Mean temperatures during January in the northern portions of the State average near 4° F.

Minnesota is located in International Energy Conservation Code Climate Zones 6 and 7. Minnesota uses the Weatherization Assistant API and adjusts for client's specific climatic conditions and fuel costs as appropriate. Average Heating Degree days in Minnesota range from 7,340 to 10,269.

(Sources: National Weather Service and Minnesota Department of Natural Resources)

#### V.5 Type of Weatherization Work to Be Done

##### V.5.1 Technical Guides and Materials

All weatherization work in Minnesota is performed in accordance with DOE-approved procedures, including the appropriate DOE-approved energy audit (single family, multifamily, or mobile home), The Minnesota WAP Policy Manual, 10 CFR 440 Appendix A, and the Standard Work Specifications (SWS). The Minnesota SWS aligned Field Guide ([https://wxfieldguide.com/mn/MNWxFg\\_2018\\_SWS\\_web.pdf](https://wxfieldguide.com/mn/MNWxFg_2018_SWS_web.pdf)), which contains information about audits/testing, installation of energy conservation, health and safety and incidental repair measures, and final inspections, and the Minnesota SWS Variances (<http://mn.gov/commerce-stat/pdfs/doe-approved-sws-variances.pdf>) were updated and reapproved by DOE in August of 2018. Both went into effect January 17, 2019. A multifamily field guide based on NREL's Multifamily SWS also was approved by DOE in August 2018 and went into effect January 17, 2019.

All sub-grantee Service Provider contracts contain the following language confirming the receipt of, and conformance with, all applicable USDOE WPNs and Memoranda, the MN WAP State Plan, the MN WAP Policy Manual, and the MN WAP Field Guide including the SWS for single family, multifamily and mobile homes.

“The Grantee will perform work and expend funds within the above timeframes. Work must be performed in full accordance and to the quality of the specifications outlined in the following: The Minnesota WAP Policy Manual, Minnesota WAP Weatherization Field Guide, for single family, multifamily and mobile homes, the Standard Work Specifications (SWS), and Minnesota's DOE Approved SWS Variances.”

PY20 Minnesota WAP Sub-grantee contracts

Sub-grantees have access to the WAP Policy Manual, Field Guide, and a number of other documents and information resources at the provider-facing weatherization site located here: [Weatherization Assistance Providers / Minnesota.gov \(mn.gov\)](https://weatherizationassistanceproviders.com/minnesota.gov). In signing the contract, sub-grantees confirm that they have read and acknowledged the expectations for work quality as outlined in the contract. Additional information on all standards is available through training opportunities and through technical assistance received during monitoring or by sending an email to the weatherization in-box seeking technical guidance.

Service Providers are required to include similar language in their contracts with contractors who perform work for WAP. MN WAP Policy Manual Section 7.4.3 requires:

1. There is written agreement with all contractors specifying the terms and conditions under which work will be performed, including consequences for non-compliance or underperformance
2. Contracts confirm terms, conditions, and specification of the agreement.
3. Contractors complete work that is in accordance with the policies in this manual.

In compliance with UD DOE's Weatherization Program Notice (WPN) 15-4, Service Providers must provide contractors with technical requirements for field work including the Minnesota Weatherization SWS Field Guide.

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

These contracts include acknowledgement that their contractors have read and acknowledged the expectations for work quality including the Minnesota WAP Policy Manual, Minnesota WAP Weatherization Field Guide for single family, multifamily and mobile homes, the Standard Work Specifications (SWS), and Minnesota's DOE Approved SWS Variances. Contractor signatures on the contract indicate receipt of the relevant documents and agreement to conduct weatherization work to the indicated standard. Dependent on the individual Service Provider, these are provided as hard copies or web links. Administrative monitors review contracts for compliance. Field monitors, through monitoring inspections, confirm conformance with the SWS.

Minnesota does not conduct any weatherization activities not listed in Section 2.8 of WPN 20-1.

The following materials are approved for use and not in Appendix A of CFR 440:

- LED lighting approved by DOE 4/8/2016
- Refrigerators 7/9/2019
- Spray foam as an insulation material 9/4/2018
- Solar photovoltaics (PV) as a pilot 9/5/2019
- Domestic hot water (DHW) heater replacements 7/9/2019
- Grantee-administered fuel switching authority 2/10/2016
- NEAT/MHEA ECM lifetimes 3/20/2019.

