



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 15-1
EFFECTIVE DATE: January 16, 2015

SUBJECT: PROGRAM YEAR 2015 WEATHERIZATION GRANT GUIDANCE

This guidance includes the following sections:

- 1.0 Purpose;**
- 2.0 Program Priorities and Initiatives;**
- 3.0 Funding;**
- 4.0 Applications for WAP Annual Formula Grants**
- 5.0 Weatherization Program Policy Notices; and,**
- 6.0 Website Information.**

1.0 PURPOSE

To issue grant guidance and management information for the Weatherization Assistance Program (Weatherization or WAP) for Program Year (PY) 2015 based on the following documents:

- [Attachment 1](#): Administrative and Legal Requirements Document (ALRD)
- [Attachment 2](#): Application Instructions, to be used by all States, Territories, and Indian tribes (and locals, if applicable) as supplemental information when applying for direct grants under the Weatherization Assistance Program for Low-Income Persons.

DOE will provide allocations as outlined in Weatherization Program Notice (WPN) 15-2 titled *Program Year 2015 Grantee Allocations*. Grantees must consider all of these documents when submitting 2015 applications.

1.1 SCOPE

The provisions of this guidance apply to Grantees or other entities named in the Notification of Grant Award as the recipient(s) of financial assistance under the Department of Energy (DOE or Department) WAP.

1.2 LEGAL AUTHORITY

Title IV, Energy Conservation and Production Act, as amended, authorizes the Department 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, but not limited to, the WAP regulations contained in 10 CFR 440 and DOE Financial Assistance Rules at 10 CFR 600.

Please note, effective December 26, 2014, the DOE Financial Assistance regulations contained in 10 CFR 600 will be superseded by the Financial Assistance regulations contained in 2 CFR 200 (with DOE specific regulations anticipated to be codified in Part 910 of 2 CFR). However, for existing awards, the Financial Assistance regulations at 10 CFR 600 will remain in effect for the duration of the awards. When new awards are issued after December 26, 2014, DOE will require compliance with 2 CFR.

Additionally, under the implementation of the OMB Uniform Guidance for Grants, Uniform Audit Requirements will be effective for non-Federal entity Fiscal Years (FY) which starts on or after December 26, 2014. These audit requirements are currently found in OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and will be replaced by Subpart F-Audit Requirements in 2 CFR Part 200. Hence, these audit requirements will be in effect on all existing awards as of the recipient's new fiscal year.

A table has been updated in Section 5.0, which lists active WAP Notices. This table provides references to relevant issues to assist Grantees in the development of their Grantee WAP plans, policies and procedures. This section also includes memoranda that have been issued by the Program Office updating Grantees on current activities and issues that are of general interest to the network.

2.0 PROGRAM PRIORITIES

From time to time, DOE undertakes initiatives to improve the WAP's operations and effectiveness. This Section informs Grantees of these priorities. They are not considered program policy until provided in a related WPN. The following are currently under consideration by DOE:

2.1 WAP NATIONAL EVALUATION

The Weatherization National Evaluation retrospective assessment covering the 2008 Program Year has been submitted by the evaluation team to DOE and is under review. This evaluation will re-establish the benchmarks developed in 1989 (and updated periodically) for energy savings and metrics resulting from Weatherization service delivery. The other major component of the evaluation will reflect activities and outcomes resulting from the Recovery Act period

2.2 WEATHERIZATION PLUS HEALTH

The Weatherization Plus Health initiative is a national effort to strategically coordinate resources to improve the energy efficiency, health, and safety of low-income homes. The National Association for State Community Services Programs (NASCSPP) is implementing the project on behalf of DOE. Weatherization Plus Health will help communities connect resources so that residents can access comprehensive solutions to their housing problems. To achieve these goals, Weatherization Plus Health provides a series of resources that will allow the WAP and Healthy Homes providers to establish strong partnerships, coordinate service delivery, and implement

new strategies to benefit their communities. More information is available at:
<http://www.wxplushealth.org>.

2.3 QUALITY MANAGEMENT PLAN (QMP) DEVELOPMENT

In collaboration with network representatives, DOE has undertaken an initiative to outline the fundamental knowledge, skills, and abilities necessary to effectively manage the WAP at the Grantee and Subgrantee level, taking into account the programmatic, technical, and administrative/financial skill required. The initial results from this group were delivered in draft for network review and comment in September 2014. Once this effort is complete, these materials will be made available as an optional reference/tool for Grantee and Subgrantee agencies.

2.4 HEALTH AND SAFETY – GROUP REVIEW

Historically, a group of network representatives gathered periodically for the express purpose of reviewing health and safety issues facing the WAP and provide DOE with comments and implementation examples to inform DOE policy. DOE has reinstituted this group with representation from Grantees and trainers with intention to include practitioners (local agency representation) and subject matter experts on an issue-by-issue basis. The primary deliverable of this group will be the update of WPN 11-6.

