

**State of North Carolina
Bipartisan Infrastructure Law
Weatherization Assistance Plan**



United States Department of Energy

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**(NCDEQ SEO BIL State Plan)
July 1, 2022 – June 30, 2027**

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EXECUTIVE SUMMARY

Low-income North Carolinians are faced with many multifaceted challenges including inflation, high energy and housing costs, and continued market impacts from the COVID-19 pandemic. The Weatherization Assistance Program (WAP) aims to reduce these stressors by improving home energy efficiency, thereby fostering a healthier and more affordable life for North Carolina residents. Based on these initiatives, WAP has played a key role in not only decreasing energy costs for low-income persons, but also in reducing carbon emissions as well as providing and promoting jobs in clean energy.

The Bipartisan Infrastructure Law (BIL) will build on the historic strength of WAP by elevating funding for the next five years. Federal BIL funding aligns with the North Carolina Clean Energy Plan- (CEP) and will be utilized to help achieve the State’s energy reduction goal; to reduce electric power sector greenhouse gas emissions by 70% below 2005 levels by 2030 and attain carbon neutrality by 2050. Furthermore, in 2021, North Carolina enacted House Bill 951, which emphasizes its commitment to reduce carbon dioxide emissions in the electric power sector based on key goals presented in the CEP.

The BIL was enacted on November 15, 2021, with the U.S. Department of Energy (DOE) releasing specific guidance for WAP agencies under Weatherization Program Notice BIL 22-1 on March 30, 2022.

The North Carolina State Energy Office (NCSEO) WAP will distribute \$89,776,045 of BIL funds for the purpose of enhancing energy efficiency in the homes of low-income families, particularly those in disadvantaged communities (DACs), in all 100 counties of North Carolina. The WAP energy upgrades provide homeowners relief through energy savings and home improvements that support equitable health and safety for North Carolinians. The NCSEO anticipates that the ~\$89.7M BIL stimulus will provide assistance to over 6,000 households across the state.

The purpose of WAP is to install energy conservation measures in the homes of income-eligible persons, especially homes occupied by the elderly, persons with disabilities, and children. Funds are applied to the most cost-effective conservation measures, which are determined by conducting an on-site energy audit of the dwelling. Energy conservation measures funded through the program may range from air sealing and insulating single-family homes to replacing heating systems, windows, and doors. WAP assistance is eligible in all types of housing units, including both single and multi-family housing, manufactured housing, and group homes. The program is not geographically limited and provides services in each of the state’s 100 counties. The NCSEO implements WAP through a network of local providers with expertise in energy conservation. These subgrantees provide energy conservation services using their own trained crews or by subcontracting work to qualified contractors. To achieve a successful WAP program, NCSEO plans to build a more sustainable WAP workforce, improve and innovate the existing WAP program, and surge the number of weatherized homes.

A NCSEO Disadvantaged Communities (DACs) map will be created to identify the NC areas that are defined as disadvantaged by both federal and North Carolina definitions that also have

1 low rates of weatherized houses per capita. This tool will be used to identify and target census
2 tracts that are of the topmost priority for weatherization work. Subgrantees are expected to
3 prioritize and align property selection within the states' top-priority, overlapping places to
4 weatherize (TOP-W), providing at least 40% of WAP benefits within DAC census tracts per the
5 Justice40 initiative.

6
7 In addition to lowering energy costs and reducing carbon emissions, BIL funding will
8 significantly expand employment opportunities within weatherization and expand workforce
9 training opportunities in clean energy.

10
11 North Carolina's plan for the use of BIL funds is consistent with the policies and strategies of the
12 NCSEO WAP. To address the increase in funding and the need to expend BIL funds in a manner
13 consistent with the BIL requirements, NCSEO has revised the current program year
14 Weatherization Plan. NCSEO will:

- 15
16 1. Offer the existing sub-grantee network of weatherization providers the opportunity to
17 expand the production capacity through additional funding and expanded training through
18 an application process.
- 19 2. Solicit and procure (request for proposal) additional "temporary subgrantees" that will
20 assist with the increased production demands.
- 21 3. Create a comprehensive certified training and apprenticeship program to expand the
22 weatherization workforce.
- 23 4. Coordinate with existing training and technical assistance providers, and other entities to
24 expand capacity building training for existing subgrantees.
- 25 5. Expand Grantee staffing to support and implement the BIL program.

