Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 10-19
EFFECTIVE DATE: September 22, 2010

SUBJECT: GUIDANCE FOR GRANT AMENDMENTS FOR THE SUSTAINABLE ENERGY RESOURCES FOR CONSUMERS FUNDING

PURPOSE: To issue guidance for the Grantees who need to complete grant amendments based on the receipt of funding to undertake Sustainable Energy Resources for Consumers (SERC) projects.

SCOPE: The provisions of this guidance apply to States or other entities named as recipients of SERC Grants funding within the Department of Energy (DOE) Weatherization Assistance Program (WAP).

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act, as amended, authorizes the Department of Energy to administer the Weatherization Assistance Program.

Title IV of the Energy Independence and Security Act of 2007 (EISA), Section 411(b), authorizes SERC grants.

BACKGROUND: Under EISA Section 411(b), $90 million of Recovery Act funds were made available for SERC Grants. On June 8, 2010, the Department invited WAP Grantees to submit projects on behalf of their local weatherization agencies to be considered for SERC funding. Twenty-seven Grantees received additional funding, and must amend their WAP Recovery Act grant to reflect the additional funding and new activities to be undertaken.

GUIDANCE: Specific sections of the WAP ARRA grant documentation should be updated to reflect SERC funding and projects. The Performance and Accountability for Grants in Energy (PAGE) system will be updated to enable Grantees to make these changes. Grantees will be notified when the system is ready.

The sections needing updates, and the content to be included, are as follows:

1. **424-A (Budget).** Four additional budget categories will be created in PAGE in order to budget, and later report on the expenditure, of SERC funds. These will be available as new columns in the budget. These categories will be:
    a) SERC Grantee Administration
    b) SERC Subgrantee Administration
    c) SERC Health and Safety (this includes incidental repair costs)
    d) SERC Program Operations (the majority of the money will be accounted for here)

2. **PF20a (Budget Justification).** The Budget Justification will need to be updated to reflect any changes. **Please ensure that any additional changes made in this document clearly reflect that they are related to SERC** by adding "SERC" at the beginning of the title of the item you are describing. For example, if adding a new staff person as a Manager of Energy Programs to perform SERC activities, list them as "SERC: Manager of Energy Programs"

    Grantee administration costs would be reflected in sections 1, 2, and 3. This can be a maximum of 5% of the SERC funds awarded to the State. Sections 4, 5, 7, and 8 may also need to be updated.

    Section 6, Contracts and Subgrants, needs to be updated to reflect the funds passed through to subgrantees (this would be at least 95% of the SERC funds awarded). One new line item is needed with a title, funding amount, and summary. For example:

Sustainable Energy Resources for Consumers Grants	$1,500,000	The State will undertake SERC activities to expand the Weatherization program for materials, benefits, and renewable and domestic energy technologies not currently covered in WAP. The following local agencies will be implementing these projects: Agency A, Agency B, Agency C, etc…

3. **Annual File**. The following sections need to be updated to incorporate SERC:

    a) II.3 Subgrantees. A new table will be created for SERC that will show the SERC Subgrantees, City, SERC funding, and SERC units.

    b) II.4 WAP Production Schedule. A new table will be created for SERC average unit costs.

Only row B: "Total SERC Units" and row F: "Total Funds for Program Operations" will be needed to complete this section. The statewide SERC funds expenditure average per unit must not exceed $12,000.

c) 11.9 State Plan Hearings. Add a new Hearing Date, and if necessary, update the list of newspapers that publicized the hearings.

d) 11.11 Miscellaneous. **This is where the majority of the SERC activity information will be contained.** A new text box labeled "SERC" will be available in PAGE within the Miscellaneous section where this information can be entered. The following topics need to be included (as necessary) in order for the Project Officer to approve.

1. Type of Work. Modeled on the Master File's section III.3.I, this section will describe the SERC projects and the measures to be installed. This will reflect the approved portions of the projects from the original application submitted by Grantees, and should include any additional details that have been determined since the original application was filed.

2. SERC Monitoring of projects. (Note: Funding for monitoring may come from SERC administrative costs, or from T&TA funds already distributed under this grant).

   Grantee to describe the monitoring of SERC projects.

3. SERC Training & Technical Assistance. (Note: SERC funds may be used to provide training of workforce to install SERC technologies for which Grantee/local agency has been approved and funded, and training of clients for proper operation and maintenance of the SERC technologies installed. These costs must be included in the SERC cost per unit average calculations and limits. Any other T&TA activities must be paid for out of the T&TA funds already distributed under this WAP ARRA grant, consistent with the permitted uses of WAP T&TA funds.)

   Grantee to describe any training and technical assistance to be provided for SERC projects. For each item, state whether SERC funds will be used, or WAP ARRA T&TA funds will be used.

4. SERC Evaluation and Energy Savings. If applicable, grantee to discuss how the grantee and subgrantee(s) plan to evaluate SERC projects. (note: Grantee/subgrantee evaluation of the projects is not required, but any related activities should be described here.) Grantee must also provide any energy savings estimates associated with SERC activities if they are available.

5. Moderate-income eligibility. If any subgrantee projects are proposing to undertake SERC activities for moderate-income families, the definition of moderate income must be provided. This should match what was provided in the original application for those States/subgrantees that propose to serve these families.

6. <u>Geographic Areas to be Served</u>. Grantee to describe the geographic areas of the State to be served. (For some Grantees, the local agencies will serve only the geographic areas they serve under WAP. Other grantees indicated selected subgrantees would serve a larger area with SERC.)

7. <u>Client Education</u>. Grantee to describe how the subgrantees will provide client education, especially for new technologies. This may be included in item 6, Type of Work, if it makes more sense for the Grantee – if so, simply note that here.

8. <u>Energy-Related Health and Safety Costs</u>. (Health and safety costs, which include incidental repairs, are allowed for SERC projects, up to 10% of the total value of SERC funds. These costs for any one unit shall not exceed the costs for the installation of the SERC material/technology.)

Grantee to describe how health and safety funds will be used, including for incidental repairs, and what controls are in place to ensure the funds allotted for this category are not exceeded.

If you plan to update sections of your documents not listed here, please contact your DOE Project Officer to discuss.

CONCLUSION: These grant amendments are necessary for Project Officers to provide final approval for SERC projects and enable the projects to get underway. SERC projects will expand the Weatherization Assistance Program and put more people to work through the Recovery Act. DOE looks forward to working with Grantees and subgrantees on the implementation of these projects. Please contact Tyler Huebner at 202-287-1378 or tyler.huebner@ee.doe.gov for further information.

Tobias Russell
Acting Program Manager
Office of Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy