

# Memorandum

DATE: **November 1, 2023**

WAP Memorandum 117

REPLY TO

ATTN OF: **Amy Klusmeier, Innovation Program Manager**

SUBJECT: **WAP Sustainable Energy Resources for Consumers (SERC) Bipartisan Infrastructure Law (BIL) Grant Application Instructions**

TO: **Weatherization Assistance Program Grantees and Subgrantees**

INTENDED

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

The U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP) announces an opportunity for WAP Grantees and Subgrantees to apply for Sustainable Energy Resources for Consumers (SERC) grants. As noted in [Weatherization Program Notice BIL 22-2](#), \$70 million is reserved for SERC in support of section 40551 of the [Infrastructure Investment and Jobs Act \(IIJA\) of 2021](#), also known as the Bipartisan Infrastructure Law (BIL).

SERC is 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). DOE’s Secretary may elect to use up to two (2) percent of the amount of funds made available for SERC grants when WAP appropriated funds exceed \$275 million. This provision authorizes local weatherization providers to expand the Program for “*materials, benefits, and renewable and domestic energy technologies not currently covered.*”

**BIL SERC Applications will be accepted through [PeerNet](#). The submission deadline is February 16, 2024, by 11:59 PM ET.**

## **ELIGIBLE APPLICANTS<sup>1</sup>:**

Eligible applicants for SERC grants are *existing WAP Grantees and Subgrantees (the WAP Grantee must certify that they will include the Subgrantee SERC project in their administration, oversight, and monitoring of WAP)* ([42 U.S.C. 6872\(b\)](#)). Direct Service WAP Grantees (e.g., U.S. Territories) are eligible to apply for SERC grants individually.

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<sup>1</sup> **Grantee** means the State/Territory/Tribe/District of Columbia office administering a DOE BIL WAP grant. A **Subgrantee** is a local weatherization provider who is listed in the approved Grantee BIL WAP Plan.

**PERIOD OF PERFORMANCE:**

SERC funds are an add-on to BIL Grantee Allocations awarded during Program Year (PY) 2022. SERC grants will be allocated to WAP Grantees and passed through to WAP Subgrantees. The period of performance for SERC funds will follow the BIL WAP awards, which are structured as a five-year budget period (7/1/22 – 6/30/27), with the opportunity to request an extended budget period as detailed in [WPN BIL 22-1](#). Reporting requirements for the period of performance will align with the Federal Assistance Reporting Checklist (FARC) attached to the BIL WAP Grantee Assistance Agreement. Grantees will be responsible for all aspects of administration and oversight of these funds (e.g., monitoring, contracting with the Subgrantee, quarterly and annual reporting).

**TECHNOLOGIES:**

SERC BIL funds shall be used to install renewable energy systems and other energy technologies and solutions not covered under WAP.

*Examples include, but are not limited to:*

- Onsite renewable energy technology:
  - Solar Electricity/Photovoltaic
  - Wind Turbine
  - Solar Heating and Cooling
  - Solar Water Heater
- Air source and ground source heat pump technologies
- Cool roof technologies
- Integration with utility smart-grid pilots or implementations
- Heat Pump Water Heaters
- Windows - triple or double pane low-e and u factor, high r value
- Whole-House Ventilation – balanced, energy recovery
- Installing new electrical panels or materials to support the electrical upgrades necessary for SERC measures being installed.

**CONSIDERATIONS:**

*Statutory Priorities:*

Projects need to adhere to the statutory priorities of SERC:

- Effectiveness and benefits to eligible low-income households.
- Potential for replication.
- Impact on health & safety and energy costs.
- Partnerships with other public and private entities.

*Scalability:*

One of the statutory priorities of SERC grants is to test the potential for replication and scale successful results into the WAP. When developing a SERC proposal, consider the ways successful implementation of the selected technologies could become a mainstay in the Program in future years through additional braiding of funds when individual measures are not cost effective.

*ACPU and SIR:*

SERC funds are **not subject to the Average Cost Per Dwelling Unit (ACPU)<sup>2</sup>** limits for weatherization jobs and renewable energy measures. However, to adhere to the cost effectiveness priorities of the Program and implement projects that may be scalable to the WAP, applicants should *consider keeping the ACPU for DOE SERC funds to \$20K or less*. The total project could include braided funds and have a higher ACPU.

