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# UNDERSTANDING THE WAP – LOCAL AGENCY LEADERS

- Ray Judy – MiTEC Director



# THE MISSION OF WAP AND OUR COMMON PURPOSE

- To reduce energy costs for low-income households by increasing the **energy efficiency** of their homes, while improving their health and safety.
- How many feel they have a strong understanding of the WAP?

# WHAT MAKES A STRONG WEATHERIZATION AGENCY?

- Do you think you have strong performing WAP sub-grantees?
- What gives you that perception?
- Why is this important?
- Who should this be important to?

# UNDERSTANDING THE WAP LOCAL AGENCY LEADERS

- Important things to know
  - Roles and responsibilities
  - Strong performance affects more than the client home
  - **What the WAP IS and IS NOT**

# WAP KNOWLEDGE – WHAT THE WAP IS NOT!

- What the WAP is **NOT**
  - A block grant
  - A window and door replacement program
  - A remodel or reconstruction program
  - An automatic furnace replacement program
  - An unskilled labor program

# WAP KNOWLEDGE – WHAT THE WAP IS

- What the WAP **IS**
  - A low-income energy efficiency program with a focus on energy related health & safety
  - Formula grant with federal and state regulations which must be followed
  - Supporter of local economies
  - Leading development resource for energy efficient measures in low income housing
  - Highly technical demanding program

# UNDERSTANDING THE WAP LOCAL AGENCY LEADERS

- Why is it important to understand Weatherization?
  - **FEDERAL FUNDS**
  - Liability
  - Accountability
  - Performance Expectations
  - Funding Source Expectations
    - Federal
    - State
    - Why both?
  - Client service

# THE WAP IS A TEAM EFFORT



# UNDERSTANDING THE WAP

## ➤ Key Terminology

➤ WAP – Weatherization Assistance Program

➤ DOE – Department of Energy

➤ Grantee – State entity managing the WAP

➤ Sub-grantee – Local agency or operator implementing the  
WAP

# UNDERSTANDING THE WAP

- Key Terminology Continued...
  - Statue – “The Law”
  - 10 CFR 440 (Code of Federal Regulations)
  - 2 CFR 200 – Financial Regulation
  - WPN – Weatherization Program Notice (DOE)
  - WAP Memorandum – Supplemental Information to WPNs or supplying information as needed

# WHAT UNDERPINS THE WAP (FEDERAL)?

1

Federal Statutes (Legislation)

2

Regulations (Rules) (CFR)

3

Grant Guidance (WPNs)

# FEDERAL STATUTE

- WEATHERIZATION ASSISTANCE PROGRAM  
AUTHORIZING STATUTE
- 42 USCS § 6861

# FEDERAL STATUTE

- (b) It is, therefore, the purpose of this part [42 USCS §§ 686 I et seq.] to develop and implement a weatherization assistance program to increase the energy efficiency of dwellings owned or **occupied by low-income persons, reduce their total residential energy expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable such as the elderly, the handicapped, and children.**

# FEDERAL STATUTE

- (7) The term "low-income" means that income in relation to family size which (A) **is at or below 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget**, except that the Secretary may establish a higher level if the Secretary, after consulting with the Secretary of Agriculture and the Director of the Community Services Administration, determines that such a higher level is necessary to carry out the purposes of this part [42 USCS §§ 6861 et seq.] and is consistent with the eligibility criteria established for the weatherization program under section 222(a)(12) of the Economic Opportunity Act of 1964, (B) is the basis on which cash assistance payments have been paid during the **preceding 12-month period** under titles IV and XVI of the Social Security Act [42 USCS §§ 601 et seq. and 1381 et seq.] or applicable State or local law, or (C) if a State elects, is the basis for eligibility for assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621), provided that such basis is at least 200 percent of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

# FEDERAL STATUTE

- (a) Purchase of materials and administration of projects. **(1) Not more than an amount equal to 10 percent of any grant made by the Secretary under this part [42 USCS §§ 686 I et seq.] may be used for administrative purposes** in carrying out duties under this part [42 USCS §§ 686 I et seq.], except that not more than one-half of such amount may be used by any State for such purposes, and a State may provide in the plan adopted pursuant to subsection (b) **for recipients of grants of less than \$ 350,000 to use up to an additional 5 percent of such grant for administration if the State has determined that such recipient requires such additional amount to implement effectively the administrative requirements established by the Secretary pursuant to this part [42 USCS §§ 686 I et seq.]**.