26
27 This plan describes NCSEO WAP's strategy to successfully administer the weatherization
28 funding made available through BIL in a manner that meets all federal requirements while
29 leveraging opportunities and achieving the goals of the CEP.

30 31 **INTRODUCTION**

32
33 The State of North Carolina Weatherization Assistance Program State Plan for United States
34 Department of Energy (USDOE) is based on the rules contained within 10 CFR Part 440; 2 CFR
35 Part 200; and all subsequent guidance contained in the U.S. DOE Weatherization Program Notices
36 (WPN). It is the responsibility of the Subgrantee to know and be familiar with these rules and
37 guidance. All DOE rules and guidance can be found on their [website](#).

38 39 **OVERVIEW AND ORGANIZATION**

40
41 The North Carolina Weatherization Assistance Program is administered by the North Carolina
42 Department of Environmental Quality Energy Group. The Weatherization Manager oversees the
43 work of the Weatherization Assistance Program. Reporting to the Program Manager are three
44 Programmatic Analysts, one Trainer/Lead Programmatic Analyst, and one Fiscal Supervisor; the
45 Fiscal Supervisor oversees: one Grants Administrator, one Administrative Assistant, and two

1 Fiscal Analysts.
2

3 ***1 PART I – ANNUAL FILE***

4 **1.01 Overall Main Budget with Allocations**

5 DOE 2022-2027 BIL Allocations
6

7
8
9 BIL funds can be used and should be used, in conjunction with other funding sources including
10 private funds as necessary to complete projects; however, USDOE BIL funding may not be
11 comingled with DOE annual formula funds. All tracking and reporting must be separate from other
12 funding sources to meet the monitoring, recordkeeping, and reporting requirements of the BIL.¹
13

14 Weatherization Readiness Funds (WRF) are allowed to be carried forward into next budget periods
15 within the same grant cycle (e.g., Program Year (PY) 2022 can be carried into PY 2023).²
16

17 The use of WRF does not need to result in a DOE-funded completion within the same PY but must
18 be completed within the same grant cycle and within a reasonable time. Grantees must define what
19 that reasonable time is within their WRF plans.
20

21 WRF funds are allowed to be utilized on an annual-formula-funded and BIL-funded
22 weatherization project.
23

24 **Average cost per unit must be maintained. $ACPU = \text{DOE Program funds minus DOE H\&S}$
25 **expenditures divided by DOE completions. The use of supplemental funding sources,**
26 **including private funds, does not have a negative impact on the average cost per unit or lead**
27 **to reduced subgrantee funding/redistribution of funding.**
28**

29
30 **If grant funds are not obligated for reimbursement by Subgrantee in a timely manner as**
31 **determined by NCSEO, NCSEO may at its sole discretion, reduce Subgrantee funding and**
32 **redistribute such funds to other Subgrantees by amending the Financial Assistance**
33 **Agreement.**
34

35 Grantees and Subgrantees are reminded that the WAP is not a rehabilitation or general repairs
36 program. Program policies strictly prohibit roof replacements, structural repairs, or other non-
37 energy related rehabilitation work. Units requiring this type of repair should be referred to a
38 rehabilitation program or the Subgrantee must use other sources of funds to cover these costs.³

¹ WPN 22-1, “Bipartisan Infrastructure Law (BIL) Grants for the Weatherization Assistance Program,
<https://www.energy.gov/sites/default/files/2022-03/wpn-bil-22-1.pdf>

² WPN 23-4, “Weatherization Readiness Funds – Expansion of Scope”,
https://www.energy.gov/sites/default/files/2023-01/WPN_23-4_Weatherization_Readiness_Funds_Expansion_of_Scope.pdf

³ [WPN 12-9 Incidental Repair Measure Guidance](#)

1 **Program Budget**

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BUDGET AND PRODUCTION PLANNING	
Total Allocation	\$ 89,776,045
T&TA Allocation	\$ 15,686,574
Total Administration	\$ 11,039,330
Program Operations	\$ 50,440,112
Health and Safety	\$ 12,610,029
Vehicles & Equipment	\$ -
Other (audits, insurance, etc.)	\$ -

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15 *Funding for the 2023-2027 Program Year*

16

17 NCSEO expects to receive \$89.7 million dollars over five years as awarded by the US Department

18 of Energy

19

20 (DOE). NCSEO will allocate the funds to Subgrantee allocation, training and technical assistance,

21 and administration costs, defined in detail below.