SERC-funded measures **are not subject to cost effectiveness or savings to investment ratio (SIR) requirement<sup>3</sup>**. These limitations apply only to funds provided under the formula WAP grants.

*Funding Request Limitations:*

Previously funded SERC projects ranged from \$500K - \$5M; however, there is no cap on funding requests.

*Eligible Units:*

Technologies funded by SERC may be installed on homes previously weatherized, currently being weatherized, or those slated for weatherization in the future. The 15-year re-weatherization rule does not apply to SERC funds.

*SERC Best Practices:*

When developing a SERC project, consider “**Suggestions for Future Impact Evaluations**” section of the report, [\*Assessment of the US Department of Energy’s Sustainable Energy Resources for Consumers Grant Program\*](#), from Oak Ridge National Laboratory’s (ORNL) assessment of the SERC grant program during the American Recovery and Reinvestment Act (ARRA). These include:

- Install SERC technologies at least one year after regular weatherization measures are installed to distinguish the energy impacts of SERC measures from the impacts of WAP measures.
- Limit the options for allowable technologies within the SERC project to provide opportunities for more robust data collection per technology.
- Limit the number of SERC technologies installed per home to allow for a more accurate assessment of costs and energy savings per technology.

*Davis Bacon:*

With respect to work performed under WAP on a project assisted in whole or in part by WAP or SERC funding, BIL (Section 41101 and 40552) requires the payment of prevailing wages for work performed on multifamily buildings with not fewer than 5 units. Therefore, all laborers and mechanics employed by contractors and subcontractors on multifamily building projects with not fewer than 5 units funded directly by or assisted in whole or in part by and through the Federal Government pursuant to BIL shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor. Additional program direction will be released as soon as it is available. See [WPN BIL 22-1](#) for additional information.

*Build America, Buy America:*

BIL made changes to domestic content preference laws, which require that certain goods purchased with federal funds be manufactured primarily in the United States. See [WAP Memorandum 104](#) for additional information.

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<sup>2</sup> [10 CFR 440.18\(a\)](#) Allowable Expenses. The ACPU is adjusted annually.

<sup>3</sup> [10 CFR 440.21\(d\)](#) Weatherization materials standards and energy audit procedures.

### *Restricted Activities:*

SERC funds are not permitted to be spent on loans, revolving loan funds, property-assessed clean energy programs, or other financing activities. Section 411(b) of the EISA 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.

**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 in full with the SERC grant, and the base weatherization retrofit should be paid for with existing WAP funds or other braided leveraged funds. *However*, if a technology is within Appendix A, but not allowed in the Grantee Plan (e.g., Health and Safety Plan, DOE-approved energy audit tool), then it could be eligible for SERC funding.

### *Budget Considerations:*

SERC funds follow regular Retrofit budget rules<sup>4</sup>. Grantees may budget and use up to 15% of SERC funds for Administrative costs. The total of all BIL Administrative cost categories cannot exceed 15% of the total award (BIL SERC + BIL WAP). The total Subgrantee Administration must be at least 7.5% of the total awarded funds.

### *Training and Technical Assistance (T&TA):*

All T&TA activities must be funded by WAP T&TA funds already allocated and consistent with the permitted uses of WAP T&TA funds of applicable laws, BIL application instructions, and any associated guidance documents.

### **LEVERAGING<sup>5</sup>:**

Weatherization programs leverage a combination of federal and non-federal funds, partnerships, and other resources to accomplish the scope of work. SERC must be braided with WAP to expand the impact of DOE's existing WAP to install renewable energy measures and perform deep energy retrofits. Applicants shall strive to coordinate additional investments and leveraged funds to maximize benefits. Leveraged resources may include federal (non-DOE) or non-federal funding, financial contributions, volunteer labor, in-kind donations, and other resources provided by partner organizations.

