

1

Agenda

- Applicable Laws
- WAP Funding Framework

===== BREAK =====

- 10 C.F.R. Part 440
 - State Plan
 - State Manual/Guidance
 - Monitoring

2

2

Applicable Laws

3

3

Applicable Laws

- **Who passed / issued it?**
 - Who enforces it?
- **Where does it sit in the hierarchy of authorities?**
 - What requirements govern it?
 - What requirements must align with it?
- **Who can amend it? How is it amended?**

4

4

Issuers and Overseers



U.S. Congress



**U.S. Department of
Energy (DOE) / Office of
State and Community
Energy Programs (SCEP)**



**Grantee:
WAP Office**
(State/Tribe/Territory)

5

5

Hierarchy of Authorities

Statute

Regulation

Interpretative Guidance

Contractual Obligations

Federal



State

6

6

WAP Authorizing Statute

Federal Statute

- 42 U.S.C. § 6861 *et. seq.*, Title IV, Energy Conservation and Production Act (ECPA)
 - (b) It is, therefore, the purpose of this part [42 USCS §§ 6861 *et seq.*] to develop and implement a weatherization assistance program to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential energy expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable such as the elderly, the handicapped, and children.

7

7

Types of Federal Grants

Formula, e.g. WAP – State Agency

- Amounts calculated by **formula** in authorizing statute
- Federal cross-cutting requirements apply

Discretionary, e.g., Head Start – Federal Agency

- Federal agency **may exercise judgment** in selecting grantee and/or setting award criteria and funding levels
- Often made through a competitive grant process

Block, e.g., CSBG, LIHEAP – State Agency

- Awarded to one source and distributed to multiple subrecipients for similar purposes
- Distribution often based on a **formula** set by Congress or established by the federal agency

8

8

Features of Formula Grants

- **Legislation and regulations set the formula for funding**, so funders must adhere to formula when awarding grants
 - Often allocated among the states via a specific formula
- **Non-competitive; recipients are pre-determined**
 - Eligible applicants meeting minimum requirements stated in authorizing statute are entitled to receive funding
- **Unlike block grants, states have less discretion** in administering funding
- **Federal cross-cutting requirements apply**
 - E.g., the entirety of the Uniform Guidance

9

9

Applicable Laws

2021 Appropriations Act

- Amended WAP authorizing statute (Pub. L. 116-260, § 1101)
 - **Reauthorization**
 - Reauthorized WAP through FY25: \$330M in FY21, \$350M per FY22-25
 - **Administrative costs**
 - Increased administrative cost cap from 10% to 15%; states may claim maximum of 7.5% and CAA share must be at least 7.5%
 - **Eligibility for "reweatherization"**
 - Homes previously weatherized under WAP (or LIHEAP, HUD, or USDA funds for weatherization) are eligible for WAP services again after 15 years

10

10

Applicable Laws

2021 Appropriations Act

- Amended WAP authorizing statute (Pub. L. 116-260, § 1101)
 - **Definition of "weatherization materials"**
 - Updated to include "renewable energy technologies and other advanced technologies"
 - **Consideration of non-energy benefits**
 - DOE may consider improvements in health and safety of occupants of dwellings + other non-energy benefits in developing program standards, cost-effectiveness + regulations
 - **States may direct CAA to periodically review use of contractors**
 - May use WAP funds to train contractors to provide WAP services

11

11

Applicable Laws

WAP Program Regulations

- **10 C.F.R. Part 440**
 - Regulations that implement the WAP program
 - Provide more details than WAP authorizing statute
 - Developed and issued by DOE, and amended over time
 - Subject to notice and public comment before taking effect

12

12

Applicable Laws

WAP Financial Management Regulations

- **Uniform Guidance**

- Incorporated by reference via **10 C.F.R. 440.2**
- Replaced 10 C.F.R. Part 600 (DOE's codification of OMB Circulars A-87, A-110, A-122, the Common Rule and A-133)
 - First took effect December 26, 2014
- Codified in the Code of Federal Regulations: 2 C.F.R. Part 200
- Most federal agencies adopted 2 C.F.R. Part 200 with few exceptions/additions

13

13

DOE Version of Uniform Guidance

2 CFR Part 910

- **§ 910.120 Adoption of 2 CFR part 200.**

- (a) Under the authority listed above, the Department of Energy adopts the Office of Management and Budget (OMB) Guidance in 2 CFR part 200, with the following additions. Thus, this part gives regulatory effect to the OMB guidance and supplements the guidance as needed for the Department.
- (b) The additions include: Expanding the definition of non-Federal entity for DOE to include For-profit entities; adding back additional coverage from 10 CFR part 600 required by DOE statute; adding back coverage specific for For-Profit entities which existed in 10 CFR part 600 which still applies.