22

23 Up to \$69.7 million will be available for Temporary Subgrantee allocation. The formula includes

24 factors related to income-eligible population and climate. Temporary Subgrantees will be eligible

25 to apply for a BIL award based on performance and production criteria. The maximum available

26 award will not exceed the funding-based allocation for Weatherization Program Year 2022. North

27 Carolina assigns a subgrantee to cover a region of the State, to provide weatherization services to

28 the eligible population.

29

30 The application process will permit each qualified subgrantee to receive a maximum up to their

31 annual allocation for regularly allocated Weatherization Assistance Program (WAP) funds as

32 stated in the WAP State Plan, thus potentially doubling their annual allocation. In addition, each

33 qualified subgrantee will be required to complete an application that contains factors such as: (1)

34 expenditure and capacity building; (2) metrics to create long-term jobs with family-sustaining

35 wages and benefits; (3) methods to evaluate program effectiveness; (4) strategies to prioritize

36 underserved and disadvantaged communities; and (5) proposed service territory. NCSEO is

37 developing a tool that will assist with identifying underserved and disadvantaged communities

38 across North Carolina.

39

40 North Carolina State Energy Office (NCSEO) will provide funds to existing subgrantees based

41 upon their compliance with all State and Federal requirements and the successful completion of

42 their previous program year production goals. Many subgrantees could receive BIL allocations

43 that will double their annual DOE allocation. Additionally, NCSEO proposes to retain flexibility

44 to add or change subgrantees to meet the additional obligations created by BIL. The Subgrantee

45 contract and budget period for BIL funds will begin no later than July 1, 2023, and end no later

46 than June 30, 2027. This will allow NCSEO as the Grantee, to prepare and establish additional

1 contracts as outlined in this report while ensuring subgrantees have sufficient time for production
2 and permit timely expenditure of funds in accordance with BIL goals and milestones.

3
4 Up to \$15.8 million will be retained for Training and Technical Assistance over the five-year grant
5 contract period. These funds will be directed towards a workforce development program that will
6 include an apprentice component and significant capacity building for our existing network of
7 subgrantees to successfully expand their capabilities.

8
9 No more than Fifteen percent (15%) of our total BIL contract will be reserved for administration
10 by both the Subgrantee and Grantees, with up to 7.5% of that to be reserved for the Grantee to
11 support the program buildout, implementation, monitoring, and evaluation over the BIL contract
12 period.

13
14 Please note, the Grantee will manage Federal Funds in a prudent, effective, and efficient manner
15 to accomplish program objectives and shall take the necessary steps to ensure that funds are
16 expended within the grant project period. Allocations to individual subgrantees will be subject to
17 a review of production and expenditures during each Program Year and adjusted downward or
18 incrementally funded where NCSEO determines that Program Year allocation may exceed current
19 capacity. Program funding is allocated by a formula which factors in climate (heating and cooling
20 degree days) and the share of low-income households in each region. This allocation methodology
21 is based on the method used by DOE to allocate Program funding to the States.

22
23 Formula for regional BIL funding allocations:

24
25 The formula to derive the funding allocations in each county is as follows and based on 10 CFR
26 440.10. The funding for each county in the region is then added up to get the total allocated funding
27 for the 8 regions.

28
29 Calculate each County's formula share as follows:

30
31 (i) Divide the number of “Low Income” households in each county by the number of
32 “Low Income” households in the State and multiply by 100.

33
34 (ii) Divide the number of “Heating Degree Days” for each County by the median
35 “Heating Degree Days” for all Counties.

36
37 (iii) Divide the number of “Cooling Degree Days” for each County by the median
38 “Cooling Degree Days” for all Counties, then multiply by 0.1.