Field guide types approval dates

Single-Family: 8/27/2018
Manufactured Housing: 8/27/2018
Multi-Family: 8/27/2018

### V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Audit Procedure: Single-Family
Audit Name: NEAT
Approval Date:

Audit Procedure: Manufactured Housing
Audit Name: MHEA
Approval Date:

Audit Procedure: Multi-Family
Audit Name: EA-QUIP
Approval Date: 7/3/2019

Comments

All dwellings scheduled for weatherization must have a comprehensive energy audit that treats the dwelling as a whole system. Commerce has received approval from the Department of Energy to use the current version of Weatherization Assistant (v. 8.11.0.1) through 2026.

In PY21, Commerce will shift Service Providers from using the native computer versions of NEAT and MHEA to a production management software entitled WAPLink. WAPLink will use the online Weatherization Assistant Application Program Interface to generate the energy conservation measures for installation in low-income households.

Weatherization measures for a dwelling are considered cost effective if the Savings to Investment Ratio (SIR) is 1 or greater for each measure and for the job as

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

a whole. In addition to DOE approved conservation measures, Minnesota WAP Service Providers also install health and safety and general (incidental) repair measures as dictated by the audit on each dwelling. Minnesota also uses WA for multifamily audits of all buildings up to four units and up to twelve units for specific building types.

Commerce has already implemented the budget and fiscal reporting components of WAPLink (formerly known as FACSPRO) and will roll out the energy audit and work order functions effective July 1. Additional fund management and weatherization monitoring features will roll-out over the course of PY21. Additional steps and milestone are highlighted in the table below.

April 2021

Planning Session with each Service Provider on Training Plan for WAPLink

May 2021

Biweekly Meetings with Individual Service Providers to provide training and technical assistance on new Software and to help plan for roll-out

June 2021

Meetings with Individual Service Providers to provide training and technical assistance on new Software

July 1, 2021

Launch WAPLink production management software (using the on-line WA API)

July 2021

User Triage Sessions/Troubleshooting

August-June 2022

Develop and implement additional functionality including fund management parameters and Dashboard visualization.

**V.5.3 Final Inspection**

The Minnesota Weatherization Policy Manual specifies the activities and tests that must be completed in a final inspection and the process for rework should the need arise (MN WAP Policy Manual 4.6). Final inspections on weatherized homes are conducted to confirm that all work was done to the SWS standards and in a workman-like and professional manner. Dwelling units may not be reported as complete until all work passes a final inspection and all required signatures are obtained on the required forms. Each Service Provider or its authorized representative is required to use a certified Quality Control Inspector (QCI) who is in good standing with the Building Performance Institute to conduct all final inspection of all dwelling units. The QCI may oversee and signoff on final inspection duties conducted by non-QCI certified staff related to NEAT data entry, fiscal entry, etc.

At the beginning of each program year, Service Providers will provide Commerce the names and BPI certification numbers of the QCIs they intend to use for final inspections. Commerce will maintain a current list of QCIs to ensure that adequate numbers are available to inspect all jobs statewide.

Commerce uses monitoring forms that are provided to Service Providers prior to monitoring visits (attached). These forms are structured to ensure compliance with the work quality requirements outlined in WPN 15-4 Section 1.

Service Providers will provide QCI certified inspections according to the following protocol:

Independent QCI: A final inspection on every home will be conducted by a QCI who was not involved in the weatherization work on the home, either as the auditor or as a member of the crew. State field monitoring will be done through Commerce by a certified QCI. Commerce will conduct field monitoring visits of at least five percent of all completed units.

Commerce also conducts desk monitoring of to ensure that QCIs are performing final inspections.

QCI Shortage: To meet production goals in a timely manner, Service Providers are responsible for maintaining staff and/or contractual relationships with QCI

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

certified inspectors. In the case of a shortage of QCI certified inspectors in the service territory, Commerce may choose to allow the following, in accordance with WPN 15-4, Section 3:

The QCI certified auditor performs the audit and the final quality control inspection. The auditor is not involved in any of the actual work on the home. In this case, a Commerce certified QCI or DOE approved representative will perform quality assurance reviews of at least 10 percent of all completed units as this model does not allow for an independent review of the audit on every home.

Additionally, the Service Provider will be required to develop and submit a quality assurance plan to ensure that the individual who is functioning as both the auditor and the quality control inspector is able to consistently perform both tasks. Commerce may choose to reduce the respective Service Provider Training and Technical Assistance allocation to cover the expense of increased monitoring.

