



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE: 24-5
EFFECTIVE DATE: November 28, 2023

SUBJECT: Solar Photovoltaic (PV) System Warranties

APPLICABLE TO: Annual Formula Grants and Bipartisan Infrastructure Law (BIL) Grants

INTENDED AUDIENCE: Weatherization Assistance Program (WAP) Grantees and Subgrantees

PURPOSE: To provide clarification to the Department of Energy's (DOE) WAP Grantees on guidance regarding the allowability of extended warranties and their effect on the lifetime allowances of PV installations previously issued in [Weatherization Program Notice \(WPN\) 23-6 \(Attachment 9\)](#).

SCOPE: The provisions of this Guidance apply to all Grantees applying for financial assistance under the DOE WAP.

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act, as amended, authorizes DOE to administer the WAP (42 U.S.C. § 6861, *et. seq.*). All grant awards made under this Program shall comply with applicable law and regulations, including WAP regulations contained in [Code of Federal Regulations \(CFR\) Title 10, Chapter II, Subchapter D, Part 440](#). The final rule, published in Interim Final Rule December 8, 2000, established the minimum criteria for an energy audit, and the requirements for Energy Conservation Measures (ECMs) installed in the Program including renewable energy systems.

BACKGROUND: DOE encourages Grantees to consider installing PV systems when feasible and cost-effective. DOE has simplified the approval process for these systems by providing standard Grantee materials request templates, removing pilot program requirements, and standardizing the inspection of installations through additions to the Standard Work Specifications (SWS). To further increase the uptake of this technology, DOE provides additional clarification regarding the allowability of extended warranties and the associated effect on the lifetime allowances of PV installations.

GUIDANCE:

Solar PV Warranties: A PV system is unique in that it has multiple components, produced by different manufacturers, creating a single weatherization measure. These components often have different warranty periods and requirements. [Weatherization Program Notice \(WPN\) 23-6 \(Attachment 9\)](#) set the maximum lifetime for analysis of PV at 20 years. DOE recognizes that portions of a PV system (i.e., panels, wiring, building attachments, etc.) can remain effective far longer than the 20-year period of analysis currently allowed.

To bridge the gap between lifespans of PV system components, DOE provides the following clarification:

The use of DOE WAP “Program Operations” funds to purchase extended warranties on PV systems, or their components, is an allowable expense when the cost of the warranty is included in the PV measure cost and the savings to investment ratio (SIR) for the measure is 1.0 or greater. DOE WAP has approved extended warranties for PV as allowable cost under [2 CFR 200.452](#) since extended warranties function as “insurance” that neither adds to the permanent value of the property nor appreciably prolongs its intended life, but rather serves to keep it in an efficient operating condition. Please note, service agreements are **not** allowed.

The default lifespan of PV systems established in [WPN 23-6](#) (20 years) shall be used for all cost-evaluations of PV systems. In the case that all components of the entire system have a warranty or manufacture estimated lifetime that is greater than the 20 years currently allowed by WPN 23-6, then the cost-effective analysis of the system may use the warranty period of the shortest warranted component(s) (e.g., inverters) as the lifetime of the system. The cost of the extended warranties should be included as part of the documentation in the client file for appropriate cost-effective measures as indicated in [WPN 24-1](#) Section 4.1 Reporting Requirements.

Currently, the purchase of extended warranties within WAP is limited to PV system components only. Grantees may not purchase extended warranties for other measures.

CONCLUSION: DOE estimates that an increase in the lifespan of PV systems will increase the SIR of the system evaluations resulting in more system installations and increase system reliability for WAP clients. DOE commends WAP’s Grantee network for its continuous improvement of the services provided to the clients we serve, and increasing the installation of PV is one more step forward.

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