14

14

DOE Version of Uniform Guidance

§ 200.101(2); § 200.105

- **DOE Weatherization Assistance Program (WAP)**

- WAP regulation/program directives require application of DOE Financial Assistance Rules (i.e., 2 C.F.R. Part 200) to subrecipients
 - Ex., 10 C.F.R. § 440.2(c); Weatherization Program Notices (WPN)
- WAP statute/regulations/WPNs supersede UG provisions
 - Check regulations, 10 C.F.R. Part 400, and WPNs when determining if a financial system is appropriate or a cost is allowable
 - Ex., 10 C.F.R. § 440.18 lists allowable expenditures

15

15

DOE Program Guidance

- **Program Notices + Memorandum**

- WAP Grant Guidance issued by DOE as Weatherization Program Notices (WPN) + Weatherization Memorandum
- All WPNs + Memoranda are posted in Program Guidance section: <https://www.energy.gov/eere/wap/weatherization-program-notices-and-memorandums>
- Must not contradict a regulation or statute
- May be adjusted to reflect program changes or refinements
- DOE usually announces significant changes at stakeholder meetings or national conferences

KEY: WPNS are binding interpretations of law, but cannot contradict WAP authorizing statute or program regulations (10 C.F.R. Part 440)

16

16

DOE Program Guidance

- **Annual Grant Guidance (e.g., WPN 23-1)**
 - Usually distributed in the fall, once DOE receives allocation of WAP funding
 - Provides comprehensive policy details for following program year
 - Prepares grantees to manage the program
 - Including assisting grantees in development of annual/state plans
 - Includes an index of other Weatherization Program Notices currently in effect
 - Typically binding

17

17

Weatherization Program Notice



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 23-1
ISSUED DATE: December 16, 2022

SUBJECT: PROGRAM YEAR 2023 WEATHERIZATION GRANT APPLICATION

INTENDED AUDIENCE: Weatherization Grantee Managers, Weatherization Subgrantee Managers

INTENDED USE: The Department of Energy (DOE) issues Weatherization Program Notices (WPN) to establish the framework to administer appropriated funds to the Weatherization Assistance Program (WAP). The content of this document, as well as the two attachments,

18

18

Active WPNs

Ex., WPN 23-1

Active WPNs applicable to formula grants in effect at the time of WPN 23-1 issuance address specific policy areas that must be adhered to by all Grantees and Subgrantees operating weatherization programs using DOE funds. Grantees are reminded additional WPNs may be issued that are “in effect as of the date stated in the WPN.” DOE will continue to send notices electronically and post them to DOE’s website to ensure all Grantees have access.

WPN	Title	Funding	Grant Application	Procurement	Monitoring	Clients	Multifamily	Material Procurement	Rental Requirements	Energy Audit Criteria	Health and Safety	Renewable Energy Systems	Disaster Relief	Eligibility Levels	Defining Income	Priority Service	Fuel Switching	Incidental Repairs	Rewweatherization	Vehicle Purchases	Policy Advisory Council	Electric Baseload	Administrative Costs	Historic Preservation	Eligible Dwelling Units
10-8	WAP Guidance on Maintaining the Privacy of Recipients Services					x																			
10-10	Reprogramming T&TA Funds to Program Operations	x																							
10-12	Historic Preservation Implementation																						x		
11-3	Policy Regarding the Use of DOE Program Funds to Pay for Call-Back/Add-On Work After Reported to DOE																							x	

19

19

Weatherization Memorandum

DOE F 1325.8
(8-89)

United States Government

Department of Energy

Memorandum

AMY KLUSMEIER
Digitally signed by AMY KLUSMEIER
Date: 2023.06.27 17:20:57 -0500

DATE: June 27, 2023

REPLY TO

ATTN OF: Amy Klusmeier, Weatherization Assistance Program, Innovation Manager

WAP Memorandum 108

SUBJECT: Bipartisan Infrastructure Law (BIL) WAP Enhancement & Innovation Funding Opportunity Announcement (DE-FOA-0002912)

TO: Weatherization Assistance Program (WAP) Grantees, Subgrantees and Training Centers

The U.S. Department of Energy’s (DOE) Weatherization Assistance Program (WAP) has issued a \$25 million Funding Opportunity Announcement (FOA) entitled “BIL WAP Enhancement & Innovation,” with a maximum award amount of \$2 million, in support of section 40551 of the [Infrastructure Investment and Jobs Act \(IIJA\) of 2021](#), also known as the Bipartisan Infrastructure Law (BIL). The FOA is available on the [Clean Energy Infrastructure Funding Opportunity Exchange](#).