Disciplinary Actions: If a QCI is found to be negligent, either through repeat findings or gross negligence in their duties, Commerce, with or without the support of a Service Provider, may institute the following:

1. Additional training
2. Temporary suspension (e.g. six months)
3. Permanent suspension and written notification to BPI

#### **V.6 Weatherization Analysis of Effectiveness**

##### Realized energy savings studies

Commerce is not currently participating in any realized energy savings studies. Because Minnesota has over 200 utilities, bill analysis and comparison is not a feasible strategy for understanding weatherization's effectiveness.

##### How is the effectiveness of Service Provider weatherization assessed?

Commerce conducts both administrative and field monitoring, periodic desk reviews, and analysis of each Service Provider. These assessments of effectiveness are conducted through a number of methods: an administrative monitoring tool completed by the Service Provider and reviewed by Commerce staff prior to monitoring, interviews with WAP staff (coordinators, fiscal staff, energy auditors, final inspectors, crews and contractors), onsite visits to homes that have received WAP services, regular desk monitoring of Service Provider production and spending statuses, and extensive use of over 40 different reports incorporated into the WAPLink production management software (using the Weatherization Assistant API). Commerce performs monthly desk monitoring that includes 14 of these reports.

In PY21, Commerce will begin development of a one-stop reporting interface using the WAPLink software. While providing spending and production information at-a-glance for Service Providers, this "dashboard" will also be designed to give Commerce network level information. Specifically, Commerce intends to use this reporting interface to compare production, spending levels, unit and health and safety averages, and blower door results. Additionally, monitoring findings, their status, resolution, and make connections with recommended or required training will be incorporated. The goal of reviewing this information is to gain understanding about how each Service Provider is balancing the energy conservation demands of the weatherization program against the fiscal requirements to best serve low-income clients and then use that information to promote continuous improvement through training and technical assistance.

##### How are training needs being assessed and how are comparisons used in the development of T&TA activities and priorities?

Training needs are assessed in a number of ways. Commerce conducts surveys with all Service Providers on their anticipated training needs at least twice each year. Commerce also conducts a risk assessment of each Service Provider annually as part of the contracting process which identifies areas of concern and informs the number and type of trainings offered.

In addition, Commerce WAP staff and the Program Supervisor meet weekly to discuss monitoring visits and reports, technical issues, and T&TA needs. The staff also gathers feedback from Service Providers through email, phone, and regular meetings of the MN Weatherization Advisory Group (MWAG).

As noted, Commerce will develop and implement a reporting interface in PY21. The centralization and visualization of the various inputs noted above will give Commerce the ability to formalize the analysis of Service Providers and use that information to promote continuous improvement through training and technical assistance. As the reporting capabilities are built out, connections will be made directly with monitoring outputs and then with training or technical assistance responses.

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

(Grant Number: EE0007928, State: MN, Program Year: 2021)

If Commerce determines a Service Provider is not meeting goals, additional monitoring may take place in conjunction with responsive trainings to address barriers. As themes emerge, comprehensive trainings will also be scheduled. All T&TA activities are outlined in section V.8.4.

How is the Grantee incorporating monitoring feedback?

In PY19, Minnesota hosted a DOE technical monitoring visit and continues to implement two key items from that visit: improvement to monitoring processes and identifying specific and relevant trainings and technical assistance opportunities for subgrantees.

Specifically, in the last year, the technical monitoring process has been updated to include review of individual audits, Service Provider audit libraries, and audit inputs.

It was also Commerce's intent to have field monitors use a combination of observing the Service Provider staff conduct diagnostics tests in the houses monitored and conducting the tests themselves with the goal of independently verifying numbers. However, this change has been delayed in deference to COVID-19 safety protocols. Commerce will continue to weigh the safety of our clients with implementing this item.

Minnesota has also and will continue to incorporate the DOE feedback to implement specific training and technical assistance opportunities. While more detail is provided in the Training and Technical Assistance Plan, these opportunities include energy audit review, library update process and timing, ASHRAE ventilation measurements and calculations, and contractor training on use of the field guide and Standard Work Specifications.

Commerce will also implement the reporting interface described earlier as a method for tying training and technical assistance more tightly with monitoring, quality workmanship, and program effectiveness.

What is the Grantee doing to be on a path of continuous improvement?

In addition to incorporating DOE Monitoring Feedback as outlined, Minnesota incorporates feedback from its Service Provider network as well as review of subgrantee performance.

Minnesota receives feedback from the subgrantee network in two ways. Our service provider network meets regularly as the Minnesota Weatherization Advisory Group (MWAG). The co-chairs of MWAG, leads these meetings, gathers feedback from members and funnels that feedback to the Program Supervisor. To close the feedback loop, the Program Supervisor is given the opportunity to address MWAG to respond to feedback or gather additional information as necessary.