2.5 MULTIFAMILY RETROFIT TOOLS AND WORKFORCE RESOURCES

DOE continues to support the development of multifamily tools to advance the WAP ability to address this building type. In recent years, DOE sponsored the development of Standard Work Specifications (SWS) for multifamily home energy upgrades ensure that energy efficiency upgrades are effective, durable, and safe. Subsequently, Multifamily Job Task Analyses (JTAs) were developed, cataloguing the knowledge, skills, and abilities that multifamily practitioners use to perform jobs effectively and safely. The JTAs provide a foundation for developing high-quality training and credentialing programs.

In 2015, two specific tools are in development that will advance the multifamily agenda. The Technical Guidelines for Multifamily Energy Audits are research-based technical guidelines telling the energy auditor what the data-gathering and energy-auditing process should entail. Also, the Multifamily Tool for Energy Audits (MulTEA) will produce an investment grade audit and provide auditors with an improved energy simulation and weatherization measure selection tool for multifamily buildings. A major innovation is that the tool calibrates building energy use using historical weather data that prevailed during that utility billing period.

<http://www.energy.gov/eere/wipo/multifamily-retrofit-tools-and-workforce-resources>

2.6. QUALITY WORK PLAN IMPLEMENTATION

DOE continues working with Grantees and Subgrantees to ensure that independent, third-party inspections are conducted and results are shared with the relevant parties. Worker training will continue, but contractors repeatedly failing to perform adequately should be disqualified from future work. Grantees must establish a protocol to disqualify poor performers from their network.

3.0 FUNDING

Funding for the WAP in the application, requiring DOE approval for expenditure, can come from several sources:

- Appropriated Weatherization Funding
- Low-Income Home Energy Assistance Program (LIHEAP) funds designated for expenditure under DOE regulations
- Leveraged Resources
 - Designated for expenditure under DOE regulations (e.g., utility funds, state trust funds, other)
- Petroleum Violation Escrow (PVE) Funds
 - Warner and EXXON oil overcharge funds
 - Stripper Well and other oil overcharge funds (including Texaco) which are subject to Stripper Well settlement rules
- Program Income

3.1 FY 2014 APPROPRIATED WEATHERIZATION FUNDING: Please see WPN 15-2 for the allocation of Weatherization funds appropriated this year.

3.1.1 ADJUSTED AVERAGE COST PER DWELLING UNIT

The average per dwelling 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 2015 is determined by using the percentage increase in the Consumer Price Index (CPI) (all items, United States city average) for 2014 or 3 percent, whichever is less. The percentage increase in the CPI for the previous 12-month period (October 2013 – September 2014) was 1.7%, so a 1.7% increase was applied to the PY 2014 adjusted average of \$6,987. So the adjusted average expenditure limit for PY 2015 is **\$7,105. This average includes units computed in a multi-family building of 5 units or greater.**

In accordance with 10CFR 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 (October 2013 – September 2014) was 1.7%, so a 1.7% increase was applied to the PY 2014 adjusted average of \$3,486. The PY 2015 adjusted average for renewable energy measures is **\$3,545 with a 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 \$7,105.

3.1.2 LIMITATIONS ON CERTAIN BUDGET CATEGORIES

Certain budget categories have limitations set by law, regulation, or Program policy and identify the percentage of the grant that is allowed to be used for

specific purposes other than Program Operations. Please see 10 CFR 440 and the updated Application Instructions for additional information.

3.2 LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

This Program was first established in 1981 and is funded annually through federal appropriations. The mission of LIHEAP is to minimize the energy burden on low-income families. As such, if the Grantee elects, a percentage of the LIHEAP assistance funds may be transferred to the WAP and used for the purpose of weatherizing homes. Grantees have the option of administering the LIHEAP funds in addition to the DOE award or including these resources in the DOE budget. The budget section of the grant application instructions provides a chart outlining some considerations for the Grantee in making this decision. Further questions or points of clarification should be directed to the respective DOE Project Officer.

3.3 LEVERAGED RESOURCES

Leveraged funds included in the budget of the DOE award must meet all WAP rules, regulations and guidelines. Grantees should carefully consider the advantages and challenges related to including leveraged funds in the DOE award. Landlord contributions are not considered leveraged resources. They are generally not voluntary and often come with special requirements. Grantees who require further clarifications or guidance on leveraged resources should contact their respective DOE Project Officer.