### **COMMUNITY BENEFITS PLAN:**

To support DOE's goal of building a clean and equitable energy economy, SERC BIL-funded projects are expected to (1) support engagement with community and labor to enhance partnerships; (2) invest in America's workforce; (3) advance diversity, equity, inclusion, and accessibility (DEIA); and (4) contribute to the President's goal that 40% of the overall benefits of certain federal investments flow to disadvantaged communities (the Justice40 Initiative).

To ensure these objectives are met, applications must include a Community Benefits Plan that describes how the proposed project would incorporate the four objectives stated above. The Community Benefits Plan must use the Climate and Economic Justice Screen Tool (CEJST) to identify communities to meet Justice40 goals.

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<sup>4</sup> [10 CFR 440.18\(e\)](#) Allowable expenditures. The [Appropriations Act of 2021](#) increased the amounts in 10 CFR 440 to 15%.

<sup>5</sup> See [WPN 22-9](#) "Managing Multiple Funding Streams within the Weatherization Assistance Program" for a discussion on leveraging and braiding in WAP.

See Attachment 1b for the Community Benefits Plan Template. All applicants should use the Template as a foundation for their Community Benefits Plans.

### **NATIONAL ENVIRONMENTAL POLICY ACT (NEPA):**

DOE must comply with 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 the DOE [online training](#) covering NEPA and Historic Preservation. Technical assistance will be available to SERC Grantees and Subgrantees for NEPA compliance activities.

### **SERC APPLICATION PROCESS AND DUE DATES:**

DOE has partnered with Oak Ridge Associated Universities (ORAU) and is utilizing their online application submission platform, PeerNet. Only electronic responses submitted via [PeerNet](#) will be accepted. Technical assistance is available for obtaining PeerNet access and submitting files. Requests should be submitted to [Weatherization.Innovation@hq.doe.gov](mailto:Weatherization.Innovation@hq.doe.gov).

#### *Application Process:*

1. Grantees must apply by **February 16, 2024, at 11:59 PM ET**. Applications must be submitted through DOE's partner website, [PeerNet](#). Instructions on setting up user accounts and using PeerNet are attached to this Memorandum.
2. Applications will undergo an eligibility review and then a third-party merit review to verify that the proposed projects meet the intention of [EISA Section 411\(b\)](#). Upon completing the review, DOE may approve a project in whole or in part or may deny funding the application.
3. DOE will determine the award amounts to be distributed to qualifying Grantees within the approximately \$70M that is available.
4. If selected, Grantees will revise BIL Grantee Plans to include the BIL SERC plan and budget, preferably along with the release of the remaining 50% of BIL funds following the criteria in [WPN BIL 22-1](#).
5. The Grantee is responsible for distribution and oversight of the SERC grant funds to the selected Subgrantee(s).

#### *SERC Application Content Requirements:*

SERC Applications must conform to the requirements listed below. Applicants must address all the required elements listed below to be eligible for consideration for the grant. Scoring will be determined based on the applicant's responses to the required elements. All application materials will be submitted in PeerNet. See the attached templates and PeerNet Instructions for additional details regarding character and page limits. Applicants must follow all page limits below and all character limits and instructions in the PeerNet system.