Minnesota also gathers information through DOE's American Customer Satisfaction Index. This feedback is reviewed with the weatherization staff and consideration is given as to how specific items can be improved. Past impacts have included network input on policy development and improved clarity and communication in monitoring activities.

At the conclusion of the program year, Commerce will also review the full scope of monitoring issues encountered by the administrative and field monitors. Where trends or consistent issues are identified, consideration will be given to the appropriate response which may include communication pieces, individualized technical assistance, or formal training. This review may also instigate additional focus in monitoring or additional resources for monitors to provide as technical assistance during visits.

How is the Grantee tracking Service Provider performance reviews?

Commerce utilizes a monitoring module within WAPLink (formerly FACSPPro) to document issues found through local Service Provider field monitoring visits. The module generates a report that includes required corrections for each household monitored along with a cover letter and summary of observations, compliance issues, and findings. Monitoring reports for all monitoring visits are sent to Service Providers within thirty days, on average, of the monitoring visit. Service Providers make corrections and upload any additional documents in WAPLink within an additional thirty days. Commerce staff then review and either close the issue or ask for additional action. Monitoring reports are stored in WAPLink and are accessible to Service Providers and Commerce weatherization staff.

Commerce anticipates that administrative monitoring will be incorporated in to the WAPLink software in PY21 and managed in the same manner: monitors generate reports based on their visits including corrective steps required, responses are tracked and issues are either resolved or further information or action is requested.

Commerce anticipates being able to connect the monitoring results directly with required or recommended training or technical assistance during generation of the monitoring report.

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

(Grant Number: EE0007928, State: MN, Program Year: 2021)

If a Service Provider has failed final inspections, how are things improving?

In cases where final inspections have failed, Service Providers require reworks and callbacks of contractors or crews, as appropriate. In addition, technical assistance is offered to individual Service Providers as needed and at times, required. All final inspections are conducted by a certified Quality Control Inspector.

If a Service Provider has management findings or concerns cited as a result of Grantee monitoring or audit proceedings, how are things improving?

Commerce continues to develop and offer trainings to address monitoring issues. Greater emphasis has been placed on sharing best practices among Service Providers. Past findings are reviewed prior to each monitoring visit. Major monitoring findings or concerns are followed up on until resolution is verified.

In addition, WAP staff work closely with LIHEAP and Minnesota Department of Human Services staff to identify any systematic issues, with consistency and resolution.

Commerce's fiscal division reviews third party single audits for all Service Providers. Management decision letters are issued to any Service Provider if the audit indicates findings related to WAP or crosscutting findings that affect the management of WAP. Audit findings or the resolution of prior audit findings could potentially impact future WAP awards to a local Service Provider.

What are the management mechanisms being put in place this year to affect improvement?

The most significant adjustment anticipated for PY21 is the full implementation of WAPLink and the reporting functionality which allows Commerce staff to better analyze information regarding our Service Providers.

Shifts in internal staffing are also anticipated in PY21. In addition to structural changes in PY19 and PY20 which shifted some responsibilities, this program year anticipates the addition of monitors and the enhancement of accompanying structures to efficiently address the continuous improvements needs of the Minnesota Weatherization Network.

Are there technical and financial systems that have been reviewed?

The development and implementation of WAPLink is solely dedicated to adding efficiency and effectiveness to weatherization work in Minnesota.

Commerce has already used the FACSPRO system (first iteration of WAPLink) to streamline many fiscal, administrative, and technical aspects of the program for both Commerce and Service Provider staff.

What has the Grantee done in the area of market analysis to ensure particular measures are being costed accurately?

Commerce does not conduct market research as a means of evaluating cost accuracy, rather this evaluation is completed through the monitoring process. Monitors evaluate measure costs for each Service Provider and compares them to similar measure costs seen over the same period statewide.

**V.7 Health and Safety**

Minnesota's Health and Safety Plan is a separate attachment to SF-424.

**V.8 Program Management**

**V.8.1 Overview and Organization**

The Minnesota Department of Commerce (Commerce) serves as the statewide administrator of Minnesota's Weatherization Assistance Program (WAP). Commerce's Division of Energy Resources includes not only WAP but also the State Energy Program (SEP), Low Income Energy Assistance Program (LIHEAP), and the Conservation Improvement Program (CIP), as well as other energy regulatory departments. Placement of WAP in close proximity to these



**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

programs (especially LIHEAP and CIP) provides the best opportunities for coordination of programs affecting low-income households.