# FEDERAL STATUTE

- **§ 6865. Limitations on financial assistance**
  - (2) Dwelling units partially weatherized under this part [42 USCS §§ 6861 et seq.] or under other Federal programs during the period September 30, 1975, through September 30, 1994, may receive further financial assistance for weatherization under this part [42 USCS §§ 6861 et seq.].

# CODE OF FEDERAL REGULATIONS

- The **Code of Federal Regulations** is the codification of rules published in the Federal Register by the Federal government.
- **Weatherization** is addressed in **10 CFR & 2 CFR**.
  - Part 10 CFR 440 covers program matters.
    - Has not been updated for many years
    - DOE utilizes WPNs to guide in the absence of updates
  - Part 2 CFR 200 covers financial matters.

# CODE OF FEDERAL REGULATION

- **10 CFR Part 440, Final Rule (February 1, 2002)**
  - Offers interpretation and insight on 30 different topics relating to WAP, including:
    - Purpose and scope.
    - Definitions.
    - Allocation formula.
    - Minimum requirements.
    - Oversight and training.
    - Reports.
  - **Appendix A** provides standards for weatherization materials.

# ANNUAL GUIDANCE – PURPOSE

## Annual Grant Guidance:

- Provides comprehensive policy details for the following program year, and prepares Grantees to **manage** the program **properly**.
- Regulations require each Grantee to apply for funding each year and inform the public about how the program will operate. (State Plan Process)

# GRANT GUIDANCE

- WAP Grant Guidance documents are numbered as **WPN XX-Y**, where XX denotes 2-digit year, and Y denotes the document number within the Program Year.
- Annual Grant Guidance is issued as **WPN XX-1** and replaces the previous Program Year's grant guidance; includes the State Plan Application Instructions for the Program Year.
- The Annual WAP Formula Grantee Allocation Table for the Program Year funding is issued as **WPN XX-2**.
- Other WPNs are issued for specific topics, and remain in effect in subsequent years until rescinded, revised, or superseded by new guidance.

# WPN'S



Department of Energy  
Washington, DC 20585

**WEATHERIZATION PROGRAM NOTICE 17-7**  
**EFFECTIVE DATE: August 9, 2017**

**SUBJECT:** WEATHERIZATION HEALTH AND SAFETY GUIDANCE

**PURPOSE:** To clarify, update and provide additional information related to the implementation and installation of health and safety (H&S) measures as part of the Department of Energy (DOE) Weatherization Assistance Program (WAP). This guidance also provides required components for Grantees to include in their Health and Safety Plans. This Weatherization Program Notice (WPN) and attachments supersede the following:

- WPN 11-6a, Supplemental Health and Safety Guidance
- WPNs 11-6, Health and Safety Guidance
- WPN 09-6, Lead Safe Weatherization (LSW) Additional Materials and Information
- WPN 08-6, Interim Lead-Safe Weatherization Guidance
- WPN 08-4, Space Heater Policy
- WPNs 02-6, Weatherization Activities and Federal Lead-Based Paint Regulations
  - WPN 02-5, Health and Safety Guidance

It is DOE's intent that this guidance will better assist Grantee decision-making during H&S Plan development.

Grantees may create more stringent requirements as long as those requirements do not conflict with this guidance. The information in this guidance is available at <http://energy.gov/eere/wipo/weatherization-program-guidance>.

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

- WAP Grant Guidance documents are issued by DOE as **Weatherization Program Notices (WPN)**.
- All WPNs are posted in **Program Guidance Section:**  
<http://energy.gov/eere/wipo/weatherization-assistance-program>
- **WPNs can never contradict a regulation or statute**, but can be adjusted to reflect changes or refinements in the program.
- **If there will be significant changes in a new WPN**, DOE will usually announce these during program or stakeholder meetings (e.g. NASCSP or NCAF conferences).



