



**Department of Energy**  
Washington, DC 20585

**WEATHERIZATION PROGRAM NOTICE 24-9**  
**EFFECTIVE DATE: September 19, 2024**

**EXECUTIVE SUMMARY:** This document provides updated guidance from the U.S. Department of Energy (DOE) for the implementation and use of Weatherization Readiness Funds (WRF) within the Weatherization Assistance Program (WAP). Key updates include:

- Clarifications on the use of WRF.
- Clarifications on budgeting and expending WRF.
- Guidance on tracking and reporting WRF units via Performance and Accountability for Grants in Energy (PAGE).
- Guidance on National Environmental Policy Act (NEPA) and Historic Preservation requirements.

**SUBJECT:** Weatherization Readiness Funds – Implementation

**APPLICABLE TO:** WAP Annual Grants and WAP BIL Grants

**INTENDED AUDIENCE:** Grantee Program Managers and Subgrantee Managers

**PURPOSE:** This guidance clarifies and expands on previously issued information to successfully implement Weatherization Readiness Fund (WRF) program.

**RELATED GUIDANCE:** Program Year 2024 Weatherization Grant Application ([Weatherization Program Notice \(WPN\) 24-1](#)), Program Year 2024 Grantee Allocations ([WPN 24-2](#)), Bipartisan Infrastructure Law (BIL) Grants for the Weatherization Assistance Program ([WPN BIL-1](#))

**SUPERSEDES:** WPN 23-4: Weatherization Readiness Funds – Expansion of Scope

**SCOPE:** The provisions of this guidance apply to Grantees awarded financial assistance under DOE WAP.

**LEGAL AUTHORITY:** Title IV, Energy Conservation and Production Act, as amended, authorizes the Department to administer WAP ([42 U.S. Code § 6861](#), *et. seq.*). All grant awards made under this program shall comply with applicable law and regulations including, but not limited to, 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](#) and the Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act) [Public Law 117-58](#).

**BACKGROUND:** On March 15, 2022, the President signed into law: H.R. 2471, the Consolidated Appropriations Act, 2022. Funds were made available to establish a WRF program under this Public Law. Through this WRF set-aside fund, WAP can address the necessary repairs (e.g., Health and Safety issues, structural) in dwellings deferred from receiving weatherization services, or dwellings that are currently in the queue to be weatherized, but at risk of deferral. DOE allocated WRF to WAP Grantees in Program Years 2022, 2023, and 2024, to reduce the frequency of deferred units that are not weatherization ready when WAP work crews enter the unit to perform retrofit services.

Grantees must only use WRF on necessary repairs, cleanup, and remediation needs of the physical dwelling itself that, if left uncorrected, has led, or would lead to a deferral under the Grantee's deferral policy; and if corrected, will lead to a DOE completion. There may be situations where structural or health and safety (H&S) issues are so great that the limited WRF resources cannot adequately correct the conditions to make the unit weatherization ready. In these situations, the Grantee shall follow their deferral policy and refer the dwelling to other resources. Grantees may not use WRF to cover the cost of expenditures allowable with formula funds (i.e., client intake, energy audits, energy conservation measures (ECM), final inspections, etc.).

DOE affords flexibility to Grantees in developing WRF Plans to address the needs of their service territory and housing stock to reduce deferrals.

**GUIDANCE:** Grantees must have an approved WRF Plan and provide guidance to Subgrantees expending WRF. Grantees are responsible for monitoring WRF usage as part of the Grantee's annual monitoring of Subgrantees, ensuring Subgrantees are expending funds in accordance with the Grantee's WRF Plan for the purposes approved by DOE, resulting in completed DOE units. Grantees must track funds for each building and unit and, at a minimum, collect measures/repairs details and associated costs for reporting purposes. Grantees must also track WRF funded projects to ensure they result in a DOE completed weatherization unit.

