

# Memorandum

DATE: **December 15, 2021**

**WAP Memorandum 084**

REPLY TO

ATTN OF:  **Erica Burrin, Weatherization Assistance Program, Program Manager  
Weatherization and Intergovernmental Program Office**

SUBJECT: **WAP Sustainable Energy Resources for Consumers (SERC) Grant Application**

TO: **Weatherization Assistance Program Grantees**

INTENDED

AUDIENCE: **Grantee Program Managers, Grantee Technical Managers, Subgrantee Program Directors,  
Subgrantee Technical Managers, Weatherization Training Centers**

The Department of Energy's (DOE) Weatherization Assistance Program ("Program" or "WAP") is pleased to invite your participation in the Sustainable Energy Resources for Consumers (SERC) Grants, authorized per Title IV of the Energy Independence and Security Act of 2007 (EISA), Section 411(b). (Pub. L. 110-140, title IV, §411(b), Dec. 19, 2007, 121 Stat. 1600, if the WAP appropriated funds exceed \$275 million, the Department of Energy (DOE) Secretary may elect to use up to two (2) percent of the amount of funds made available for SERC Grants. DOE has \$12.3 million available for SERC Grants based on the Fiscal Year 2020 and 2021 appropriations.

This provision authorizes local weatherization providers to expand the Program for "*materials, benefits, and renewable and domestic energy technologies not currently covered.*" Project ideas, include, but are not limited to:

- Air Source Heat Pumps
- Solar photovoltaic panels
- Solar hot water heaters
- Solar thermal air panels (space heating)
- Distributed energy storage
- Heat pump water heaters
- Geothermal heat pumps
- Super-evaporative cooling systems
- Combination boilers and indirect water heaters
- Small-scale residential wind systems
- Cool roofs
- Masonry spray foam insulation

Further, to align with Executive Order 14008, which establishes the Justice40 Initiative with the goal of delivering 40% of the overall benefits of climate investments to disadvantaged communities, project plans must include an explanation on:

- The quality and manner in which the measures incorporate diversity, equity and inclusion goals in the project; and,
- Extent to which the project benefits underserved communities.

DOE defines “underserved communities” as populations sharing a particular characteristic, as well as, geographic communities that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of “equity” (E.O. 13985).

As applicable to geographic communities, applicants can refer to economically distressed communities identified by the Internal Revenue Service as Qualified Opportunity Zones; communities identified as disadvantaged or underserved communities by their respective States; communities identified on the Index of Deep Disadvantage referenced at <https://news.umich.edu/new-index-ranks-americas-100-most-disadvantaged-communities/>; and communities that otherwise meet the definition of “underserved communities” stated above.

DOE must comply with the National Environmental Policy Act (NEPA) prior to authorizing the use of Federal funds. DOE must also consider the effects on historic properties, pursuant to Section 106 of the National Historic Preservation Act (NHPA), as well as other regulations. To streamline these required reviews, DOE carries out each of these reviews under the umbrella of its NEPA review. The NEPA determination is the DOE record that documents the NEPA review. Grantees may be required to submit additional information for a NEPA review.

Grantees are required to attend a DOE led online training covering NEPA and Historic Preservation. The training will be available in early 2022 to entities involved with WAP projects including Grantees, Subgrantees and local weatherization providers to better understand NEPA, Historic Preservation, and how to complete reporting requirements for each. DOE Project Officers will notify Grantees when the training is available.

We hope that you, as a Grantee in the Program, will work with your local weatherization providers to submit your interest in a SERC Grant to DOE. This memorandum is your invitation to participate. **Responses to this memo are due to the Department on March 1, 2022, at 11:59 PM Eastern Time.** Please note that you are not required to participate in this grant - this is a voluntary activity.

Additional information is included on the following pages, as well as the format, timeframe and instructions for your response.

DOE will review the responses received and determine how funding will be allocated among the qualifying Grantees who submitted projects on behalf of their Subgrantees. The funding will be distributed to Grantees through Program Year 2022 grants. The Grantees will then distribute the funds to the qualifying local weatherization providers. DOE’s WAP looks forward to working with you to implement these SERC grant projects.

If you have questions regarding the information in this Memorandum, please contact your DOE Project Officer.

## A. Overall Submission Requirements – SERC Grants

All responses must be provided as a Microsoft Word (.doc), 12-point font, 1-inch margins and single-spaced and attachment to an email. Only electronic responses will be accepted.