In addition to USDOE funds, Commerce manages LIHEAP and Propane funds for weatherization. USDOE funds are governed by the WAP State Plan. LIHEAP funds are governed by the LIHEAP State Plan and Propane funds are governed by relevant Minnesota statute.

WAP staffing within Commerce consists of a program supervisor, a leveraging specialist, two administrative monitors, three field monitors, and a training and technical assistance principal. The Weatherization team is overseen by the SEO Director within Commerce. Details about these and other positions supporting WAP can be found in the budget.

Commerce anticipates the addition of several positions during this program year including field monitors, an administrative monitor, a training specialist, and an analyst/program management specialist.

Commerce annually contracts for program delivery activities with twenty-three local Service Providers. These Service Providers include Community Action Agencies, tribal nations, a private non-profit agency, and a community development authority.

**V.8.2 Administrative Expenditure Limits**

With the reauthorization of WAP and the increase of administrative funds to 15% of the grant, Commerce will also adjust the amount of administrative funds to Service Providers. In PY21 Commerce will retain 5.25% of USDOE Program Year funds for statewide program administration. The remaining 9.75% will be allocated to subgrantees by the allocation formula.

Subgrantees who receive less than \$350,000 in USDOE funds receive up to an additional 5% for administrative purposes. The additional funds will come from subgrantees' program allocation and will be inversely pro-rated according to the amount of USDOE funds received. The higher a subgrantee allocation, the less the subgrantee will receive in additional administrative dollars. The pro-rated formula percent decreases at a rate of 0.5% per \$25,000 until the allocation reaches \$350,000.

**V.8.3 Monitoring Activities**

The overall goals of monitoring are to ensure compliance with federal and state rules and policies and establish the efficiency, quality, and effectiveness of Service Provider operations. An additional goal is to identify and correct issues that have the potential to cause major program deficiencies.

Staff with responsibility for monitoring include: the Energy Equity Programs Supervisor, the training and technical assistance principal, and field (4) and administrative (2) monitors. All field monitors and the training and technical assistance principal are QCI Certified. Because work with Service Providers has a broader focus than just compliance, TTA dollars support activities in this area. 35% of all admin/TTA funds are allocated for monitoring activities.

Monitoring strategies include the following:

Weatherization In-box: Service Providers are encouraged to submit weatherization program or policy questions to Commerce staff via a group email box. Responding to these questions from Service Providers serves two monitoring purposes: reduction in the number of monitoring compliance issues and documentation of technical assistance responses for consistency.

Desk monitoring: Desk monitoring includes ongoing review of monthly programmatic and fiscal data submitted by Service Providers. Examples of reviewed data include number of units completed, number of units in progress, estimated and final cost data by measure and by job, mechanical test results, and blower door readings. Fiscal data is also reviewed and includes Service Provider monthly expenses and cash requests as well as allocations.

Fiscal review also includes audit review and financial reconciliation. Each Service Provider is required to submit their annual single audit no more than nine months after the conclusion of the agency's fiscal year. Commerce's Senior Accounting Officer reviews the audits for any internal control issues, crosscutting findings, or management issues. If there are any findings for Federal Programs the Senior Accounting Officer sends the Service Provider a management decision letter that outlines the findings from the audit report and requests follow up. If Commerce is the cognizant agency, this management decision letter is also submitted to the other Federal funding agencies.

Administrative Monitoring: Administrative Monitoring takes place to document local Service Providers' program management, internal controls, and administrative capacity to deliver WAP services.

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

Field Monitoring: All Commerce field inspections are conducted by a certified Quality Control Inspector who ensures compliance with the Standard Work Specifications.

In PY21, Commerce will begin using the WAPLink software to manage monitoring by incorporating monitoring findings, their status, resolution, and recommended or required training. The goal is to gain understanding how each Service Provider is balancing the energy conservation demands of the weatherization program against the fiscal requirements to best serve low-income clients and then use that information to promote continuous improvement through training and technical assistance.

While it is not yet clear all the ways that increased WAPLink functionality will affect monitoring, Commerce anticipates there will be significant impact as we shift from using the previous desk top native version of Weatherization Assistant. For example, in the desk top native version, Monitors were reviewing information behind actual numbers. The new functionality will make desk monitoring more accessible and shift monitoring from being an event (site visit) to being an ongoing conversation. The standard of linking training to monitoring more formally will also accelerate the loop between feedback, training, and- ideally- correction.