39
40 (iv) Calculate the sum of the two numbers from (ii) and (iii) of this section.

41
42 (v) Divide the residential energy expenditures for each County by the number of
43 households in the County.

44
45 (vi) Divide the sum of the residential energy expenditures for the Counties in each
46 Service Region by the sum of the households for the Counties in that Service Region.

1
2 (vii) Divide the quotient from paragraph (v) of this section by the quotient from
3 paragraph (vi) of this section.
4

5 (viii) Divide the quotient from paragraph (vii) of this section for each County by the
6 residential energy expenditures per low-income household for its respective County.
7

8 (ix) Divide the product from paragraph (viii) of this section for each County by the
9 median of the products of all Counties.
10

11 (x) Multiply the results for paragraph (i), (iv) and (ix) of this section for each County.
12

13 (xi) Divide the product in paragraph (x) of this section for each County by the sum of the
14 products in paragraph (x) of this section for all Counties.
15

16 (4) Calculate each Region's program allocation as follows:
17

18 (i) Multiply the remaining program operations funds calculated (after subtracting the
19 multifamily program operations allocation) by the formula share calculated in paragraph
20 (xi) of this section.
21

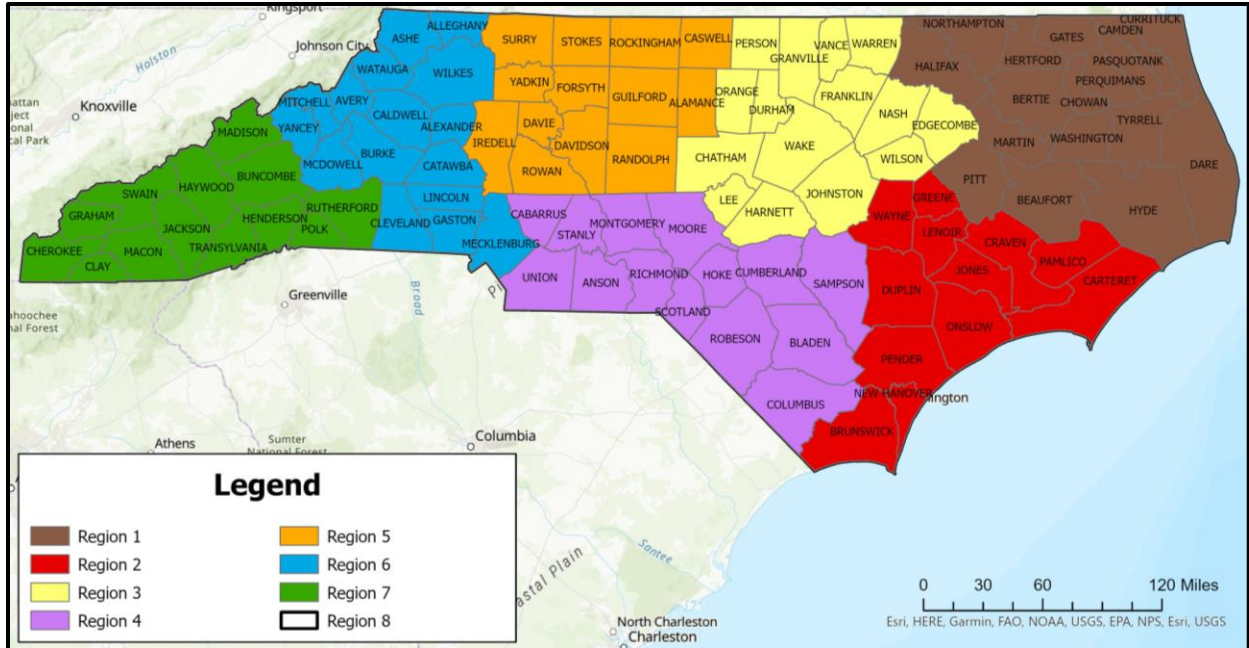
22 Each region identified in Section 1.02.1 will have county-specific goals that need to be met to
23 ensure weatherization work is distributed fairly and that funding cannot be concentrated in one
24 county. Counties will not be competing with each other for funding based on the above formula.
25