# WAP MEMO LIST

*Memorandums issued to provide 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 006: LIHEAP Transmittal # IM-2014-06 Potential Impact for WAP Grantee (9/3/14)
- 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
- WAP Memorandum 010: Quality Management Plan - Record Keeping and Reporting (4/8/15)
- WAP Memorandum 011: Clarification on Fuel Switching (5/6/15)
- WAP Memorandum 015: Weatherization Financial Toolkit 2 CFR 200 Regulation and Procurement Policies (1/6/16)
- WAP Memorandum 020: Clarification on DOE Evaluation Studies vs. Independent Studies
- WAP Memorandum 022: Allowable Use of Training Funds for Network Conferences
- WAP Memorandum 023: American Customer Satisfaction Index (ACSI) – Subgrantee Survey
- WAP Memorandum 024: The Use of Solar PV in the WAP
- WAP Memorandum 025: American Customer Satisfaction Index (ACSI) – Subgrantee Survey
- WAP Memorandum 028: Allowable Use of Training Funds for NASCSP Annual Conference
- WAP Memorandum 029: PY 2018 Weatherization Assistance Program Draft Grant Guidance

Found in WPN xx-I

# WPN 17-7

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# WPN 17-7

- ASHRAE 62.2 and Variances:
  - Implementation of ASHRAE 62.2-2016 is **required**. Client refusal of mechanical ventilation, when evaluated and called for pursuant to the Standard, **must** result in deferral. Grantees may request a variance to ASHRAE 62.2.
  - If the Grantee chooses to request a variance, they must provide **scientific justification** specific to their housing stock and local considerations in their Annual Plan submittal for DOE to consider during plan review. Plans lacking sufficient justification, or containing inadequate justification (as determined by DOE), shall not be approved and must be amended.

# DOE'S WPN PROCESS

- DOE WPNs are developed internally. If there is a need to develop policy as a result of congressional requirements, monitoring assessments or new interpretations by General Council; then DOE will draft the WPN.
- That draft WPN developed by DOE is shared with all other WAP staff for comments. Once all comments are in, a group discussion is held to resolve inconsistencies or internal disagreements among staff, then a clean copy goes to General Council.
- Then General Council responds with their comments or direction. WAP corrects or clarifies language based on GC direction and it begins its concurrence process in WIP before release.

# UNDERSTANDING THE WAP

## ➤ **General Information and Pointers**

- WAP should not be overlooked based upon funding levels
- WAP should be supported by Executive Directors and Board members
- WAP is a difficult program to manage
  - High risk factors
  - Stringent technical standards
  - High liability
  - Numerous moving parts



# MICHIGAN TECHNICAL CONFERENCE PRE-CONFERENCE ACTIVITY



# BASIC HOUSE FACTS

- This was not a Weatherization client home
- Issues found are building science issues
- Without proper diagnostic testing, issues remain unknown while liability and risk remain

# BASIC HOUSE FACTS

- Three bedroom, 1 ½ bath ranch with a full basement
- Natural gas, atmospheric water heater in basement
- Fireplace in living room
- Bathroom exhaust fan and kitchen range hood
- Dryer in basement
- No WAP type measures had been performed