Title IV, Energy Conservation and Production Act, as amended, authorizes DOE to administer WAP (42 U.S.C. § 6861, et. seq.). The Enhancement & Innovation (E&I) Program is governed by [42 U.S.C. 6861d](#) and is funded on

20

20

State Guidance

- States directed in DOE WAP regulations to develop procedures to help facilitate the WAP
- State procedures must **not** directly conflict with DOE WAP statute, regulations and guidance
- DOE WAP guidance (WPNs) often fleshes out DOE WAP regulations and state's procedures and policies

21

21

Applicable Laws Quiz

Arrange these requirements in the correct order of legal authority:

- 10 C.F.R. Part 440
- WPN 23-2: PY23 Grantee Allocations
- Uniform Guidance, 10 C.F.R. Part 910
- State Weatherization Manual
- WAP authorizing statute, 42 U.S.C. § 6861 *et. seq.*

1. WAP Authorizing Statute
2. WAP regulations, 10 C.F.R. Part 440
3. Uniform Guidance
4. WPN 23-2, PY23 Grant Allocations
5. State Weatherization Manual

22

22

Who Changes What?

Amending the Requirements

- **Federal statutes (including appropriations)**
 - Passed by Congress
 - Signed by the President
- **Federal regulations**
 - Process governed by federal Administrative Procedures Act (APA)
 - Drafted and promulgated by federal agency authorized to oversee the program
 - Typically published in the Federal Register via Notice of Proposed Rulemaking (NPRM) and open for public comment
- **Federal program guidance**
 - Drafted and issued by federal agency authorized to oversee the program
 - Limited/no opportunity for public comment or review

23

23

Who Changes What?

Amending the Requirements

- **State statutes (including appropriations)**
 - State legislative process
- **State regulations**
 - Typically governed by a state Administrative Procedures Act
 - May or may not allow for public review/comment
- **State program guidance**
 - Depending on type of funding, state agency has greater or less authority to issue guidance
- **State grant award terms and conditions**
 - Depending on type of funding, may be required to pass through federal requirements
 - Governed by state contract law

24

24

Applicable Laws Scenario

A local CAA's WAP Director is unhappy about the average cost per unit (ACPU) of units weatherized using WAP funds. She knows that her CAA's Program Year 23 WAP agreement with her state's WAP office requires that the CAA comply with an ACPU of \$8,250. She calls her WAP program coordinator and asks her to consider increasing the limit to \$10,000 to account for the soaring costs of building materials and labor.

Can the state WAP office consider amending the ACPU in the CAA's grant agreement? Why or why not?

25

25

Average Cost Per Dwelling Unit

10 C.F.R. § 440.18 Allowable expenditures

- (a) Except as adjusted, the expenditure of financial assistance provided under this part for labor, weatherization materials, and related matters included in [paragraphs \(c\)\(1\)](#) through [\(9\)](#) of this section shall not exceed an average of \$6,500 per dwelling unit weatherized in the State, except as adjusted in [paragraph \(c\)](#) of this section.
- (b) The expenditure of financial assistance provided under this part for labor, weatherization materials, and related matters for a renewable energy system, shall not exceed an average of \$3,000 per dwelling unit.

26

26

Average Cost Per Dwelling Unit

10 C.F.R. § 440.18 Allowable expenditures

(c) The \$6,500 average will be adjusted annually by DOE beginning in calendar year 2010 and the \$3,000 average for renewable energy systems will be adjusted annually by DOE beginning in calendar year 2007, by increasing the limitations by an amount equal to:

- (1) The limitation amount for the previous year, multiplied by
- (2) The lesser of:
 - (i) The percentage increase in the Consumer Price Index (all items, United States city average) for the most recent calendar year completed before the beginning of the year for which the determination is being made, or
 - (ii) Three percent.
- (3) For the purposes of determining the average cost per dwelling limitation, costs for the purchase of vehicles or other certain types of equipment as defined in [10 CFR part 600](#) may be amortized over the useful life of the vehicle or equipment.

27

27

Average Cost Per Dwelling Unit

WPN 22-1, Prior Program Year

3.1.1 ADJUSTED AVERAGE COST PER DWELLING UNIT (ACPU)

... Therefore, the adjusted average expenditure limit for PY 2022 is **\$8,009** This average includes units computed in a multifamily building of 5 units or greater. . .

... Therefore, the PY 2022 adjusted average is **\$3,929 for renewable energy system measures with a Savings to Investment Ratio (SIR) greater than 1**. . .

28

28

Average Cost Per Dwelling Unit

WPN 23-1, Current Program Year

3.1.1 ADJUSTED AVERAGE COST PER DWELLING UNIT (ACPU)

ACPU expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters cannot exceed \$6,500, as adjusted (see, 10 CFR 440.18(a) and (c)). The adjusted annual average for PY 2023 is determined by using the percentage increase in the Consumer Price Index (CPI) (all items, United States city average) for FY 2022 or 3 percent, whichever is less. The percentage increase in the CPI for the previous 12-month period (September 2021 – September 2022) was 8.2%. Therefore, the adjusted average expenditure limit for PY 2023 is **\$8,250**. This average includes units computed in a multifamily building of 5 units or greater.