Each application **must include**:

- Preliminary review responses. The preliminary review responses must be in no more than **2 pages per question**.
- Project Plan for the Secondary Review
- Letters of Commitment and/or Collaboration

## B. Preliminary Review

Each application **must include** responses to the following FIVE criteria statements to proceed to the Secondary Level of Review. Applications that do not meet the minimum criteria outlined in the first level of review above will not be evaluated further.

**Note:** Any questions that you have should also be emailed to [WAPTA@doe.gov](mailto:WAPTA@doe.gov).

### Initial Criteria Statements

- 1) Please describe your previous program/project experience and ability to manage complex projects or multiple projects at a time (e.g., dealing with multiple funding sources, housing type(s), new technologies, and/or specific demographics).
- 2) Please describe how you will integrate diversity, equity and inclusion in the project (e.g., carried out in Empowerment or Opportunity Zones, targets diversifying workforce demographics, targets underserved markets, etc.).
- 3) Please provide the following information to verify the entities for the project have the capacity, technical expertise and resources to complete SERC projects.
  - a. Name of Grantee, Address of Grantee, and Name of Grantee’s Weatherization Director
  - b. Certification that you, as a Grantee, can provide necessary oversight to have the ability to make decisions about local providers that are performing well. This certification is assured by the Grantee including the following text in their response:

*(Insert Grantee Name) \_\_\_\_\_ certifies that:*

- [Grantee] is fulfilling the monitoring and inspection protocol as part of our approved annual state plan.
- Local quality control efforts are in place.
- At least 5% of the completed units in state or territory are inspected by Grantee staff during the course of the program year.
- Grantee’s quarterly progress reports are acceptable and submitted in accordance with grant

requirements.

- c. The list of local weatherization providers/Subgrantee(s) that the Grantee has certified are interested and capable of undertaking SERC projects and have historically met performance goals and resumed WAP operations safely since the onset of the pandemic.

Specifically, the local weatherization provider/Subgrantee's production and expenditures are equal to or in excess of established goals in Grantee's production plans, and **goals will continue to be met and exceeded if the pilot project is awarded.**

For each Subgrantee/local weatherization provider that the Grantee has certified, please include the following:

- Name of Subgrantee/local weatherization provider
  - Brief description of the SERC project(s) to be undertaken
  - Requested funding levels for the described pilot project
- d. The Grantee shall provide certification that it will include the local provider's project(s) in the financial oversight of the Grantee's Weatherization program, as required by EISA Section 411(b)(1). Please include the following language in your Response:

*(Insert Grantee Name)\_\_\_\_\_certifies that, if funded by DOE, it will include the local providers' project(s) in the financial oversight of our Weatherization program.*

## C. Secondary Review – SERC Project Plan

Applications that meet the minimum criteria above will have their project plan reviewed and evaluated based on how the overall plan and scope incorporate the following required elements:

- Detail how your project(s) will address the SERC priorities, identified within EISA Section 411(b)(2):
  - The expected effectiveness and benefits of the proposed project to low- and moderate-income energy consumers;
  - The potential for replication of successful results;
  - The impact on the health and safety and energy costs of consumers served; and
  - The extent of partnerships with other public and private entities that contribute to the resources and implementation of the program, including financial partnerships.
- Detail how your project(s) are expanding the Program for materials, benefits, and renewable and domestic energy technologies not currently covered under the WAP. The WAP guidelines that define materials, benefits, and renewable energy systems that are currently covered by the Program are the following:

**Materials:** Generally, only those weatherization materials which are listed in Appendix A to the WAP regulations and which meet or exceed standards prescribed in Appendix A may be purchased with funds provided under WAP (see 10 CFR 440.21(b)). *See illustrative list of materials and technologies below.*

**Benefits:** Weatherization materials funded under WAP must meet a cost-effectiveness test as specified in 10 CFR 440.21(d).

**Renewable Energy Systems:** A renewable energy system for the purpose of WAP is limited under 10 CFR 440.21(c)(1).

**SERC funding is not to be used for Appendix A materials, benefits, and renewable and domestic energy technologies already covered by WAP funds.** For example, if a local provider is planning to use the SERC grant to install solar panels on homes they are weatherizing, the solar panels should be paid for with a SERC grant, but the base weatherization should be paid for with existing WAP funds.

SERC funds are not subject to the average cost caps for PY 2022 of \$8,009 per home and \$3,929 for renewable energy systems that apply to the standard Weatherization work and would not be considered when calculating dollar caps under WAP (the caps under [10 CFR 440.18](#) apply only to funds provided under WAP).