26 1.02 Subgrantees

27 1.02.1 Temporary Subgrantees and Territories under the Five Year BIL Program 28

29 Under the five year BIL program, North Carolina's low-income weatherization network
30 territories will be regionalized across the State to maximize programmatic impacts as shown in
31 the following figure. This approach provides an opportunity for non-profit or public entities to
32 expand their existing capacity into additional counties through increased funding, collaboration,
33 training, and workforce development initiatives.
34

Region	Program Operations	Admin	H&S	Grand Total Allocation	Number of Weatherized Houses
Region 1	\$ 2,132,760	\$ 284,700	\$ 533,190	\$ 2,950,651	266
Region 2	\$ 3,655,809	\$ 488,010	\$ 913,952	\$ 5,057,771	456
Region 3	\$ 7,739,504	\$ 1,033,139	\$ 1,934,876	\$ 10,707,519	966
Region 4	\$ 3,913,039	\$ 522,348	\$ 978,260	\$ 5,413,647	489
Region 5	\$ 11,161,893	\$ 1,489,991	\$ 2,790,473	\$ 15,442,357	1394
Region 6	\$ 7,722,417	\$ 1,030,858	\$ 1,930,604	\$ 10,683,880	964
Region 7	\$ 3,522,266	\$ 470,184	\$ 880,567	\$ 4,873,017	440
Region 8 (Multifamily)	\$ 10,592,424	\$ 1,413,973	\$ 2,648,106	\$ 14,654,502	1323
Grand Total	\$ 50,440,112	\$ 6,733,203	\$ 12,610,028	\$ 69,783,343	6,298



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The selection process for temporary Subgrantees will follow the provisions of Section 2.10 of this plan. This process will allow for more competition among potential Subgrantees, ensuring the best and most qualified agency is awarded the contract. A successful temporary Subgrantee will work collaboratively with the agencies that receive funds under the “annual base program”.

Single Family Weatherization

The prospective lead service organization can apply for funding in multiple regions and are not limited to the ones they currently operate in. If a prospective organization's service territory is not identical to one or more weatherization regions, the application should reflect strong partnerships and how collaborative efforts ensure equitable distribution of programmatic benefits in the in the affected region(s). If awarded, the funding allocation will equal the collective total of each region listed in the application.

Those that are unable to work throughout the region(s), but want to participate, are encouraged to research, find, and partner with a prospective lead service organization.

Multifamily Weatherization

The prospective lead service organization should demonstrate the knowledge, skills, and abilities to conduct statewide multifamily weatherization for disadvantaged communities. The development of statewide, diverse partnerships is needed for a robust application.

Those that are unable to support statewide multifamily weatherization, but want to participate, are encouraged to research, find, and partner with a prospective lead service organization.

Number of Awards

The maximum number of awards for single and multifamily will be eight (one per single family weatherization region and one multifamily weatherization service region). However, if prospective entities combine single family weatherization regions or multifamily weatherization

1 into a holistic package, the number of awards may be less than eight.

2
3 The following are existing agencies that were selected by following the application provisions of
4 Section 2.10 of this plan and by giving preference in accordance with 10 CFR 440.15(a)(3)
5 before competitive solicitations were posted:

<i>Weatherization Agency</i>	<i>Community Action Opportunities, Inc.</i>
<i>Address</i>	25 Gaston Street Asheville, NC 28801
<i>Congressional District</i>	1, 4, 5, 6 10 & 11
<i>County Served</i>	Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, Polk, Rutherford, Swain & Transylvania
<i>Executive Director</i>	Vicki Heidinger
<i>Contact</i>	P: (828) 252-2495 F: (828) 253-6319
<i>Email</i>	Vicki.heidinger@communityactionopportunities.org

6
7 **1.02.2 Existing Subgrantees and Territories Under the Annual Base Program**

8
9 Under the annual base program, North Carolina’s low-income weatherization network is made up
10 of 20 Subgrantees each with their own service area. The Subgrantees are comprised of community
11 action agencies; housing authorities; local governments; area agencies on aging; senior centers; a
12 development corporation. Many of the weatherization Subgrantees have over 20 years’ experience
13 in delivering weatherization services.