29

29

Average Cost Per Dwelling Unit

WPN 23-1, Current Program Year

In accordance with 10 CFR Part 440.18(b) and (c), the expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters for a renewable energy system, shall not exceed an average of \$3,000 per dwelling unit, as adjusted. The percentage increase in the CPI for the previous 12-month period (September 2021 – September 2022) was 8.2%. Therefore, the PY 2023 adjusted average is **\$4,047 for renewable energy system measures with a Savings to Investment Ratio (SIR) greater than 1.**

Note: The adjusted average for renewable energy measures is not a separate average, but part of the overall adjusted average expenditure limit of \$8,250.

30

30

WAP Funding Framework

31

31

WAP Applicant Quiz

A Community Action Agency can apply directly to the federal Department of Energy to receive WAP funding.

- A. Yes
- B. No
- C. Maybe

32

32

Who can be a WAP grantee?

State Gov't, Local Entity, Tribal Org.

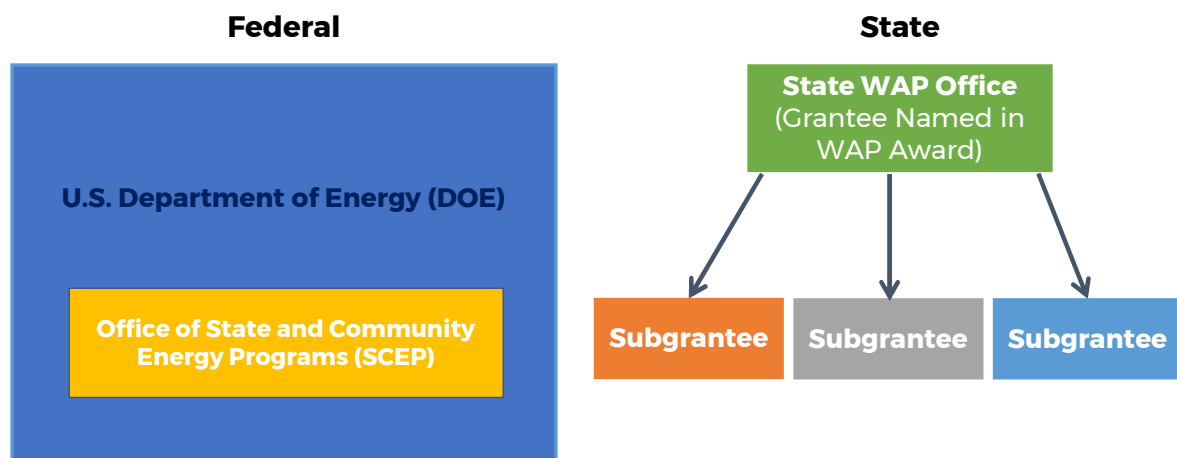
- **State Applicant, 10 C.F.R. 440.12**

- Intended grantee
- Must submit app to DOE w/in 60 days of NOFA, which includes:
 - Responsible state agency
 - Final state plan
 - Budget w/ justification and explanation for State admin costs
 - Total # of dwelling units propose to weatherize
 - Rec to treat tribal org as a local applicant, if certain factors exist
 - Monitoring plan
 - TTA plan
 - Any other info deemed necessary by DOE

33

33

WAP Funding Framework



34

34

Who can be a WAP grantee?

State Gov't, Tribal Org, and Local Entity

- **Native Americans, 10 C.F.R. 440.11**

- May apply directly if DOE decides that low-income tribal members:
 - Are not receiving equivalent benefits and
 - Would be better served via direct assistance
- DOE's decision will be informed by a State that:
 - Does not submit an app w/in the 60-day time period
 - Recommends direct assistance to an Indian tribe
 - Files an app that does not adequately address Tribal needs
 - Fails to meet the minimum program requirements after receipt of funds

35

35

Who can be a WAP grantee?

State Gov't, Local Entity, Tribal Org.

- **Local Applicant, 10 C.F.R. 440.13**

- DOE must provide notice of local applicants' eligibility to apply if:
 - State fails to submit app w/in 60-day time period
 - DOE disapproves of application
- Local applicant must apply w/in 30 days of receiving notice
- If multiple apps submitted for same geographical area, a hearing must be held

36

36

WAP Funding Framework

Roles + Responsibilities



Congress

- Annual appropriations
- Federal FY: October 1 – September 30



DOE / SCEP

- Distribute funds to WAP grantees based on formula
- Review + approve state/annual plans
- Issue WAP guidance to grantees
- Monitor grantee's use of WAP funds



Grantee: WAP Office (State/Tribe/Territory)

- Issue grant agreements
- Prepare state/annual plans
- Interpret + apply DOE guidance
- Monitor subgrantee's use of WAP funds



Subgrantee: Local Provider

- Implement WAP program (client recruitment, staffing, procurement, deployment of services, ensure quality control)
- Monitor subcontractors and subgrantees (if applicable)



