Memorandum

DATE: WAP Memorandum 144

REPLY TO

ATTN OF: Eric Mahroum, Director, Office of State and Community Energy Programs

SUBJECT: Rescission of Weatherization Program Notice 22-10: Including Non-Energy Impacts within the Weatherization Assistance Program

TO: Weatherization Grantees and Subgrantees

Introduction:

This memorandum informs Weatherization Assistance Program (WAP) Grantees of a change regarding the inclusion of non-energy impacts (NEIs) in energy audits. Effective immediately, Weatherization Program Notice (WPN) 22-10, which allowed for the inclusion of the social cost of carbon and water usage reduction in WAP energy auditing software, is rescinded.

This decision is being made to align with Executive Orders 14154"<u>Unleashing American Energy</u>" and 14264 "<u>Maintaining Acceptable Water Pressure in Showerheads</u>" and is, therefore, rescinded.

It is important to note that any energy audits completed prior to the removal of these NEIs, as described below, are acceptable and may proceed under the previous allowance of WPN 22-10.

Background:

In Fiscal Year 2020, Congress amended the authorizing statute for the Weatherization Assistance Program (WAP). The amendments included directions that WAP may "take into consideration improvements in the health and safety of occupants of dwelling units, and other non-energy benefits, from weatherization." (42 U.S. Code § 6863(b)4). In response, DOE worked with the WAP network, its stakeholders, and national laboratories to analyze the potential ways in which WAP Grantees could include NEIs into their practices and energy audit software. Through WPN 22-10, Grantees were provided the option to include the Social Cost of Carbon and Water Usage Reduction as two data points to be included in the cost effectiveness calculations in their energy audit software. To date, fifteen of WAP's 56 Grantees have incorporated Social Cost of Carbon; zero of WAP's 56 Grantees have incorporated Water Usage Reduction in their energy audit software.

Policy Change:

To align with the administration's priorities and reduce steps in the energy audit process, Grantees are no longer permitted to incorporate the Social Cost of Carbon or Water Usage Reduction in their energy audit software, processes, or procedures.

Required Actions:

Grantees who have received prior approval for the use of Social Cost of Carbon will have 45-calendar days from the issuance of this memorandum to remove the data points from their energy audit software and remove mention of this data from their processes and procedures. Separately, they will receive an amended Energy Audit approval memorandum which will remove the prior approval of the Social Cost of Carbon as a usable data point. To confirm the recission of this data point those Grantees shall submit the following:

• A sample energy cost library which demonstrates the fuel price modifier selected by the Grantee has been removed.

Compliance:

Any energy audits completed prior to the 45-day calendar day requirement, or the updated approval memo (whichever is sooner) will not be required to be re-evaluated and may proceed as determined by the completed energy audit.

Contact Information:

Grantees should contact their Project Officer of Record or email WAPTA@hq.doe.gov with any questions.

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Eric Mahroum Director

Office of State and Community Energy Programs