14
15 The following is a list of North Carolina’s existing Weatherization Subgrantees.

<i>Weatherization Agency</i>	<i>Action Pathways, Inc</i>
<i>Address</i>	4525 Campground Road Fayetteville, NC 28314 PO Box 25759
<i>Congressional District</i>	2, 4, 6, 7, & 8
<i>County Served</i>	Cumberland, Scotland, Montgomery, Columbus, Brunswick, Hoke, Pender, Robeson, Moore, Bladen, & Sampson
<i>Executive Director</i>	Lonnie Ballard
<i>Contact</i>	P: (910) 485-6131
<i>Email</i>	Lonnie.ballard@actionpathways.ngo

<i>Weatherization Agency</i>	<i>Blue Ridge Community Action, Inc.</i>
<i>Address</i>	800 North Green Street Morganton NC 28655
<i>Congressional District</i>	5, 9, 10, 11, & 12
<i>County Served</i>	Alexander, Burke, Caldwell, Gaston, Mecklenburg, Stanly, Union, & Catawba
<i>Executive Director</i>	Stephanie Ashley
<i>Contact</i>	P: (828) 438-6255
<i>Email</i>	sashley@brcainc.org

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Weatherization Agency

Blue Ridge Opportunity Commission, Inc.

Address	710 Veterans Drive North Wilkesboro, NC 28659
Congressional District	5
County Served	Alleghany, Ashe, & Wilkes
Executive Director	Dare Stromer
Contact	P: (336) 667-7174 F: (336) 667-5920
Email	brocds@brocinc.com

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Weatherization Agency

Cabarrus County Planning and Development Services Department

Address	65 Church Street S Concord, NC 28025 PO Box 707
Congressional District	8 & 12
County Served	Cabarrus
Executive Director	Susie Morris
Contact	P: (704) 920-2141 F: (704) 920-2227
Email	samorris@cabarruscounty.us

2

Weatherization Agency

Central Piedmont Community Action, Inc.

Address	1401 Ross Avenue Siler City, NC 27344 PO Box 626
Congressional District	2, 4, 8, & 9
County Served	Chatham, Orange, Anson, & Richmond
Executive Director	Natasha Elliott
Contact	P: (919) 742-2277 F: (919) 742-2299
Email	jacksonn@cpcanc.org

3

Weatherization Agency

Choanoke Area Development Association, Inc.

Address	120 Sessoms Drive Rich Square, NC 27869 PO Box 530
Congressional District	1, 3, & 13
County Served	Bertie, Edgecombe, Halifax, Hertford, Martin, & Northampton
Executive Director	Christopher S Moody
Contact	P: (252) 539-4155 F: (252) 539-2048
Email	cmoody@nc-cada.org

4

Weatherization Agency

Coastal Community Action, Inc.

Address	303 McQueen Avenue Newport, NC 28570 PO Box 729
Congressional District	1, 3, & 7
County Served	Carteret, Craven, Duplin, Jones, New Hanover, Onslow, Pamlico, & Beaufort
Executive Director	Catissa Head
Contact	P: (252) 223-1630
Email	catissa.head@coastalca.org

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<i>Weatherization Agency</i>		<i>Community Action Opportunities, Inc.</i>	
<i>Address</i>		25 Gaston Street Asheville, NC 28801	
<i>Congressional District</i>		10 & 11	
<i>County Served</i>		Buncombe, Cleveland, Henderson, Madison, McDowell, Polk, Rutherford, & Transylvania	
<i>Executive Director</i>		Vicki Heidinger	
<i>Contact</i>		P: (828) 252-2495 F: (828) 253-6319	
<i>Email</i>		Vicki.heidinger@communityactionopportunities.org	

1

<i>Weatherization Agency</i>		<i>Economic Improvement Council, Inc.</i>	
<i>Address</i>		712 Virginia Road Edenton, NC 27932 PO Box 549	
<i>Congressional District</i>		1 & 3	
<i>County Served</i>		Currituck, Washington, Hyde, Camden, Gates, Pasquotank, Perquimans, Tyrrell, Chowan, & Dare	
<i>Executive Director</i>		Dr. Landon B Mason, Sr.	
<i>Contact</i>		P: (252) 482-4495	
<i>Email</i>		dr.landon.mason@eicca.org	