The SERC funds may be used by local weatherization providers to implement this expansion on homes they are currently weatherizing or will weatherize. If a local provider proposes to implement SERC activities on homes previously weatherized, they may do so on homes that

were weatherized with non-DOE funds without DOE approval. If a local provider's project approach is to return to homes previously weatherized with WAP funding, it will need approval through the Grantee's DOE Project Officer.

SERC funds are not permitted to be spent for loans, revolving loan funds, property-assessed clean energy programs, or other financing activities. Section 411(b) allows for an expansion of the types of materials and benefits currently permitted under WAP, but does not include a change to the mechanism for funding those benefits.

Projects under SERC grants must account for the four priorities outlined in EISA Section 411(b)(2).

- Demonstrates a focus on equitable accessibility and/or distribution of program allocations to disadvantaged communities;
- Includes clarity and specifics on how the project outcomes and metrics will be collected and measured;
- Identifies the potential positive impacts for the community to be served (e.g. increased energy savings, lower energy burden, create local job opportunities, etc.)
- Includes letters of commitment from partners (formed/accessed) in furthering this effort.

### **Illustrative List of Materials and Technologies to Expand the Program**

An illustrative list of materials and technologies meeting 411(b) includes, but is not limited to the following:

- Durable high-R enclosure system retrofits, including high-performance walls, foundations, windows, attic ventilation, attic and basement air sealing, and ceiling or cathedral roof insulation;
- High-performance space conditioning system retrofits, including air handler upgrades, ducts in conditioned space, ventilation, heating, solar ventilation pre-heat, cooling, and direct supply of combustion air, if needed;
- High-performance hot water systems, including condensing and solar hot water systems;
- Cool roof technologies;
- Integration with utility smart-grid pilots or implementations;
- Energy usage benchmarking with feedback, which could be
  - In-home displays
  - Increased on-line access to energy use information
  - Reports or mailings
  - Other means of transmitting this information;
- Community-Based Social Marketing (CBSM) and other behavioral approaches;
- Developing innovative buying cooperatives and bulk buying strategies to lower costs of materials;
- Onsite renewable energy technology that generates electricity from renewable resources, including the following which are generally categorically excluded under the National Environmental Policy Act (NEPA):
  - Solar Electricity/Photovoltaic - appropriately sized system or unit on existing rooftops and parking shade structures; or a 60 KW system or smaller unit installed on the ground within the boundaries of an existing facility.

- Wind Turbine - 20 KW or smaller.
- Solar Thermal - system must be 20 KW or smaller.
- Solar Thermal Hot Water - appropriately sized for residences or small commercial buildings.
- Ground Source Heat Pump - 5.5 tons of capacity or smaller, horizontal/vertical, ground, closed-loop system.
- Combined Heat and Power System - boilers sized appropriately for the buildings in which they are located.
- Biomass Thermal - 3 MMBTUs per hour or smaller system with appropriate Best Available Control Technologies (BACT) installed and operated.

Please review the project plan structure and required elements and ensure your responses adequately address the criteria identified above. Plans will be reviewed and scored based on the following mechanism:

- 1 – Category is not satisfactorily addressed.
- 2 – Category is addressed but lacks sufficient detail.
- 3 – Category is well described and provides sufficient detail.

## SERC PROJECT PLAN STRUCTURE & SECTIONS

SECTION (PAGE LIMIT)	DESCRIPTION OF REQUIRED ELEMENTS
<b>Cover Page (page limit 1)</b>	<p>The cover page must include:</p> <ul style="list-style-type: none"> <li>• Project title,</li> <li>• WAP Grantee point(s) of contact and local weatherization provider/Subgrantee(s) identified for SERC projects,</li> <li>• Any statements regarding confidentiality.</li> </ul>
<b>Project Overview and Goals (page limit 4)</b>	<p>Provide a brief overview of each SERC project, including specifics on why the project(s) is/are a good candidate. Please include details such as:</p> <ul style="list-style-type: none"> <li>• Subgrantee</li> <li>• Subgrantee’s point of contact</li> <li>• Location of project (urban, suburban or rural)</li> <li>• Targeted buildings (single family, multifamily or manufactured housing)</li> <li>• Demographics/population to be served</li> <li>• Specific Materials/technologies to be installed and why</li> <li>• Specify any geographic or environmental factors (e.g., isolated community, etc.)</li> <li>• Goals (e.g., improve buildings, reduce energy costs, etc.)</li> </ul> <p><b>DOE Impact:</b> Discuss the impact DOE funding would have on the proposed project. Applicants should specifically explain how DOE funding, relative to prior, current, or anticipated funding from other public and private sources, is necessary to achieve the project objectives.</p>
<b>Technical Description and Impact (page limit 6)</b>	<p>The Technical Description and Impact section must contain the following information:</p> <ul style="list-style-type: none"> <li>• <b>Feasibility:</b> Describe the technical feasibility of the proposed SERC project(s) and the identified materials and/or technologies to be used and capability of achieving the anticipated outcomes, including a description of previous work done and prior results.</li> <li>• <b>Equity Impacts and Benefits:</b> Identify the projected impacts and benefits on the disadvantaged communities for each project, including social and environmental impacts and how diversity, equity, and inclusion objectives will be incorporated in the project.</li> <li>• <b>Cost Savings:</b> Identify what processes/calculations will be used to determine the projected return on investment or payback, and any non-energy benefits included in the calculation.</li> </ul>