**PY21 Monitoring Visit Details and Tentative Schedule**

A Risk Assessment is conducted prior to the start of the program year to determine priority in monitoring. The Risk Assessment weighs issues like size of allocation, staff expertise and experience, and past monitoring results. For both field and administrative monitoring, additional visits are scheduled, as needed, to address specific Service Provider issues as they arise.

Administrative and Field Monitoring visits are scheduled from August through May to best fit the demands of the program year. Due to COVID-19 safety protocols, administrative and some components of field monitoring have been conducted virtually in PY20. Commerce does not anticipate that changing in the short-term.

Administrative Monitoring

Each Service Provider receives a minimum of one administrative monitoring visit annually. The components of Administrative Monitoring include:

Pre-Visit Review

Administrative Monitoring Tool: Service Providers complete an Administrative Monitoring Tool prior to the visit. This Tool gives the monitor information about the approach used by the Provider (contractor vs crew, set price list vs. bidding, etc.) as well as other information on relevant compliance issues.

Review

Administrative Monitors review the pre-visit information with Weatherization staff of each Service Provider as well as discuss production, spending, workflow, staffing, and other relevant processes.

These reviews include follow-up on issues raised in desk monitoring and prior monitoring reports, as well as any other issues as needed, including but not limited to:

- Equipment/Inventory/Materials
- Client/Household eligibility
- Distribution of services between renters and owners
- Geographic distribution within the Service Provider service territory
- Reporting compliance
- Internal controls related to financial management and operations
- Fiscal Audits
- Payroll/Personnel
- Vehicles and equipment
- Invoicing
- Staff qualifications and training
- Procurement procedures
- Outreach efforts to incorporate minority and disadvantaged contractors

Household file reviews: Administrative monitors randomly sample files prior to visits to demonstrate compliance with DOE, Commerce, and local Service Provider policies such as Client/Household eligibility, distribution of service, and adherence to procurement procedures.

Contractor/Crew file review: Administrative monitors randomly sample contractor files to ascertain adherence to contract requirements as outlined in the

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

Minnesota Weatherization Assistance Program Policy Manual (and DOE guidelines).

Monitors conclude the visit with a brief “exit interview” intended to provide Service Provider staff with a high-level review of any issues found during monitoring.

**Post-Visit Report**

Administrative Monitoring Report: Monitors review all site documentation, discuss outstanding issues with the monitoring team, and generate a monitoring report. This report highlights any compliance issues, recommendations, or best practices. The Service Provider receives the report within 30 days of the Site visit and is asked to respond within an additional 30 days.

Field Monitoring

Each Service Provider receives at least one on-site field visit per year, with a minimum of 5% of all weatherized households monitored statewide. All Commerce field inspections are conducted by certified Quality Control Inspectors.

**Pre-Visit Review**

Commerce staff reviews household files for required data, forms, signatures, bids, invoices, and other documentation. Field Monitors also review audits for the households monitored including data inputs and audit library spot checks to determine if they are current.

**Review**

Field Monitors review the pre-visit information with Weatherization staff at each Service Provider. These reviews include follow-up on issues raised in desk monitoring and prior monitoring reports, as well as any other issues as needed, including but not limited to:

- Administrative field work (Client file review, Work orders, Audit reporting)
- Energy audits
- Fuel costs library accuracy
- Training & Technical Assistance activities and needs
- Weatherization of units
- Health and safety
- Final inspections and verification that all inspections are performed by a QCI
- How monitoring results are handled and required follow-up procedures
- Lead-safe work practices Quality Assurance
- Compliance with Standard Work Specifications (SWS)

In deference to COVID-19 safety precautions, much of this review is now taking place independent of the site visit, generally via the telephone.

Inspections of dwellings: Inspections of completed dwellings are conducted to determine compliance with federal and state requirements, client satisfaction and work quality. Field Monitors also spot check ASHRAE measurements and calculations. Commerce also may choose to visit "in progress" jobs. All Commerce household inspections are completed by a certified Quality Control Inspector.

At the conclusion of the visit, Service Providers are briefed on observations and findings in an exit interview (either in person or virtually). Health and Safety issues are noted at that time, particularly if they present an imminent danger to occupants.

**Post-Visit Report**

Field Monitoring Reports: Written reports are provided to Service Providers within thirty days of the Service Provider visit.

As noted earlier the development and the implementation of WAPLink functionality may truncate some of the monitoring processes. Commerce will document these changes as they occur. However, the approach for monitoring will remain the same even as steps are streamlined.

**Issue Resolution**

Once monitors produce the monitoring report, the Service Provider is asked to respond within 30 days. Responses may include correcting individual errors, describing new systems to avoid future errors, or return of funds for disallowed costs. All information about compliance issues and resolution is tracked in the WAPLink software.