2

<i>Weatherization Agency</i>		<i>Four Square Community Action, Inc</i>	
<i>Address</i>		61 Milton Mashburn Drive Andrews, NC 28901 PO Box 2290	
<i>Congressional District</i>		11	
<i>County Served</i>		Cherokee, Graham, Swain, and Clay	
<i>Executive Director</i>		Sue Lynn Ledford	
<i>Contact</i>		P: (828) 321-4475 F: (828) 321-3457	
<i>Email</i>		sue.ledford@foursq.org	

3

<i>Weatherization Agency</i>		<i>Franklin-Vance-Warren Opportunity, Inc</i>	
<i>Address</i>		180 S Beckford Drive Henderson, NC 27536 PO Box 1453	
<i>Congressional District</i>		2, 6, & 13	
<i>County Served</i>		Franklin, Vance, Warren, Nash, & Granville	
<i>Executive Director</i>		Abdul Sm Rasheed & Felicia Gregory	
<i>Contact</i>		P: (252) 492-0161 F: (252) 492-6250	
<i>Email</i>		abdulsmrasheed@fvwopp.com feliciacoleman@fvwopp.com	

4

<i>Weatherization Agency</i>		<i>I-Care, Inc.</i>	
<i>Address</i>		1415 Shelton Avenue Statesville, NC 28677 PO Box 7049	
<i>Congressional District</i>		5 & 10	
<i>County Served</i>		Iredell & Lincoln	
<i>Executive Director</i>		Bryan Duncan	
<i>Contact</i>		P: (704) 872-8141 F: (704) 871-1299	
<i>Email</i>		bryan.duncan@icare-inc.org	

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Weatherization Agency	Johnston-Lee-Harnett Community Action, Inc.
Address	1102 Massey Street Smithfield, NC 27577 PO Drawer 711
Congressional District	2, 4, & 7
County Served	Johnston, Harnett, & Lee
Executive Director	E. Marie Watson
Contact	P: (919) 934-2145 F: (919) 934-6231
Email	jlhca@jlhcommunityaction.org

1

Weatherization Agency	Macon County
Address	5 West Main Street Franklin, NC 28734
Congressional District	11
County Served	Macon
Executive Director	Derek Roland
Contact	P: (828) 349-2025
Email	droland@maconnc.org

2

Weatherization Agency	Mountain Projects, Inc.
Address	2177 Asheville Road Waynesville, NC 28786
Congressional District	11
County Served	Haywood & Jackson
Executive Director	Patsy Davis
Contact	P: (828) 452-1447 F: (828) 452-9454
Email	pdavis@mountainprojects.org

3

Weatherization Agency	Piedmont Triad Regional Council
Address	1398 Carrollton Crossing Drive Kernersville, NC 27284
Congressional District	5, 6, 12, & 13
County Served	Alamance, Caswell, Davidson, Forsyth, Guilford, Person, Randolph, & Rockingham
Executive Director	Matthew Dolge
Contact	P: (336) 904-0300 F: (336) 761-2112
Email	mdolge@ptrc.org

4

Weatherization Agency	Resources for Seniors, Inc.
Address	1110 Navaho Drive, Suite 400 Raleigh, NC 27609
Congressional District	1, 2, 4, 6, & 13
County Served	Wake & Durham
Executive Director	Kristen Brannock
Contact	P: (919) 872-7933 F: (919) 872-6683
Email	kristenb@rfsnc.org

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Weatherization Agency

W.A.M.Y. Community Action, Inc.

Address	225 Birch Street, Suite 2 Boone, NC 28607
Congressional District	5, 10, & 11
County Served	Watauga, Avery, Mitchell, & Yancey
Executive Director	April Beck & Melissa Soto
Contact	P: (828) 264-2421 F: (828) 264-0952
Email	april@wamycommunityaction.org melissa@wamycommunityaction.org

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Weatherization Agency

Wayne Action Group for Economic Solvency, Inc.