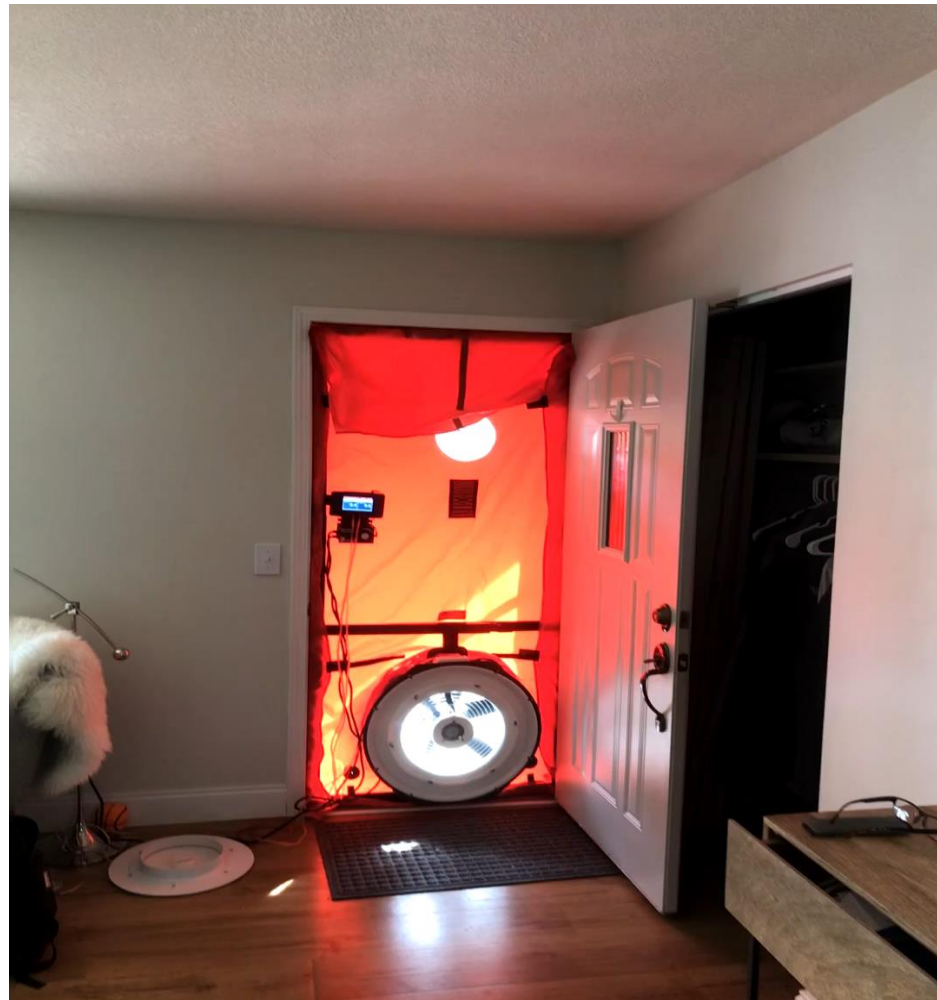
# HOMEOWNER INTERVIEW

- Following points shared at first home visit
  - Carbon monoxide alarm had sounded – in basement
  - Fire department and local utility company had visited the home
  - Smoke in basement when burning fireplace
    - Homeowner felt no one believed this one
  - No air delivery in two rooms of the home