Low- Income Household

- Participate in WAP program

37

37

10 C.F.R. Part 440

38

38

10 C.F.R. Part 440 Topics

§ 440.1 Purpose and scope	§ 440.19 Labor
§ 440.2 Administration of grants	§ 440.20 Low-cost/no-cost weatherization activities
§ 440.3 Definitions	§ 440.21 Weatherization materials standards and energy audit procedures
§ 440.10 Allocation of funds	§ 440.22 Eligible dwelling units
§ 440.11 Native Americans	§ 440.23 Oversight, training, and technical assistance
§ 440.12 State application	§ 440.24 Recordkeeping
§ 440.13 Local applications	§ 440.25 Reports
§ 440.14 State plans	§ 440.30 Administrative review
§ 440.15 Subgrantees	Appendix A to Part 440: Standards for Weatherization Materials
§ 440.16 Minimum program requirements	
§ 440.17 Policy Advisory Council	
§ 440.18 Allowable expenditures	

39

39

Points to Keep in Mind

- These slides mainly review **State Plan Sec. 440.14** and **Minimum Program Requirements Sec. 440.16** and rules referenced in each which:
 - Establish legal framework for the WAP
 - Identify a state's discretion to develop and implement policies
 - Must be read in conjunction with applicable DOE WAP guidance
- References to DOE citations in regulations not always updated
- Language in **this blue color** in the slides indicates when other DOE regulations and guidance add to the legal framework

40

40

State Plan

10 C.F.R. § 440.14

41

41

State Plan Process Scenario

The State WAP office decides to conduct a hearing on the WAP state plan as part of a 3-day, public hearing that will include other state funded programs facilitated by the office. It will issue public notice 15 days prior to the hearing. The notice will list the different awards that will be addressed over the 3-day hearing process. The state indicates that witnesses are allowed but has no mechanism for the submission of written comments.

Is this a permissible approach to the WAP state plan process?

42

42

State Plan Process

10 C.F.R. 440.14 (a)

One or more public hearings:

1. Inform prospective grantees
2. Receive comments

Notice:

1. At least 10 days prior
2. Specify availability of plan copies + how to obtain them

State must:

1. Prepare hearing transcript
2. Accept written views + data for record

43

43

Contents - Proposed State Plan

10 C.F.R. 440.14 (b)

- Identifies and describes proposed WAP projects
 - Includes proposed subgrantees and allocation amounts
- Includes all elements required for final plan
- Is made available prior and throughout hearing

44

44

Subgrantee Selection Scenario

As part of the state plan public hearing, the State WAP office explains that it will be allocating WAP funds to 8 current providers (6 CAAs + 2 public entities) and will also be allocating funds for the first time to a multi-county energy nonprofit that provides weatherization services in other states.

Does the State need to justify its decision to give WAP funding to a new provider? If so, what information must the State provide?

45

45

Subgrantee Selection

Process + Considerations, 10 C.F.R. 440.15(a)

- Must be a CAA, public entity or nonprofit
- Selected on basis of public comment at State plan hearing and the following:
 - Experience and performance in WAP or housing renovation activities;
 - Experience assisting low-income individuals in area served; and
 - Capacity to undertake a timely and effective WAP.

46

46

Subgrantee Selection

Type, 10 C.F.R. 440.15(a)

- Preference given to any CAA, public entity or nonprofit which has, or is currently administering, an effective WAP
- Effectiveness evaluated by factors such as:
 - Achievement of goals in a timely fashion (past/current WAP)
 - Quality of work performed
 - Number, qualifications, and experience of staff
 - Ability to secure volunteers, training participants, public service employment workers, and other Federal/State training programs

47

47

Subgrantee Selection

Allocation + Termination, 10 C.F.R. 440.15(b) – (e)

- Funds allocated on basis of relative need
- State must follow administrative procedures (10 C.F.R. 440.30(i)) before replacing a subgrantee that fails to substantially comply with the WAP Act and rules
- State may terminate financial assistance under a subgrant agreement only in accordance with State procedures which must provide:
 - Appropriate notice of termination reasons and
 - Adequate opportunity to be heard

48

48

Subgrantee Selection

Guidance to States

WPN 11-14

Related to 10 C.F.R. 440.14
and 440.15

- Updated Subgrantee Selection Guidance pursuant to the American Recovery and Reinvestment Act of 2009 (Recovery Act) lessons learned

49

49

Contents – Final State Plan

10 C.F.R. 440.14 (c)

- State production schedule
 - Projected expenditures
 - # of dwelling units to be weatherized
 - # of dwelling units to be re-weatherized annually
- Climatic conditions
- Type of weatherization work

50

50

Allowable expenditures

10 C.F.R. 440.18 (d)

• Other Expenses

- Low-cost/no-cost weatherization permitted if (440.20):
 - Not subject to materials standard in 440.21, limitations on re-weatherizing homes in 440.18(f)(1), restrictions on weatherizing homes designated for acquisition or clearance by a federal, state or local program in 440.18(f)(2)
 - Inexpensive weatherization materials used
 - No DOE WAP funds used to pay labor for installation and
 - Material costs do not exceed \$50 per dwelling unit, unless a higher threshold approved

51

51

Allowable Expenditures

10 C.F.R. 440.18 (f)

• DOE WAP funds may not be used for:

- A dwelling designated for acquisition or clearance by a Federal, State, or local program within 12 months from the scheduled weatherization completion date of the unit
- Previously weatherized units, except
 - For low-cost/no-cost weatherization (440.20)
 - For fire, flood or act of God damage and repair to weatherized materials not covered by insurance
 - If partially weatherized between 9/30/75 -9/30/93

52

52

Previously Weatherized Units

Guidance to States + 2021 Appropriations Act Update

WPN 11-3

Related to 10 C.F.R. 440.18

- Additional work on units already reported to DOE is not a permissible
- “Call-backs’ allowed if previously completed unit and associated costs taken out of DOE reporting system and funds category

2021 Appropriations Act

- Homes previously weatherized under WAP (or LIHEAP, HUD, or USDA funds for weatherization) are eligible for WAP services again **after 15 years**

53

53

Contents – Final State Plan

10 C.F.R. 440.14(c)

- Energy conservation estimate
- List of each area to be served noting the:
 - Tentative allocation
 - # of dwelling units to be weatherized during program year
 - Labor source

54

54

Contents – Final State Plan

10 C.F.R. 440.14 (c)

- Implementation approach, which includes:
 - Effectiveness analysis of any subgrantee WAP project
 - Explanation of selection method for areas served
 - Extent priority given to single-family or other high energy consuming dwelling units
 - Amount of non-federal and federal (other than DOE WAP) resources applied to WAP
 - State WAP allocation from DOE

55

55

Contents – Final State Plan

10 C.F.R. 440.14 (c)

- Implementation approach, which includes:
 - Expected avg weatherization cost per dwelling unit, taking into account:
 - Total # of dwellings to be weatherized
 - Total amount of funds (federal and non-federal) expected to be applied
 - Amount of allowable direct program expenditures (440.18(d)(1)-(9)) applied to any dwelling unit
 - Procedures for providing additional admin funds (440.18(e))

56

56

Allowable Expenditures

Average Cost Per Dwelling Unit Quiz

- Where can you **always** find the average cost per dwelling unit for a program year?
 - A. DOE Weatherization Program Notices
 - B. Annual Appropriations Act
 - C. DOE Regulations
 - D. State Guidance
 - E. None of the above

57

57

Allowable Expenditures

10 C.F.R. 440.18 (a) – (c)

- **Direct Program/Dwelling Unit Expenditures**
 - Average expenditure for labor, weatherization materials, and other **related matters** (440.18(c)(1)-(9)) shall not exceed:
 - \$8,250 per unit for weatherization (WPN 23-1)
 - \$4,047 per unit for a renewable energy system which counts towards the \$8,250 limit (WPN 23-1)
 - Both limits adjusted annually
 - Cost of vehicles and equipment as defined in the Uniform Guidance may be amortized over its useful life for determining unit cost limits

58

58

Direct Program Cost Quiz

WAP providers may employ contractors only if other labor sources (i.e., volunteers, training participants, public service employment works or other Federal or state training programs) are not available.

True or **False**

59

59

Allowable Expenditures

10 C.F.R. 440.18 (d)(1)-(9)

• Direct Program/Dwelling Unit Expenditures

- Costs of materials (includes delivery)
- Labor costs (440.19)
 - Must consist of payments permitted by DOL to supplement wages paid to “other labor sources”
 - May employ contractor if other labor sources not available
 - Other labor sources: volunteers, training participants, public service employment works or other Federal or state training programs
- Transportation of materials, tools, equipment and work crews to a storage and work site

60

60

Allowable Expenditures

10 C.F.R. 440.18 (d)(1)-(9)

• Direct Program/Dwelling Unit Expenditures

- Maintenance of tools and equipment
- Vehicles with prior DEO approval
- On-site supervisory personnel
- Storage of materials, tools and equipment
- **Incidental repairs** if necessary for installation of effective weatherization materials

61

61

Dwelling Unit Expenditures

Appendix A

Related to 10 C.F.R.
440.21(b)

- List of standards weatherization materials must meet or exceed for purchase with DOE WAP funds
- State may apply for DOE approval of unlisted materials

62

62

Dwelling Unit Expenditures

Guidance to States

WPN 19-5

Related to 10 C.F.R. 440.3,
440.21(d)

- Address inconsistencies in Grantee interpretation of DOE incidental repair measure (IRM) policy
- IRM justified by written + photo documentation in client file.
- Included in SIR for total weatherization measures

WPN 17-6 + FAQ

Related to 10 C.F.R.
440.18(c), (d)

- How to obtain approval property acquisitions, including purchasing vehicles and equipment, for use in the WAP

63

63

Direct Program Costs Quiz

States have full discretion to determine the amount of administrative dollars they pass down to the subgrantee, i.e., the CAA.