**WRF PLAN:** WRF Plans are to address repairs outside the scope of WAP retrofit measures. The use of WRF must result in an annual or BIL DOE dwelling-unit completion defined in [WPN 24-1](#) as:

*A dwelling on which a DOE-approved energy audit or priority list has been applied, at least one DOE-funded allowable energy conservation measure is installed, and weatherization work has been completed. As funds allow, the measures installed on*

*this unit and paid for with DOE funds have a Savings-to-Investment Ratio (SIR) of 1.0 or greater, but also may include any necessary energy-related health and safety measures, in accordance with [10 CFR 440.21\(d\)](#): “The cost of incidental repairs must be included in the cost of the package of measures installed in a dwelling and receives a final inspection.”*

Other guidance Grantees must be aware of with expending WRF:

- Grantees may carry forward WRF into subsequent budget periods only within the same grant cycle (e.g., carry unexpended Program Year (PY) 2022 and PY 2023 WRF into PY 2024; however, Grantees cannot carry unexpended WRF into the new award in PY 2025).
- As a separate appropriation, Grantees must use WRF as such and may not budget or move WRF into other budget categories.
- Grantees must complete and report WRF activities and expenditures within the same grant cycle as awarded.
- Grantees use of WRF does not need to result in a DOE-funded completion within the same PY but within a reasonable time as defined within the Grantee’s WRF Plan.
- Grantees can utilize WRF in annual formula funded and BIL-funded weatherization projects.
  - BIL has a different grant cycle, therefore, WRF activities must be completed and reported within the annual award grant cycle (i.e., PY 2022 - PY 2024) but the project may be fully weatherized and counted as a BIL completion within a reasonable time within the BIL grant cycle. See Example 1.

EXAMPLE 1: A house is made weatherization “ready” using WRF funds near the end of PY 2024. The WRF unit and expenditures are reported on the annual formula Quarterly Performance Report (QPR) by the end of the grant cycle (last quarter of PY 2024). However, the unit is not able to be fully weatherized by the end of PY 2024, so the decision is made to weatherize the home using BIL funding. The unit must be fully weatherized within the Grantees defined “reasonable time”. The BIL funded weatherization work and DOE completed unit is reported on the BIL QPR upon completion.

Grantees must develop and submit a WRF Plan as part of their formula application, addressing the following elements:

- How funds will be distributed.
- How households will be prioritized for WRF.
- Defines a reasonable time for unit completion.
- Outlines any restrictions related to the funding.
- Outlines how the Grantee will monitor WRF activities.
- Identifies the maximum amount per unit or identify the WRF Average Cost per Unit (WRF ACPU).

- Please note: WRF funds are outside WAP's historic ACPU. DOE encourages Grantees to consult with its Subgrantees and Policy Advisory Council (PAC) when setting this policy for statewide application.

**Energy Conservation Measures (ECM), Health and Safety (H&S), Incidental Repair**

**Measures (IRM):** Grantees should address measures that are otherwise allowable in WAP as an ECM, H&S, or IRM as such and consult their respective energy audit procedures, H&S Plan, and IRM policies.

- ECMs do not qualify for WRF regardless of the Savings to Investment (SIR) ratio. ECMs are to be addressed by the Grantee's approved energy audit procedures (see [Weatherization Program Notice 23-6: Revised Energy Audit Approval Procedures, Related Audit and Material Approvals Including Fuel-Switching and Solar PV](#)).
- H&S items should be addressed with available H&S funding whenever possible ([Weatherization Program Notice 22-7: Weatherization Health and Safety](#)). Grantees may consider WRF to address the H&S issue where Grantee H&S funds cannot, and a deferral would result.
- IRM items should be addressed under IRM policies whenever possible ([Weatherization Program Notice 19-5: Incidental Repair Measure Guidance](#)). Grantees may consider using WRF when IRM funds cannot address the repair issue, and a deferral would result.
- Grantees need not run a full energy model prior to considering a repair for WRF. See Examples 2 and 3.

EXAMPLE 2: DOE permits Grantees to address knob and tube wiring (K&T) if the Grantee recognizes K&T as a reason for deferral in the Grantee Deferral Policy (e.g., the extent of K&T wiring prohibits the installation of otherwise eligible weatherization ECMs or required H&S measures). The energy auditor should consider replacing K&T as an IRM or H&S measure before addressing K&T with WRF.

EXAMPLE 3: DOE permits Grantees to address manufactured housing skirting/underpinning when the Grantee Deferral Policy recognizes it as a deferrable condition and the skirting/underpinning is not an IRM associated with floor/belly insulation, ductwork repairs, etc.

**BUDGET:** The Application Instructions issued with the Annual Grant Guidance (See [WPN 24-1, Application Instructions](#), Section III.2 Budget Categories – Section B) address how Grantees must calculate administrative costs for aid in operating WAP. Grantees should refer to WPNs that outline Grantee Allocations annually (See [WPN 24-2](#)) for specific allocation amounts.