# HEALTH & SAFETY



# DIAGNOSTICS



# FIREPLACE

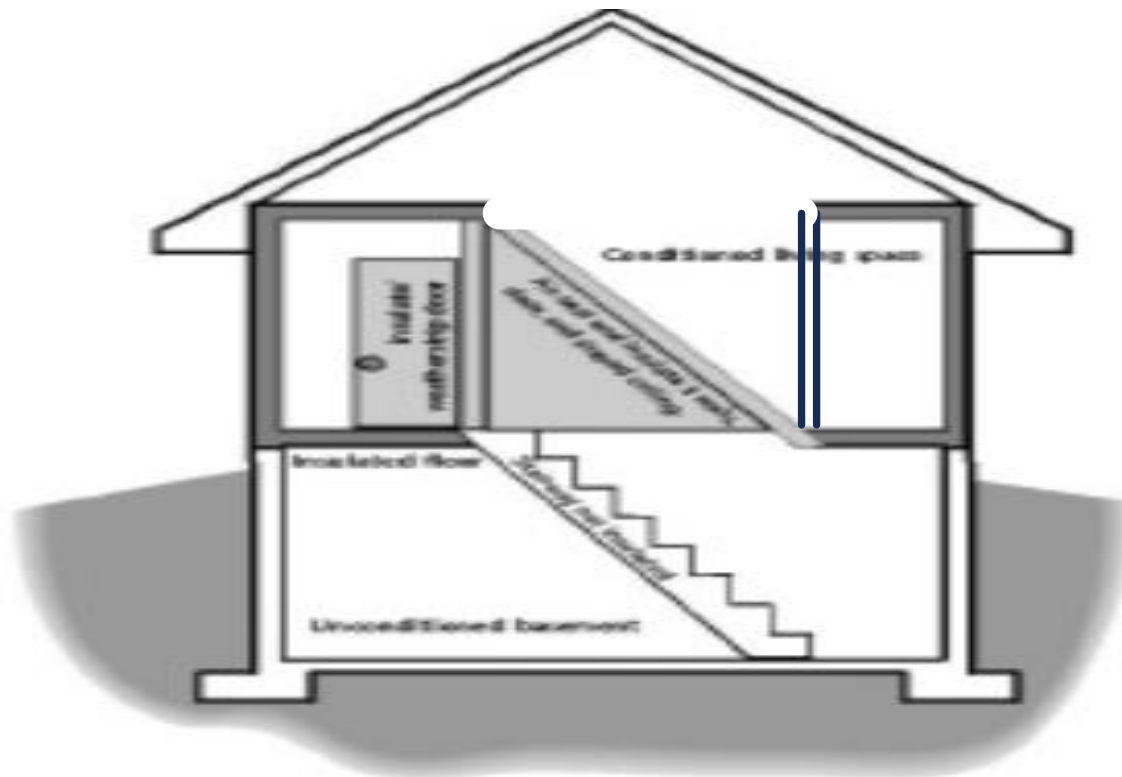


# WATER HEATER



# BASEMENT STAIRWAY





**Stairways at the thermal boundary:** The stairway may be within the thermal boundary or outside it. Only walls, ceilings, doors, and hatches at the thermal boundary require thorough air sealing. The door as shown is open.