True or False

64

64

Allowable Expenditures

10 C.F.R. 440.18 (e)

• Administrative Expenses

- Up to 15% of total State allocation may be used by State and subgrantee for administrative purposes
 - At least ½ of admin amount for subgrantees
 - **Note:** threshold increased from 10% by 2021 Appropriations Act
- Additional admin of up to 5% of subgrants for those receiving less than \$350,000 if State determines needed to effectively implement administrative requirements

65

65

Allowable expenditures

10 C.F.R. 440.18 (d)

• Other expenses

- Personal injury and property damage liability insurance
- Program financial audits
 - Conducted with reasonable frequency (continuing basis or scheduled intervals) at least every 2 years (440.23(d)) in accordance with Uniform Guidance
- Leveraging activities to increase weatherization assistance as noted in the state plan (440.14(c)(6)(xiv))
- Eliminating health and safety hazards necessary for materials installation

66

66

Health and Safety Plans

Guidance to States

WPN 22-7

Related to 10 C.F.R.
440.18(d)(15)

- Provide minimum requirements for Health and Safety Plans
- Address deferral policies, including subgrantee providing client written info describing conditions to be met before weatherization services begin

67

67

Contents – Final State Plan

10 C.F.R. 440.14(c)

- Implementation approach, which includes:
 - State's definition of low-income in accordance with DOE's requirement, 440.22(a), stating that a dwelling unit is eligible for assistance if it is occupied by a family unit:
 - Whose income is at or below 200% of FPL;
 - Which contains a member who received cash assistance payments under Title IV or XVI of the Social Security Act or applicable state or local law during prior 12 month; or
 - If state elects, eligible for LIHEAP assistance so long as such basis is at least 200% of the FPL

68

68

Eligibility Expansion

Guidance to States

WPN 22-5

- Expansion of categorical income eligibility to include HUD means-tested programs' income qualifications at or below 80% of Area Median Income
- Ex, CDBG, HOME, OLHCHH

69

69

Contents - Final Plan

10 C.F.R. 440.14(c)

- Implementation approach, which includes:
 - Procedures for determining most cost-effective measures in a dwelling unit
 - Definition of children consistent with DOE requirement (440.3) defining children as dependents 19 years or less
 - How federal funds will be used to increase state assistance provided with non-Federal sources, including private sources, and the expected leveraging effect to be accomplished

70

70

Leveraging Funds

Guidance to States

WPN 22-8

- WAP may only be used to fund measures that meet the SIR of 1 or greater and address certain types of repairs
- Other funding sources may be more flexible or have other criteria that must be followed
- Provides leveraging activities and funding descriptions and categorizations

71

71

State Guidance / Manual

10. C.F.R. § 440.16

72

72

Minimum Program Requirements

Eligibility Quiz

- When establishing eligibility procedures for dwelling units, states have the discretion to:
 - A. Chose groups to prioritize
 - B. Establish prioritization rankings
 - C. Require subgrantees to prioritize groups
 - D. None of the above
 - E. B and C

73

73

Minimum Program Requirements

10 C.F.R. 440.16

- State published procedures must ensure:
 - Documentation verifying dwelling unit eligibility provided (440.22)
 - Identification of, and priority established for,:
 - Elderly persons,
 - Persons with disabilities,
 - Families with children,
 - High residential energy users, and
 - Households with a high energy burden

74

74

Minimum Program Requirements

10 C.F.R. 440.16

- State published procedures must ensure:
 - DOE funds supplement, not supplant, state and local funds and increase funds available in absence of federal funds
 - Use of volunteers, training participants and public service employment workers, other federal or state program workers to work under qualified supervisors and foremen
 - Coordination with other federal, state local or privately funded programs to improve energy efficiency and conserve energy
 - Indian tribes receive equivalent assistance unless [submit application as a local applicant \(440.12\(b\)\(5\), 440.11\)](#)

75

75

Minimum Program Requirements

10 C.F.R. 440.16

- State published procedures must ensure:
 - No dwelling unit reported to DOE as completed until:
 - All weatherization materials installed
 - Final inspection(s) including any mechanical work performed
 - Certification provided that the work completed in a workmanlike manner and [in accordance with the priority determined by audit procedures in 440.21.](#)

76

76

Energy Audit Procedures

10 C.F.R. 440.21(c), (f), (g), (h),

- Performance and quality standards for renewable energy systems
- Procedures and criteria to assess a manufacturer's petition requesting DOE to certify an item as a renewable energy system
- **Priority lists** and presumptively cost-effective general heat waste reduction materials (WPN-22-08)
- Energy audit requirements that do not pertain to cost-effectiveness tests of weatherization materials