SECTION AND PAGE LIMITS	DESCRIPTION OF REQUIRED ELEMENTS
Cover Page	<p>The cover page must include:</p> <ul style="list-style-type: none"> <li>• Project title.</li> <li>• WAP Grantee and Subgrantee points of contact.</li> <li>• Local weatherization provider/Subgrantee(s) or contractors (if Direct Service Grantee) identified for SERC projects.</li> <li>• Subgrantee point of contact, if applicable.</li> </ul>
Grantee Certification (1 page maximum)	<p>A signed certification statement that the WAP Grantee will provide necessary oversight to assess performance of Subgrantees or providers/contractors and act if issues of noncompliance or poor performance are identified.</p> <p>Grantees must identify when the Grantee plans to complete 30% of the BIL units and when they expect to submit a request for the final 50% BIL Retrofit funds.</p> <p>Applicants must use the required PDF template and upload it to PeerNet</p>
Project Overview	<p>An executive summary of the SERC project, including details such as:</p> <ul style="list-style-type: none"> <li>• Project goals.</li> <li>• Location of project (e.g., address, neighborhood, city, count, statewide, etc.)</li> <li>• Housing types.</li> </ul> <p>If multiple Subgrantees plan different activities, please explain each project.</p>
Technical Description and Impact	<p>The Technical Description and Impact section must contain the following information:</p> <ul style="list-style-type: none"> <li>• <b>Technologies:</b> Select the technologies that the project plans to install and pay for only with SERC.</li> <li>• <b>Total units planned:</b> Enter the total planned units for all Subgrantees, regardless of the number of technologies installed.</li> <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. This is where other materials can be described along with their related funding source.</li> <li>• <b>Technical Qualifications and Experience:</b> Describe each Subgrantee or contractor’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>○ Relevant previous work efforts, training, licenses and certifications, demonstrated innovations, and how these enable achieving the project objectives.</li> </ul> </li> <li>• <b>Savings and Impact:</b> Identify what processes/calculations will be used to determine the projected return on investment or payback, and any non-energy impacts included in the calculation.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Potential for Scalability:</b> Describe how this project may be scaled regionally or nationally, and any anticipated practices that may be integrated in formula WAP grants.</li> </ul>
<p><b>Community Benefits Plan</b> (5 page maximum)</p>	<p>Applicants are required to describe succinctly the approach to be taken with the Community Benefits Plan, addressing the four core elements:</p> <ul style="list-style-type: none"> <li>• Community and labor engagement leading to support and partnerships.</li> <li>• Investing in job quality and workforce continuity.</li> <li>• Advancing diversity, equity, inclusion, and accessibility.</li> <li>• Contributing to the Justice40 Initiative goal that 40% of the overall climate and clean energy investments flow to disadvantaged communities.</li> </ul> <p>Applicants must use the required template and upload it to PeerNet</p>
<p><b>Project Management Plan</b> (4 page maximum)</p>	<p>Provide a <b>Workplan</b> with the following elements:</p> <ul style="list-style-type: none"> <li>• <b>Budget:</b> Total project budget including estimated amounts for <b>all funding sources</b>. <i>This will be uploaded into PeerNet.</i> <ul style="list-style-type: none"> <li>○ Provide a SERC-specific budget using the following four cost categories: Program Operations, Grantee Administration, Subgrantee Administration (maximum of 15% of total budget), and Health and Safety.</li> <li>○ Include a chart with all funding sources and the intended use of those funds, if known.</li> </ul> <p><i>Note: Training and Technical Assistance activities must be funded with BIL WAP formula grant funds and not BIL SERC funds.</i></p> </li> <li>• <b>Project plan and timeline:</b> <i>This will be uploaded into PeerNet.</i> <ul style="list-style-type: none"> <li>○ Include a chart with tasks and milestones organized by month or quarter.</li> </ul> </li> <li>• <b>Management Plan:</b> Provide the project’s proposed management plan, including the following: <ul style="list-style-type: none"> <li>○ Overall approach to and organization for managing the work.</li> <li>○ Roles of each project team and members.</li> <li>○ Grantee Monitoring Plan for Quality Assurance.</li> </ul> </li> <li>• <b>Procurement Plan</b> <ul style="list-style-type: none"> <li>○ How will the project comply with <a href="#">2 CFR 200</a> and any state specific procurement requirements?</li> <li>○ How will contractors and materials will be procured?</li> </ul> </li> </ul>
<p><b>Letters of Commitment</b> (1 page for each letter)</p>	<p>For each project partner other than WAP Grantees and Subgrantees, provide a letter of commitment describing:</p> <ul style="list-style-type: none"> <li>• The organization or individual’s unique qualifications and expertise to implement a SERC project, including those of key team members.</li> <li>• The commitment of the organization to support the SERC project(s).</li> <li>• Leveraged resources that will facilitate the successful completion of the SERC project(s).</li> </ul> <p>Applicants may use the optional template and upload it to PeerNet.</p>

## **MERIT REVIEW:**

All eligible applications will be included in the merit review. Applications will be evaluated against the technical review criteria below. All criteria must be addressed to be considered eligible for review. All sub-criteria are of equal weight.