3.4 PETROLEUM VIOLATION ESCROW (PVE) FUNDS

WAP can be funded by a number of sources, including PVE funds. PVE funds can be divided into two general categories based on the underlying source of the funds. The first category of PVE funds is comprised of those funds appropriated by Congress, or treated as if appropriated (generically referred to as Exxon funds, and also includes funds provided under the Warner Act). The second category of PVE funds is comprised of those funds that were not appropriated (generically referred to as Stripper Well Settlement funds, and includes Diamond Shamrock funds).

- PVE funds remain subject to the requirements applicable to the underlying source of funds.
- PVE funds included in a Grantee Plan are subject to the same Grantee Plan approval, Program oversight, and reporting requirements as the annually appropriated funds; and are subject to the **same** statutory and regulatory constraints as annually appropriated funds.
- Generally, if Exxon funds are used for weatherization projects, they must be included in the Grantee Plan. Moreover, Exxon funds cannot be used for administrative expenses.
- A Grantee may elect to use Stripper Well funds for projects either separate from or included within the WAP. If used for activities separate from WAP, Stripper Well Settlement funds are encouraged to be included, for informational purposes only, in the Grantee Plan; they are not subject to WAP rules, oversight, or reporting requirements.
- There is no requirement that Exxon or Stripper Well Settlement funds be expended during a particular period of time. A Grantee is permitted to reallocate these funds from one eligible program to another provided that their Plan has been amended and is reviewed by DOE Headquarters. If PVE funds designated for expenditure in the prior

program year are not expended, the amount of funding that may be used for administrative expenses in the following program year must be adjusted accordingly.

- No more than 5 percent of the combined total of Exxon and Stripper Well Settlement funds budgeted in a Grantee Plan may be used for Training and Technical Assistance (T&TA). Up to an additional 5 percent of these funds may be used for evaluation of a Grantee's WAP and for innovative efforts for leveraging program funds, provided these activities are approved by the DOE Project Officer.

3.5 PROGRAM INCOME

Program income is more clearly defined and subject to the specific requirements provided in the DOE Financial Assistance Rule, 10 CFR part 600, subpart B section 600.124 and subpart C, section 600.225. DOE considers program income as any funds earned by Grantees and/or Subgrantees from non-Federal sources during the course of performing DOE WAP activities. The income generated must be used to complete additional dwelling units in accordance with DOE rules. It must be treated as an addition to program funds and is subject to the same rules as appropriated funds. Property owner (i.e. landlord) contributions and leveraged resources (i.e., or Grantee funds) are NOT considered to be "program income" for the purposes of the WAP. Grantees requiring further clarification on program income, as it applies to their specific program, should contact their respective DOE Project Officer.

4.0 APPLICATIONS FOR WAP ANNUAL FORMULA GRANTS

To increase public involvement and obtain timely suggestions in developing their Application, DOE strongly urges Grantees to hold two meetings: a meeting at the beginning of the planning process, as well as the formal and required public hearing on the completed Plan. DOE may request information in addition to what is expressly identified by the Program rule on a case-by-case basis when warranted.

4.1 THREE-YEAR GRANT AWARDS

All Grantees need to make an effort to entirely and effectively utilize the DOE allocation in the year it is awarded. The Grantee will need to project any prior year remaining balances of unexpended DOE funds available at the end of the program year and budget that amount as carryover in the 2015 proposed budget and state plan. DOE will review the most recent reporting to assess the proposed carryover when the application is submitted. Grantees need to make every effort to complete the grant within the identified grant period.

4.2 INTERGOVERNMENTAL REVIEW

In the development, submission, and review of grant applications, the provisions of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the DOE Implementing Order (10 CFR 1005) remain unchanged.

4.3 APPLICATION PACKAGE

The application process is now fully electronic and applications must be submitted on the Performance and Accountability for Grants in Energy (PAGE) website at <https://www.page.energy.gov/default.aspx>. The PAGE system contains all the Federal forms

required for the application. Please follow detailed instructions in the Administrative and Legal Requirements Document (ALRD), Weatherization Program Notices, and the Application instructions attached to this program notice (Attachment 2).

4.4 APPLICATION REFINEMENTS THIS YEAR

DOE updated the Application Instructions for 2015, but did not make any changes to the PAGE system this year. All sections of the application are required and must be completed in their entirety. The following are specific elements that have changed from the prior year submissions that Grantees should take special note of as they begin the application process.

- As a reminder, Grantees will no longer have “standing” on-file information for each year. Applicants must submit updated plan elements every year. Multiple DOE reviewers will evaluate applications, so complete data and information should be provided to expedite the review and award process.
- The Application Instructions ask each Grantee to read the definitions for Principal Investigator and Recipient Business Official and identify both by name, phone number and email in the Miscellaneous section of the Annual File each year. Note that these are the contacts that will be identified in the Assistance Agreement.
- Grantees need to read and clearly address all aspects of WPN 15-4 Quality Work Plan Requirements in their plan submittal this year.