This tool tracks the date and number of all visits by the monitors as well as information about any findings, concerns, or other issues. Additionally, Service

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

Providers use WAPLink to track resolution of their issues. Monitors communicate resolution via WAPLink or ask for additional steps if needed.

Commerce also anticipates closer ties between the monitoring issues tracked in WAPLink and recommended and required trainings. That is, based on monitoring, Service Providers may be assigned required or recommended training or technical assistance sessions and will not be able to resolve the issue until they are complete as tracked in WAPLink.

**Corrective Action/Removal**

In the event that a Service Provider remains out of compliance, Commerce will follow the Corrective Action Process outlined in the Minnesota Weatherization Program Policy Manual and below.

In response to Service Provider non-compliance, Commerce may impose additional requirements on a Service Provider in a written Corrective Action Plan. Corrective Action Plans may be issued in response to single issues of non-compliance or larger internal control, administrative or programmatic issues. Written Corrective Action Plans include:

- Nature of the requirements and why they are being imposed;
- Corrective actions that are needed; and
- Deadline(s) for meeting terms of the Corrective Action Plan.

With or without a Corrective Action Plan in place, Commerce may take one or more of the following actions in response to non-compliant activity, as appropriate:

- Conduct additional monitoring visits;
- Impose additional training or technical assistance requirements on the Service Provider;
- Require additional, more detailed financial reports;
- Make payments to the Service Provider on a reimbursement basis only;
- Withhold cash payments to the Service Provider, on a temporary basis, pending correction of deficiencies or until stated performance benchmarks are reached;
- Disallow costs for non-compliant activities and/or expenses;
- Suspend or terminate the current contract, either wholly or partially;
- Withhold further contracts with the Service Provider, or;
- Institute other actions as needed.

If a Corrective Action Plan is necessary, Commerce will work with the Service Provider to resolve issues. Additionally, individual Service Providers must remediate monitoring findings prior to entering into a new program year contract with Commerce.

In the case that a Service Provider continues to be out of compliance and with or without a Corrective Action plan in place, Commerce may impose additional sanctions. These may include additional monitoring visits, financial reporting, training, or technical assistance requirements, or making payments on a reimbursement basis only.

If non-compliance issues are still not resolved, Commerce may terminate a Service Provider's WAP contract upon 30 days written notice. Commerce may elect to immediately terminate the contract if it is found that the Service Provider has failed to comply with the contract, reasonable progress has not been made, or the purposes for which the funds were granted have not been or will not be fulfilled.

**Additional Monitoring Items for PY21**

In PY21, Commerce will continue to evaluate the place for virtual field monitoring in our program. Due to continued concerns about COVID-19 concerns and the potential rapid increase of funding, Commerce will consider this tool as a way to add efficiency and maximize the field monitor pool currently in place. Commerce will consult with DOE as appropriate and required in implementing virtual monitoring.

Commerce will continue the practice of conducting check-in calls with all Service Providers at least twice annually. These calls are scheduled to coincide with the mid-point of the year and the 4th quarter. The goal is to identify any problems that may make completion of units and spending difficult for an individual Service Providers (mid-year) or access the need to reallocate funds (4th quarter).

The full implementation of WAPLink and the development of reporting functionality in this program year will make it possible to review not only individual household data, but also aggregate data by Service Provider and across the state. Over time, it also enables longitudinal analysis of various programmatic and fiscal data. The results of such analysis will be used to discern not only trends and common themes, but also to guide program policy, overall program direction, and T&TA needs.

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

(Grant Number: EE0007928, State: MN, Program Year: 2021)

**V.8.4 Training and Technical Assistance Approach and Activities**

Minnesota's Training and Technical Assistance Plan is a separate attachment to SF-424.

Percent of overall trainings

Comprehensive Trainings: 65.0

Specific Trainings: 35.0

Breakdown of T&TA training budget

Percent of budget allocated to Auditor/QCI trainings: 80.0

Percent of budget allocated to Crew/Installer trainings: 15.0

Percent of budget allocated to Management/Financial trainings: 5.0

**V.9 Energy Crisis and Disaster Plan**

The purpose of the Minnesota Disaster Plan is to allow the WAP program to respond quickly and effectively to disasters that affect the lives and dwellings of low-income households. This plan reflects the requirements of WPN 127 and will be implemented whenever and wherever there is a federal or state disaster designation. For weatherization purposes, a disaster is determined by a Presidential or Gubernatorial order declaring either a Federal or State Emergency.