77

77

Energy Audit Procedures

Guidance to States

WPN 22-08

Related to 10 C.F.R.
440.21(g)

- Option to use regional priority lists (PL) for single family site-built, manufactured homes, and low-rise multifamily projects for greater impact and reduced administrative burdens

78

78

Energy Audit Procedures

10 C.F.R. 440.21(d), (i)

- Cost-effectiveness tests that weatherization materials must pass before installation in an eligible unit
 - Excludes allowable health and safety materials
 - Includes incidental repairs
 - Establishes savings to investment ratio (SIR) (WPN-23)
 - i.e., materials must result in energy cost saving over life of measures, discounted to present value, that equal or exceed the cost of materials, installation and on-site supervisory personnel
- State's energy audit procedures and priority lists must be re-approved by DOE every five years (WPNs 22-10, 23-06)

79

79

Energy Audit Procedures

Guidance to States

WPN 22-10

Related to 10 C.F.R.
440.21(f)(7)

- Inclusion and approval for use of non-energy impacts (NEI), social cost of carbon and water usage reduction

WPN 23-06

Related to 10 C.F.R. 440.21
(in parts 10 C.F.R. 440.21(i),
specifically)

- Energy audit approval process
- Additional energy audit items
- Use of WAP funds for solar PV systems
- Special approval of energy conservation materials

80

80

Minimum Program Requirements

10 C.F.R. 440.16

- State published procedures must ensure:
 - Limited use of DOE funds to install non-WAP materials to abate energy-related health and safety hazards to a list which is submitted with [its state application \(440.12\)](#) and DOE shall approve if—
 - Elimination is necessary before, or as a result of, WAP work; and
 - % of dwelling unit costs that may be used for such abatement is set
 - Protection of weatherization benefits to [rental unit occupants in accordance with 440.22\(b\)\(3\)](#)

81

81

Rental Unit Quiz

- To weatherize rental units in a multifamily building states must develop procedures to ensure that:
 - A. Benefits accrue primarily to low-income tenant
 - B. No WAP-related rent increases occur for a reasonable time
 - C. A complaint process for rent increases exists
 - D. Value of unit not unduly or excessively enhanced
 - E. All of the above
 - F. A, B and D

82

82

Eligible Dwelling Units - Rentals

10 C.F.R. 440.22(b), WPN 22-12, WPN 22-13

- Subgrantee may weatherize a building with rental units where:
 - Owner/agent permission obtained
 - Not less than 66% of units are eligible or will become eligible within 180 days under a government rehabilitation program
 - Smaller multi-units (ex., duplexes) use 50% threshold

83

83

Eligible Dwelling Units - Rentals

10 C.F.R. 440.22(b)

- Subgrantee may weatherize a building with rental units where procedures established by the State ensure that:
 - Benefits accrue primarily to low-income tenant
 - No WAP-related rent increases occur for a reasonable time
 - A complaint process for rent increases exists
 - Value of unit not unduly or excessively enhanced

84

84

Eligible Dwelling Units - Rentals

10 C.F.R. 440.22(b)(4), (c) – (f)

- Other topics addressed by state procedures include:
 - Housing that automatically meets eligible dwelling requirements
 - Approach to protecting federal investment, especially as to evictions and property sales
 - Financial participation by owners of multifamily buildings
 - Use of alternative dispute resolution procedures in the rent increase complaint process
 - Eligibility determination for shelters

85

85

Eligible Dwelling Units - Rentals

Guidance to States

WPN 22-12 + FAQ

Related to 10 C.F.R.
440.22(b)

- Prioritizing based on housing type
- Multifamily building eligibility
- Property listings for use in WAP
- ACPU in multifamily dwellings
- Buy downs and leveraging
- Documentation requirements

WPN 22-13 + FAQ

Related to 10 C.F.R.
440.22(b)(3)

- Ensuring benefits of weatherization to occupants of rental units are protected, regardless of housing type

86

86

Monitoring

10 C.F.R. § 440.23

87

87

Oversight + T/TA

10 C.F.R. 440.23(a), (c), (e)

- DOE, in coordination with HHS, shall monitor and evaluate CAAs through on-site inspection or other means to ensure effective weatherization assistance
 - Shall have access to any WAP books, documents, papers, information and records for purposes of audit and examination
- DOE may reserve up to 20% of appropriated funds to directly or indirectly provide TTA to grantees and subgrantees
 - May include training on conservation practices for eligible dwelling unit occupants

88

88

Monitoring

Guidance to States

WPN 20-4

Related to 10 C.F.R.
440.23(a)

- Current WAP monitoring procedures and additional information and resources for Grantees to strengthen and enhance their weatherization monitoring plans

89

89

Questions?

90

90