



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 23-7
EFFECTIVE DATE: June 21, 2023

SUBJECT: Weatherization Assistance Program (WAP) Modification Guidance for Sustainable Energy Resources for Consumers (SERC) Grants

PURPOSE: To issue guidance for WAP Grantees receiving SERC awards who need to complete Program Year (PY) 2023 WAP formula grant modifications based on the receipt of funds to undertake SERC projects.

SUPERSEDES: Weatherization Program Notice (WPN) 23-7 supersedes [WPN 22-11](#).

SCOPE: The provisions of this guidance apply to Grantees named as recipients of SERC Grants within the Department of Energy (DOE) WAP.

LEGAL AUTHORITY: Title IV of the Energy Conservation and Production Act (ECPA), as amended, authorizes the Department to administer the WAP (42 U.S.C. § 6861, et. seq.). All grant awards made under this program shall comply with applicable laws and regulations including, but not limited to, the WAP regulations contained in the Code of Federal Regulations (CFR) at [10 CFR 440](#) and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at [2 CFR 200](#).

BACKGROUND: [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](#), states funds may be used for SERC grants for a Fiscal Year (FY) if the amount of funds made available for the FY to carry out WAP exceeds \$275 million. The DOE Secretary may elect to use up to two (2) percent of the total appropriations for SERC grants. On October 19, 2022, DOE invited WAP Grantees and Subgrantees (who provided a Grantee certification) to submit SERC project proposals to receive SERC funding.

GUIDANCE: Eleven WAP Grantees were selected and notified to receive SERC awards. Those Grantees must modify their existing PY 2023 Grantee Plans as outlined in this guidance.

Period of Performance: The period of performance for SERC funds will follow PY 2023 WAP awards, which is structured as one annual budget period, with the opportunity to carry funds over into future PYs as detailed in the annual WAP Application Instructions and terms and conditions of the formula WAP award. Reporting requirements for the period of performance will align with the Federal Assistance Reporting Checklist (FARC) attached to the Grantee Assistance Agreement.

Use of Funds: SERC funds **are not subject** to the WAP Average Cost per Unit (ACPU) expenditure of financial assistance for PY 2023 (\$8,250 per home and \$4,047 for renewable energy systems). The ACPU expenditure of financial assistance applies only to standard Weatherization work and SERC expenditures would not be considered when calculating dollar expenditure limits under WAP¹.

As a reminder, the purpose of SERC is to expand the WAP in “materials, benefits, and renewable and domestic energy technologies” not currently covered by the Grantee’s DOE WAP appropriation (42 USC 6872). **Measures that meet the Savings to Investment Ratio (SIR) requirement per [10 CFR 440.21\(d\)](#) and are approved by DOE to install per [WPN 23-6: Revised Energy Audit Approval Procedures, Related Audit and Material Approvals Including Fuel-Switching and Solar PV](#), must be paid for with annual formula funds or BIL WAP formula funds.**

National Environmental Policy Act (NEPA) compliance is required when implementing DOE approved Grantee plans. Grantees should review the “Allowable Activities” in the NEPA determination specific to PY 2023 in their award documents for the list of activities that have been categorically excluded from further NEPA review. Based on selected technologies, size and installation methods, Grantees may be required to submit additional information for a NEPA review. The need for an additional NEPA review will be discussed separately with Grantees and their DOE Project Officers. Questions on NEPA should be sent to gonepa@ee.doe.gov.

Grantee Plans: The specific sections of the PY 2023 application documents identified below must be modified to reflect SERC funding and project details **no later than August 1, 2023**. The Performance and Accountability for Grants in Energy (PAGE) system is the platform through which Grantees will make changes to their existing PY 2023 application documents.

Grantees will **upload their SERC plans as an attachment to the Application for Federal Assistance (Standard Form SF-424)**. SERC plans should contain the same elements as included in SERC applications.

¹ The expenditure of financial assistance limit under [10 CFR 440.18](#) apply only to formula funds provided under WAP.

Grantee Plan Public Hearings: An additional public hearing **is not** required for Grantee Plan modification adding SERC funds if SERC funds are going to existing Subgrantees. SERC funds planned for a **new Subgrantee** not included in the existing PY 2023 Grantee DOE Grantee Plans' Annual File prepared prior to the PY 2023 public hearing, require the Grantee to complete another public hearing per [10 CFR 440.14](#).

Additionally, the following Grantee Plan sections need to be modified:

1. **SF 424-A (Budget).** The SERC funds being awarded will be added to the Grantee's total PY 2023 budget.
2. **SF 424-B (Budget Categories).** Four additional budget categories are available in PAGE. All added budget categories must have **whole dollar values** in each cell. Budget categories are:
 - a) SERC Grantee Administration
 - b) SERC Subgrantee Administration
 - c) SERC Health and Safety (H&S)
 - d) SERC Program Operations

NOTE: If a PY 2023 SERC Grantee has also received PY 2022 SERC funds, then the PY 2023 funds will be added to the PY 2022 funds in both the SF 424-A and SF 424-B. Additional guidance on tracking these funds separately for reporting purposes will be provided.

SERC Grantees should use [Weatherization Program Notice \(WPN\) 23-1](#) and the attached Application Instructions regarding allowable Administration costs and budget allocations. PY 2023 formula allocation rules include SERC budget categories. For example, administrative cost categories cannot exceed 15% of the total PY 2023 award (SERC + WAP). The total Subgrantee Administration must be at least 7.5% of the total awarded funds and Grantee Administration can be no more than 7.5% of the total award. Grantees may need to update their existing budget categories based on the rules that apply to the overall grant.

Training and Technical Assistance (T&TA): All T&TA activities must be funded by PY 2023 WAP formula T&TA funds already distributed and consistent with the permitted uses of WAP formula T&TA fund applicable laws, PY 2023 application instructions and any associated policy documents.

3. **424-B (Budget Justification).** The Budget Justification should be updated to reflect the activities in the added SERC budget categories (SERC Grantee Admin, SERC H&S, etc.) as they relate to each object class (personnel, fringe, contract, etc.). Justification is required for each new budget category and how SERC grants will be used in each object class. **Ensure that additions in the budget justification clearly reflect that they are related to SERC** by adding “SERC” at the beginning of the title of the item you are describing. For example, if adding a staff person to Personnel as a Manager of Energy Programs to perform SERC activities, list them as “SERC: Manager of Energy Programs”. Grantees should ensure they consider the various object classes in their budgets and add a new line item when there is additional SERC detail. Refer to [WPN 23-1](#) when additional context or detail is needed with regard to the budget.
4. **Annual File.** Update the following sections to incorporate SERC:
 - a) *II.3 Subgrantees.* Include all SERC Subgrantees, planned SERC funding, and planned SERC units.
 - b) *II.4 WAP Production Schedule.* Enter the total number of planned units including previously weatherized units.
 - c) *II.5 Energy Savings.* Grantees will identify the methodology used to calculate energy savings and provide the estimated energy savings of the project.

CONCLUSION: Grant modifications are necessary for DOE Project Officers to provide final approval for the release of SERC grants. SERC projects will expand WAP and provide for the implementation of renewable energy weatherization measures on low-income dwellings to reduce energy. DOE looks forward to working with Grantees and Subgrantees on the implementation of these projects. Please contact your DOE Project Officers with questions or if you need further information.

Erin Taylor

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Acting Associate Director

Office of State and Community Energy Programs