Goal: In the event of a disaster, low-income households often incur the greatest hardship and have the least amount of resources available to assist them in recovery. Minnesota's WAP goal is to assist eligible households, within the confines of WPN 127, in restoring their dwellings to the predisaster state.

Household Eligibility: Households in disaster areas must meet the same eligibility criteria as other WAP eligible households. WAP rules (10 CFR 440.16(b)) require that priority be given to identifying and providing weatherization assistance to elderly persons, persons with disabilities, families with children, high residential energy users and households with high energy burdens. It is permissible to consider households located in the disaster areas as a priority as long as the households are eligible, meet one of the priorities established in regulation, are free and clear of any insurance claim or other form of compensation resulting from damage incurred from the disaster.

Dwelling Eligibility: In order for a dwelling to be considered eligible for WAP assistance under this plan it:

- Must be occupied by an eligible household
- Must be in a federal or state designated disaster area, or is located in a county contiguous to the official disaster counties and sustained damage caused by the disaster
- Must be a habitable structure or will be once all work is complete.

Either:

- Was an in progress WAP unit at the time of the disaster where already installed materials were damaged or destroyed by the disaster; or
- Was previously weatherized and materials installed with weatherization funds were damaged or destroyed by the disaster.

Priority of Service: Disaster-damaged dwellings will be a priority in designated disaster areas. Both in progress and previously weatherized dwellings are included. This priority designation will last for up to one year, depending upon the circumstances of the disaster, unless determined otherwise by Commerce.

Eligible Activities: The use of USDOE WAP funds is limited to eligible weatherization activities and the purchase and delivery of weatherization materials. All dwellings must have a current energy audit in order to determine which of the following allowed activities are needed and feasible within the parameters of the WAP rules and guidance:

- Securing weatherization materials, tools, equipment, weatherization vehicles or protection of local agency weatherization files, records and the like during initial phase of disaster response
- The cost of incidental repairs to an eligible dwelling unit if such repairs are necessary to make the installation of weatherization materials effective
- The cost of eliminating health and safety hazards which is necessary before the installation of weatherization materials
- Removal of previously installed weatherization and/or health and safety materials that are damaged beyond repair and will be replaced as part of the

**U.S. Department of Energy**  
**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**  
**STATE PLAN/MASTER FILE WORKSHEET**

**(Grant Number: EE0007928, State: MN, Program Year: 2021)**

current activity

- Installation of weatherization materials as described in the State Plan and the MN “Allowed Activities and Measure Type Chart”

Service Providers may use weatherization vehicles and/or equipment to help assist in disaster relief provided the WAP is reimbursed according to the OMB regulations, 2 CFR Part 200.

Work Quality/Inspection: All work must be completed according to the standards contained in the WAP Policy Manual, Standard Work Specifications, and field guides, as well as building, mechanical or other relevant codes. No unit will be counted as complete until all materials are installed in a quality manner and have passed a Quality Control Inspection by Service Provider staff.

Coordination with Other Funds: It is expected that WAP activities will be coordinated with other funded activities to the maximum extent practical. This will not only help make the most prudent and nonduplicative use of all funds but will also help to ensure that service to eligible households will be maximized. However, WAP funds will not be used to supplant other funds such as FEMA and insurance dollars, which must be applied first in renovating disaster-damaged dwellings.

Deferral: Some dwellings may be found to be unsalvageable, uninhabitable, or beyond the scope of the WAP assistance because of a disaster. The Service Provider will carefully evaluate, document, and inform the client in writing of the reasons for the deferral determination.

Required Documentation: Files must contain sufficient documentation to establish the eligibility of the household and dwelling, as well as to justify the work performed, in accordance with Minnesota’s WAP State Plan and WAP Policy Manual. Such documentation includes but is not limited to:

- Household eligibility
- Certification of disaster status (ex: disaster declaration for the household’s county, FEMA letter or habitability document)
- Documentation that all other applicable funds have been used or have been denied prior to the use of WAP funds
- Existing conditions that will be remediated by WAP activities
- Amount of other funds being used in renovation of the dwelling
- Reasons for deferral, where appropriate
- Other, as specified by Commerce

Costs/Averages: While exact costs for work in disaster-damaged dwellings are anticipated to run somewhat higher than the state average cost per unit, Commerce will maintain its statewide average at the same level as it would be if there were no disaster completions. Incidental repairs determined necessary to complete weatherization work, which will exceed the \$1,000 per unit limit, will be reviewed by Commerce on a case-by-case basis.