### **Criterion 1: Technical Merit, Innovation, and Impact (60%)**

- 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.
- The extent of partnerships with other public and private entities that contribute to the resources and implementation of the program, including financial partnerships.
  - The level of participation by project participants as evidenced by letter(s) of commitment and how well they are integrated into the Workplan.
- Clear articulation of existing and planned formal partnerships with other organizations and service providers.
- Degree to which the proposed project utilizes leveraged resources to achieve programmatic objectives.
- How the project(s) are expanding the Program for materials, benefits, and renewable and domestic energy technologies not currently covered under WAP (see [Appendix A to Part 440, Title 10](#)).<sup>6</sup>

### **Criterion 2: Project Approach and Implementation (20%)**

This criterion involves consideration of the following equally weighted factors:

- Degree to which the approach has been clearly described and thoughtfully considered.
- Degree to which the task descriptions are clear, detailed, timely, and reasonable, resulting in a high likelihood that the proposed project will succeed in meeting the project goals.
- Adequacy, reasonableness, and soundness of the project schedule, interim milestones, and metrics to track progress.
- The capability of the proposed team to address all aspects of the proposed work with a high probability of success.
  - The qualifications, relevant expertise, and estimated time commitment of the individuals on the team.
- The reasonableness of the budget and spend plan for the proposed project and objectives.

### **Criterion 3: Community Benefits Plan (20%)**

This criterion involves consideration of the following equally weighted factors:

#### Partnerships

- The extent of partnerships with other public and private entities that contribute to the resources and implementation of the program, including financial partnerships. Extent to which the applicant demonstrates community and labor engagement to date that results in support for the proposed work.

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<sup>6</sup> A material or technology included in Appendix A could be eligible for SERC if the Grantee does not have approval to install it via their energy audit or priority list.



- Extent to which the applicant has a clear and appropriately robust plan to engage with Tribal entities, community-based organizations, and/or labor unions that support or work with disadvantaged communities and other affected stakeholders.
- Extent to which the applicant demonstrates that community and labor engagement will lead to the delivery of high-quality jobs, minimal environmental impact, and allocation of project benefits to disadvantaged communities.

#### Job Quality and Workforce Continuity

- Quality and manner in which the proposed project will create and/or retain high quality, good-paying jobs with employer-sponsored benefits for all classifications and phases of work.
- Extent to which applicant demonstrates that they are a responsible employer, with ready access to a sufficient supply of appropriately skilled labor, and an effective plan to minimize the risk of labor disputes or disruptions.

#### Diversity, Equity, Inclusion, and Accessibility

- Extent to which the Community Benefits Plan includes specific and high-quality actions to meet DEIA goals, which may include DEIA recruitment procedures, supplier diversity plans, and other DEIA initiatives.
- Quality of any partnerships and agreements with apprenticeship readiness programs, or community-based workforce training and support organizations serving workers facing systematic barriers to employment to facilitate participation in the project's construction and operations.

#### Justice40 Initiative

- Extent to which the Community Benefits Plan identifies specific, measurable benefits for disadvantaged communities, how the benefits will flow to disadvantaged communities, and how negative environmental impacts affecting disadvantaged communities would be mitigated.
- Extent to which the project would contribute to meeting the objective that 40% of the benefits of climate and clean energy investments will flow to disadvantaged communities.

#### **ADDITIONAL PREFERENCE POINTS:**

There will be an opportunity to earn preference points. An additional point will be added to the overall score if an application meets any of the following criteria:

- The project braids at least one funding source other than DOE WAP.
- The project is planning to contract with minority, woman, and/or veteran-owned businesses.
- The project addresses decarbonization and provides supporting evidence explaining how the project will achieve/contribute to this goal.
- The project was submitted by a Grantee who has not yet received SERC as a part of their current WAP award.

If you have questions regarding the information in this Memorandum, please contact [Weatherization.Innovation@hq.doe.gov](mailto:Weatherization.Innovation@hq.doe.gov).

**Attachments:**

1. Templates:
  - a. Grantee Certification Statement – Required template
  - b. Community Benefits Plan – Required template
  - c. Letter of Commitment – Optional template
2. PeerNet Instructions