Grantees and Subgrantees are to use existing DOE Annual Formula-funded Administrative, Program Operations, and Training and Technical Assistance budget categories in administering,

training, and monitoring WRF activities. The budget should include the full WRF allocation for direct costs to a project and track directly to a unit or building. WRF is not to be part of Administrative, Office Supplies, Liability Insurance, etc. **WRF covers only the materials and labor costs for eligible WRF activities.**

**ADMINISTRATIVE BUDGET CATEGORY:** Grantees should calculate Administrative costs based on the total funds received. Add WRF to the “FY Total Allocation” to obtain the Grantee’s total funds received.

EXAMPLE: Alabama’s total funds received are  $\$3,394,288 + \$357,188 = \$3,751,476$ .

- The maximum administrative cost limit for the total award is 15% (Grantee and Subgrantee share).
  - The maximum administrative costs allowed in the budget are:  
 $\$3,751,476 \times 15\% = \$562,721$ .
- Administrative cost calculations do not reduce the WRF budget, and it remains as the full \$357,188 in the WRF budget category available for WRF activities.

	FY 2024	FY 2024	FY 2024	FY 2024
	Program	T&TA	Total	Readiness
State	Allocation	Allocation	Allocation	Fund
Alabama	\$2,785,126	\$609,162	\$3,394,288	\$357,188
Alaska	\$1,844,907	\$420,397	\$2,265,304	\$253,486
Arizona	\$1,936,680	\$438,822	\$2,375,502	\$263,608
Arkansas	\$2,203,925	\$492,476	\$2,696,401	\$293,084
California	\$7,435,566	\$1,542,818	\$8,978,384	\$870,114
Colorado	\$5,698,267	\$1,194,025	\$6,892,292	\$678,496
Connecticut	\$2,996,244	\$651,548	\$3,647,792	\$380,474
Delaware	\$652,802	\$181,061	\$833,863	\$122,001
District of Columbia	\$603,026	\$171,068	\$774,094	\$116,511
Florida	\$3,103,745	\$673,130	\$3,776,875	\$392,331
Georgia	\$3,917,626	\$836,531	\$4,754,157	\$482,099

**TRAINING & TECHNICAL ASSISTANCE (T&TA):** DOE encourages Grantees to facilitate the use of WRF, which may include providing T&TA to Subgrantees. Grantees should provide Subgrantees with specific examples of allowable issues WRF can address. Additional guidance on allowable expenditures is available to Grantees on T&TA in the Application Instructions issued with Grant Guidance (see [WPN 24-1, Application Instructions](#), Section V.8.4 Training and Technical Assistance (T&TA) Approach and Activities).

**ELIGIBILITY:** Grantees may use WRF for previously deferred units, current units going through the energy audit process, or both; however, Grantees should follow procedures outlined in their DOE-approved WRF Plan. Previously deferred units must be eligible or otherwise recertified as income eligible to receive WAP services. Grantees may use WRF on both rental and owner-occupied units. Grantees should review [WPN 24-3, Federal Poverty Guidelines and Definition of Income](#), [WPN 22-13, Weatherization of Rental Units](#), and [10 CFR 440.22, Eligible Dwelling Units](#) for information on client eligibility and dwelling eligibility.

Subgrantees often complete WRF repairs prior to retrofit work but it is acceptable for Subgrantees to complete WRF repairs concurrently with retrofit work if the nature of the repair and the Grantee WRF Plan permits it. The process of making the repair, or delay in making the repair, must not damage installed weatherization retrofit work.

DOE understands that addressing deferral issues may increase the value of a dwelling. As required by [10 CFR 440.22\(b\)\(3\)\(iv\)](#) any unnecessary and excessive enhancements of weatherized buildings should be avoided.

**NATIONAL ENVIRONMENTAL POLICY ACT (NEPA):** Grantees must comply with NEPA when implementing WRF activities as required in the annual Administrative and Legal Requirements Document (currently [2024](#)). Grantees should review the “allowable activities” in the NEPA determination specific to their award (currently Weatherization Assistance Program Fiscal Year 2024 Formula Awards NEPA determination) for the list of categorically excluded activities from further NEPA review. DOE requires Grantees to submit additional information for a NEPA review if the proposed scope of work falls outside this list of activities in the NEPA determination.

**HISTORIC PRESERVATION:** Grantees must comply with Historic Preservation requirements when implementing WRF activities. Grantees must review their DOE executed [Historic Preservation Programmatic Agreements](#) (PA) with DOE and their State Historic Preservation Office (SHPO) to understand their responsibilities. DOE requires Grantees to adhere to the restrictions of their DOE executed Historic Preservation Programmatic Agreement.