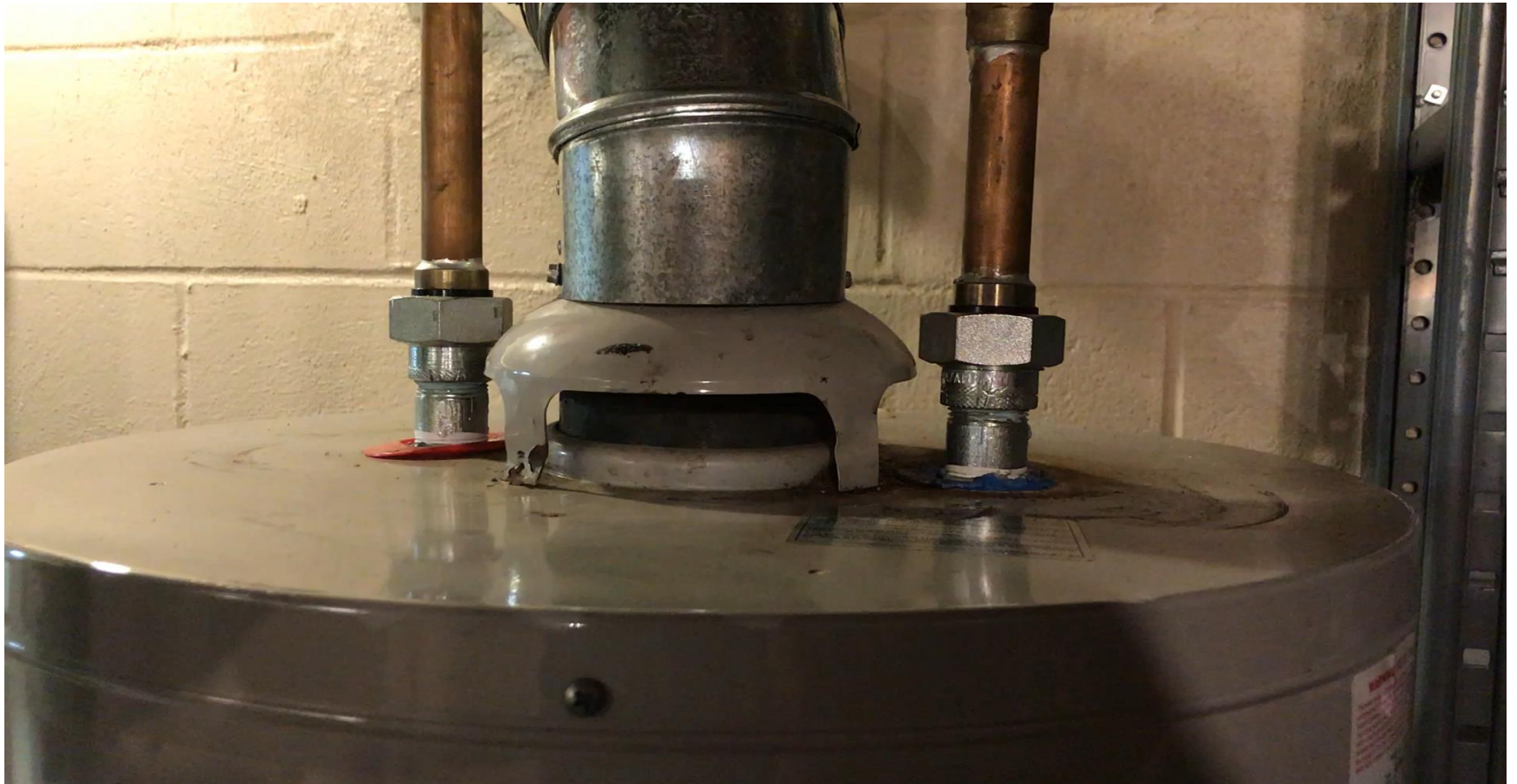
# CHIMNEY SYSTEM

Fireplace flue

Water heater flue



# THE PROOF IS IN THE SMOKE



# IMPACT OF THIS HOME

- Visual of what spilling flue byproducts looks like
- Visual of carbon monoxide entering the home
- Visual of the importance of building science and diagnostics
- Is your WAP staff capable of diagnosing this house?
- Is you WAP staff capable of fixing this house?
- Remember the word LIABILITY

# IMPACT OF THIS HOME

- “I have been with Community Action for over 30 years and in that time my understanding of Weatherization was basically weather stripping and the blower door test! As an ED, I was encouraged to attend our State’s Weatherization Conference. I was so glad that I did. I learned that Weatherization has changed dramatically over the last 20 years. It has become very technical and complex. With what I learned I went back to our agency and **increased the base wages of our Weatherization staff and crews**. I have a much greater respect and understanding for the challenging and complex work they do to make a difference for our customers and our community. Thanks BCAEO for encouraging me to attend your WX Conference, it truly opened my eyes!”

Lori Offenbecher  
Executive Director  
Human Development Commission (HDC)  
429 Montague Avenue  
Caro, MI 48723

# ROLES & RESPONSIBILITIES

- Who is involved?
  - DOE
  - WAP Grantee
  - Sub-Grantee
- Can you define the roles and responsibilities of each entity?

# ROLES & RESPONSIBILITIES

- Each entity has their particular responsibilities
- These often seem unknown or confusing
- Misconceptions can lead to problems
- Knowing what can or cannot be changed is key
- Knowing who can or cannot change things is key

# DOE ROLE

- **Funds received**
  - Funds distributed according to formula
- **Grant guidance**
  - Incorporate updates
  - Issue to Grantees
  - Push through process for as early release as possible
- **State Plans**
  - Provide guidance & instructions to Grantees
  - Review upon receipt
  - Move to next phase of approval process
- **Distribution of funds**
  - Based upon formula
  - Based upon approved State Plan



# DOE ROLE

- WAP Updates
  - Weatherization Program Notices (WPN)
  - WAP Memorandums
  - Standard Work Specification (SWS) update process
  - Health & Safety update process
- Quality Assurance
  - Grantee Monitoring
  - Sub-grantee visits
- <https://nascsp.org/wap/technical-assistance-centerwaptac/>

# STATE LEVEL - GRANTEES

- State plans
  - Guidance posted by DOE
  - Establish timeline
  - **Engage PAC**
  - **Engage WAP Agencies and Managers**
  - Policy manual up to date?
  - Budget concerns?
  - WAP Operator concerns?
  - RFP processes for coming year?
  - **WAP Sub-grantee monitoring**

# STATE LEVEL - GRANTEES

- Distribution of Funds
  - Approval of State Plan [by DOE]
  - Receipt of funds
  - Run through formula or funding process
  - All sub-grantees receiving full funding?
  - Prepare contracts



# WEATHERIZATION AT THE LOCAL LEVEL

- Client recruitment
  - First Impression of WAP!
  - Relationship with EAP for referrals
  - Proper documentation of eligibility
  - Energy education
  - Maintenance of wait list – be honest with client
  - Watching redetermination dates
  - Setting realistic client expectations

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

- What do you think are the characteristics of a strong WAP Operator?