4.5 REPORTING REQUIREMENTS

The reporting requirements are set forth in the Federal Assistance Reporting Checklist, DOE F 4600.2, attached to the award agreement.

5.0 WEATHERIZATION PROGRAM POLICY NOTICES:

The following list of Weatherization Program Notices (WPN) address the specific policy areas that must be adhered to by all Grantees and Subgrantees operating weatherization programs using DOE funds. These WPNs, as well as other relevant policy documents, can be referenced at <http://www.waptac.org/Rules-0024&-Guidance/Program-Guidance.aspx>.

This list only reflects WPNs in effect at the time of WPN 15-1 issuance. Grantees are reminded that throughout the year, 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 on www.waptac.org to ensure all Grantees have immediate access when they are issued. The table is organized in date order with the major topic headings at the top to allow for easy reference.

In July 2014, WAP began a new memorandum process to create a uniform communication mechanism to notify Grantees of upcoming events, clarify elements of existing WPNs, and also provide opportunity for comment by the network on administrative direction and impact of future policies. Memorandum are listed following the applicable WPNs and will be eliminated from future listings if the memo is no longer relevant (e.g., dates for an event have passed) or material has been absorbed into a WPN (e.g., OSHA and ASHRAE information transmitted are anticipated to be included in a future Health and Safety WPN).

[illegible]

[illegible]

WPN	Title	Funding	Grant Application	Procurement	Monitoring	Clients	Multi-family	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	Reweathering	Vehicle Purchases	Policy Advisory Council	Electric Baseload	Davis-Bacon Act	Administrative Costs	Historic Preservation	Eligible Dwelling Units	National Evaluation	Add-Ons/Call Backs	Average Cost Calculations	Measure Skipping
15-3	(Reserved) Revised Poverty Income Guidelines and Definition of Income								x					x	x															
15-4	Quality Work Plan Requirement		x		x																									

The following WPNs are in process, anticipated to be issued in PY15

	Multi-Family Weatherization						x		x																					
	Quality Management Plan (QMP) Recommendations		x																											
	Health & Safety Guidance										x																			
	WAP -- National Evaluation Release																										x			

The following Memorandums have been issued providing timely information on Program issues of interest to the WAP network:

- WAP Memorandum 001: Weatherization Assistance Program Memorandum Process Implementation (7/18/14)
- WAP Memorandum 002: Reminder of Client Priority - High Energy Burden (7/18/14)
- WAP Memorandum 003: Rescission of OSHA-10 and 30-Hour Requirement in WAP (7/18/14)
- WAP Memorandum 004: Allowable Use of Training Funds for Energy Partnerships Conference (7/22/14)
- WAP Memorandum 005: Allowable Use of Training Funds for NASCSP Annual Conference (7/30/14)
- WAP Memorandum 006: LIHEAP Transmittal # IM-2014-06 Potential Impact for WAP Grantee (9/3/14)
- WAP Memorandum 007: Acceptance of ASHRAE 62.2-2013 Addendum B (9/17/14)
- WAP Memorandum 008: Quality Management Plan Draft Grantee KSAs (9/17/14)
 - Attachment 1: Grantee-Level WAP Specific (Technical Elements)
 - Attachment 2: Grantee-Level Weatherization Assistance Program (WAP) Specific
 - Attachment 3: Grantee-Level Non-Weatherization Assistance Program (WAP) Specific/Financial
- WAP Memorandum 009: Availability of Testing Result Reports for the Quality Control Inspector Written Exam (10/8/14)

6.0 WEBSITE INFORMATION

To assist the Grantee and Subgrantee Network in obtaining the most up to date information on programmatic/policy issues, technical issues, and evaluation studies, please reference the following websites:


Energy Efficiency and Renewable Energy:
<http://www.eere.energy.gov/weatherization>;

Weatherization Assistance Program Technical Assistance Center:
<http://www.waptac.org>;

Oak Ridge National Laboratory:
<http://weatherization.ornl.gov>

Grantees are strongly encouraged to visit these websites often to keep abreast of the latest information and new techniques in the WAP. Grantees should continue to work with their respective DOE Project Officers when technical assistance is needed.

CONCLUSION: It remains critically important that WAP funds be cost-effectively expended in the year in which they were appropriated. Funding decisions at the Congressional and DOE levels are often based on Grantee and Subgrantee past performance. As we transition to providing only annually appropriated funding and using other leveraged funds for WAP activities, we must continue to deliver only the highest quality services to those households who benefit from this important Program. Together we can ensure that “Weatherization Works!”



AnnaMaria Garcia
Director

Weatherization and Intergovernmental Programs Office
Energy Efficiency and Renewable Energy

Attachment 1: Administrative and Legal Requirements Document (ALRD)

Attachment 2: Application Instructions (January 2015)