<p><b>Project Management Workplan (page limit 8)</b></p>	<p>Provide a workplan with the following elements: Project Objectives, Tasks, Milestones, and Project Schedule and Project Management plan.</p> <ul style="list-style-type: none"> <li>• <b>Project Objectives:</b> Provide a clear and concise (high-level) statement of the goals and objectives of the project as well as the expected outcomes.</li> <li>• <b>Tasks and Milestones:</b> For each project goal/objective, identify the specific tasks that need to be accomplished to achieve the objective as well as milestones. Recommend organizing goals/objectives by quarterly performance periods that are separated by discrete, approximately annual milestones. The applicant should describe the specific expected tasks and milestones of each performance period.</li> <li>• <b>Project Management:</b> Provide the project’s proposed management plan, including the following: <ul style="list-style-type: none"> <li>○ The overall approach to and organization for managing the work.</li> <li>○ The roles of each project team and members.</li> <li>○ Any critical handoffs/interdependencies among project team members.</li> <li>○ A description of how project changes will be handled</li> <li>○ Quality Assurance/Control.</li> <li>○ Communications strategy among the project team members.</li> </ul> </li> </ul>
<p><b>Technical Qualifications and Resources (page limit 6)</b></p>	<p>The Technical Qualifications and Resources section should contain the following information:</p> <ul style="list-style-type: none"> <li>• Describe each Subgrantee/local weatherization provider’s project team’s unique qualifications and expertise to implement a SERC project, including those of key team members. <ul style="list-style-type: none"> <li>○ The roles and the work to be performed by each organization.</li> <li>○ Provide copies of letters of commitment or collaboration or any agreements or contracts in place between organizations.</li> </ul> </li> <li>• Describe the time commitment of the key team members to support the SERC project(s).</li> <li>• Describe the project team’s existing and leveraged resources that will facilitate the successful completion of the SERC project(s); include a justification of any new equipment requested as part of the project.</li> <li>• This section should also include relevant, previous work efforts, demonstrated innovations, and how these enable Subgrantee to achieve the project objectives.</li> </ul>

## D. Process

The process for awarding funding for these projects will be as follows:

- 1) Interested Grantees must complete their “Response to SERC Grant Project” on behalf of interested and capable Subgrantee(s)/local weatherization provider(s) in their State or Territory. **Responses are due by March 1, 2022 11:59 PM ET**, and should be sent to DOE by emailing to [WAPTA@doe.gov](mailto:WAPTA@doe.gov).
- 2) The Department will review and score each project plan submitted, verify that proposed projects meet the intention of EISA Section 411(b), and ensure that proposed projects are able to be categorically excluded under the National Environmental Policy Act (NEPA). Upon completing review, the Department may approve a response in whole or in part.
- 3) The Department will determine the allocations to be distributed to qualifying Grantees.
  - a. The list of local weatherization providers that have been certified by Grantees and verified by DOE will be compiled, along with the requested funding level for each project.
  - b. If the requested funding levels are at or below the amount of funds available (approximately \$12.3 million), then funding for approved projects will be distributed as requested.
  - c. If the requested funding levels are above the amount of funds available, then DOE will fund projects at lower than requested funding levels. This will be done by adjusting the requested funds based on the relative percentages of project funds requested and funds availability.
- 4) Upon approval of a response, the Department will amend the Grantee’s Program Year 2022 grant to reflect the additional allocations. The Grantee will need to provide additional information, including revised budgets, at this time.
- 5) The Grantee is responsible for distribution and oversight of the SERC grants funds to the selected Subgrantee(s).