# UNDERSTANDING THE WAP – SUB-GRANTEE WAP MANAGER

- What is the skill set for the WAP Manager
  - Strong management & leadership skills
  - Financial knowledge related to federal funds
  - Access to strong technical support
  - Strong planning and implementation skills
  - Strong communication skills
  - Knowledge of federal, state & sub-grantee policies and procedures

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

- Actively Manage their WAP
  - Tracking
    - Spending & production benchmarks
    - Client wait list
    - Number/reasons of and/or for deferrals
    - Training and certifications
    - Monitoring issues
    - Average Cost Per Unit [ACPU]
    - Work flow
    - Timely reporting

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

## ➤ Actively Manage their WAP

- Knowledgeable WAP Manager
  - Federal & State Regulations
  - WAP Operator policies, procedures, requirements
  - Purpose of the WAP
  - Technical knowledge and/or support
  - Strong relationship with finance department
  - Aware of performance of crew/contractors

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

## ➤ Actively Manage their WAP

➤ Succession planning

➤ Information dissemination to staff

➤ Train WAP Staff!

➤ IT IS REQUIRED

➤ Factor training time into production planning

➤ Proper training reduces liability & risk

➤ Willingness to ask questions & seek guidance

➤ **NO END OF FUNDING CYCLE SURPRISES!**

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

## ➤ Actively Manage their WAP

- Honest and open communication with Grantee
- Actively seeking to improve
- Properly expend funds
- Committed staff
- Properly compensated staff
  - Know the technical requirements of the job
  - **It is NOT a minimum wage position**
  - Retainment should be a focus

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

- **What factors play into meeting production?**
  - Staffing, productivity, client cooperation, weather, knowledge, experience, local housing stock, deferral rates, applications, capacity, etc.
- **Why is it important to know that?**
  - Program management
  - Resource management
  - Service delivery

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

## ➤ Staffing

- Appropriate to meet WAP requirements
  - Certification requirements
  - Training requirements
  - **Production capacity in reference to funding and contractual expectations**
  - Knowledgeable Program Manager
  - Oversight of crews and contractors
    - How do you choose which to use?

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

- Staffing Continued...
  - Certified Energy Auditor(s)
  - Certified QCI(s)
  - Qualified Crew leaders & technicians
  - Qualified Contractor staff
  - Financial staff capacity
    - Claiming processes
    - Payment processes
    - Understanding of 2 CFR 200

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

## ➤ Deployment

### ➤ Management of workflow

➤ Intake to energy audit to crew/contractor to QCI to closeout

➤ **Setting and meeting production benchmarks**

➤ Scheduling and arranging work properly

➤ Ensure everyone doing their part

➤ How does the sub-grantee achieve this assurance?

# WHAT MAKES A STRONG WEATHERIZATION SUB-GRANTEE

- Developing New Partnerships
  - Why is this important?
  - What are the benefits?
  - Why list this as a WAP Operator role?
- Managing Leveraged or Braided Funds
  - Why are leveraged funds needed?
  - How do the leveraged funds assist the low income household?

# LEVERAGING OR BRAIDING FUNDS

- Why leverage or braid funds with WAP?
- What considerations go along with braided funds?
- How should the additional funds be used?
- How are the funds being generated?
- How are the funds benefitting the clients?

# PROGRAM INCOME & APPLICABLE CREDITS 200.307 & 200.406

- What is considered program income???
- 200.80 states that Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in 200.307 paragraph (f)
- Program income includes but is not limited to:
  - income from fees for services performed;
  - the use or rental of real or personal property acquired under Federal awards;
  - the sale of commodities or items fabricated under a Federal award;
  - license fees and royalties on patents and copyrights and;
  - principal and interest on loans made with Federal award funds

# PROGRAM INCOME & APPLICABLE CREDITS 200.307 & 200.406

- **What is considered an applicable credit???**
  - 200.406 states that applicable credits refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the Federal award as direct or indirect (F&A) costs.
    - Examples include:
      - purchase discounts
      - **rebates** or allowances
      - recoveries or indemnities on losses
      - insurance refunds or rebates
      - adjustments of overpayments or erroneous charges.

# PROGRAM INCOME & APPLICABLE CREDITS 200.307 & 200.406

## ■ **Program income: 200.307 (e)**

- If the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award, or give prior approval for how program income is to be used, paragraph (e)(1) of this section must apply.
- •(e)(1) *Deduction*. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project.

# PROGRAM INCOME & APPLICABLE CREDITS 200.307 & 200.406

- **200.406 Applicable credits.**
  - (a) To the extent that such credits accruing to or received by the non-Federal entity relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate

# CLOSING THOUGHTS

- Questions
- Feedback
- Concerns
- Thank You!