For weatherization on Tribal land of a property 45 years of age or older, please refer to [Weatherization Memorandum 110: Historic Preservation Review Process for Utilizing Weatherization Assistance Program \(WAP\) Funds on Tribal Lands](#).

Additional guidance is available to Grantees on NEPA and SHPO in the Annual Application Instructions issued with Grant Guidance (See [WPN 24-1, Application Instructions](#) Section V.5.1 NEPA Determination and Historic Preservation).

**MONITORING:** Grantees must monitor WRF as part of the Grantee's annual monitoring of Subgrantees, ensuring expenditure of funds are in accordance with the Grantee's approved WRF Plan and resulting in completed DOE units.

Grantees should reference DOE-issued [WPN 24-4, Weatherization Assistance Program Monitoring Procedures](#) which provides Grantees with DOE's guidance on monitoring policies and procedures specific to Grantees monitoring of Subgrantees and required annual reporting.

**REPORTING:** Grantees must track WRF activities and expenditures for each building and dwelling unit for reporting purposes (see current annual guidance and the Federal Assistance Reporting Checklist). Grantees must use the Performance and Accountability for Grants in Energy (PAGE) system to report WRF data.

Grantees must report WRF activities in two ways:

### **1. Quarterly Performance Report (QPR)**

WRF is part of the annual formula allocation; therefore, Grantees will report all WRF expenditures and units on the annual formula QPR in the (1) Outlays by Function section, and (2) Grantee Production-Units by Weatherization Readiness Funds section regardless of whether the unit will be weatherized by Subgrantees with formula or BIL funding.

- Grantees should report WRF units in the quarter the readiness work is completed.
- Grantees have the responsibility to ensure WRF activities result in a completed DOE unit.
- DOE monitoring will validate that WRF activities result in a DOE weatherization completion.

### **2. Annual T&TA, Monitoring, and Leveraging Report**

Grantees must track the following information and prepare a summary of units receiving WRF in their annual formula award Annual T&TA, Monitoring, and Leveraging Report in PAGE. WRF units reported in the Annual T&TA, Monitoring and Leveraging Report should align with the WRF units reported on QPRs. Grantees may use the optional [WAP Deferrals Classification Guide and Tracking Template](#) or another report to submit this portion of the annual report. The specific metrics are:

- i. The number of completed buildings and units receiving WRF by housing type.
- ii. Year built.
- iii. Nature of repairs needed. This is not an exhaustive list, and Grantees may add repairs as needed.
  1. Roof repair/replacement
  2. Exterior wall repair
  3. Interior repair (floor, ceiling, wall, etc.)
  4. Foundation or subspace repair
  5. Exterior drainage repairs (e.g., landscaping or gutters)

6. Plumbing repair
7. Electrical repair
8. Clean-up or remediation beyond typical scope of WAP
  - a. Lead paint
  - b. Asbestos (confirmed or suspected, including vermiculite)
  - c. Mold and/or moisture
  - d. Other – please specify
- iv. DOE WRF expenditure per annual formula unit and building
- v. DOE WRF expenditure per BIL unit and building
- vi. Leveraged fund expenditure per unit and building (i.e., funds such as Low-Income Home Energy Assistance Program (LIHEAP), Housing and Urban Development (HUD), non-federal, etc. braided with WRF to make building weatherization ready). See Example 4.

EXAMPLE 4: A roof replacement costs \$18,000. WRF paid \$15,000 and other funding paid the \$3,000 balance. The PAGE annual T&TA, Monitoring, and Leveraging Report shows \$3,000 as leveraged funds to make the building weatherization ready.

To assist Grantees, DOE developed the [Deferrals Classification Guide and Tracker](#) template as an optional tool for tracking all deferrals. The tool incorporates WRF reporting requirements but can track all deferrals whether assisted with WRF or not. **DOE encourages the use of this tool for WRF reporting.**

**CLIENT FILE DOCUMENTATION:** The client file must contain sufficient information and justification to demonstrate that WRF repairs were necessary, and that the unit had been, or would have otherwise been, deferred per the Grantee’s deferral policy without the use of WRF. Grantees may require additional or specific documentation as outlined in their WRF Plan (i.e., deferral letter).

**CONCLUSION:** The WAP network is demonstrating the need for WRF through successful implementation of this new funding. We appreciate Grantees’ efforts to design new delivery models that help support families in ways WAP funding alone cannot.

If you need additional information, please contact your respective DOE Project Officer.

David Gipson  
WAP Deputy Director  
Office of State and Community Energy Programs