Address	601 E Royall Avenue Goldsboro, NC 27534
Congressional District	1, 3, 7, & 13
County Served	Wayne, Greene, Pitt, Wilson, & Lenoir
Executive Director	Patricia Beier
Contact	P: (919) 734-1178 F: (919) 736-4268
Email	pbeier@wagesnc.org

2

Weatherization Agency

Yadkin Valley Economic Development District, Inc.

Address	533 N. Carolina Avenue, Highway 601 N Boonville, NC 27011 PO Box 309
Congressional District	5 & 13
County Served	Davie, Rowan, Stokes, Surry, & Yadkin
Executive Director	Kathy Payne
Contact	P: (336) 367-7251 F: (336) 367-3637
Email	kpayne@yveddi.com

3

1.02.3 Subgrantee Communication and Referral Protocols Between the Annual Base Program and Five Year BIL Program

A Memorandum of Understanding (MOU) will be required to be implemented between Subgrantees with common service areas under the annual base program and Five Year BIL program. At a minimum, the MOU will establish client referral and communication protocols between programs that: (1) reduce or eliminate waitlist backlogs in a timely manner; (2) streamline eligibility determination processes; (3) effectively prioritize clients based on the WAP’s priority score; (4) target underserved communities identified by the WAP under Justice 40; and (5) provide methods of transparent communication to clients for intake processes. Overall, these procedures are intended to ensure efficiencies are maintained between programs for client intake, referral, and weatherization activities.

1.03 Estimated Production

Quarterly Performance Period	PRODUCTION	BUDGET		NCWAP Quality Control/Monitoring Inspections
	Number of Planned Units	Planned Program Operations Budget <small>((units * ACPU) - vehicles)</small>	Planned H&S Budget	
Q1 (tentative start Sept 1, 2022)	<u>0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0</u>
Q2	<u>0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0</u>
Q3	<u>0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0</u>
Q4	<u>78</u>	<u>\$ 624,694.94</u>	<u>\$ 156,173.75</u>	<u>4</u>
Year 1 Subtotal	<u>78</u>	<u>\$ 624,694.94</u>	<u>\$ 156,173.75</u>	<u>3.9</u>
Q1	<u>190</u>	<u>\$ 1,521,692.80</u>	<u>\$ 380,423.23</u>	<u>10</u>
Q2	<u>190</u>	<u>\$ 1,521,692.80</u>	<u>\$ 380,423.23</u>	<u>10</u>
Q3	<u>190</u>	<u>\$ 1,521,692.80</u>	<u>\$ 380,423.23</u>	<u>10</u>
Q4	<u>190</u>	<u>\$ 1,521,692.80</u>	<u>\$ 380,423.23</u>	<u>10</u>
Year 2 Subtotal	<u>760</u>	<u>\$ 6,086,771.22</u>	<u>\$ 1,521,692.92</u>	<u>38</u>
Q1	<u>400</u>	<u>\$ 3,203,563.80</u>	<u>\$ 800,891.01</u>	<u>20</u>
Q2	<u>400</u>	<u>\$ 3,203,563.80</u>	<u>\$ 800,891.01</u>	<u>20</u>
Q3	<u>400</u>	<u>\$ 3,203,563.80</u>	<u>\$ 800,891.01</u>	<u>20</u>
Q4	<u>400</u>	<u>\$ 3,203,563.80</u>	<u>\$ 800,891.01</u>	<u>20</u>
Year 3 Subtotal	<u>1600</u>	<u>\$ 12,814,255.19</u>	<u>\$ 3,203,564.05</u>	<u>80</u>
Q1	<u>475</u>	<u>\$ 3,804,232.01</u>	<u>\$ 951,058.08</u>	<u>24</u>
Q2	<u>475</u>	<u>\$ 3,804,232.01</u>	<u>\$ 951,058.08</u>	<u>24</u>
Q3	<u>475</u>	<u>\$ 3,804,232.01</u>	<u>\$ 951,058.08</u>	<u>24</u>
Q4	<u>475</u>	<u>\$ 3,804,232.01</u>	<u>\$ 951,058.08</u>	<u>24</u>
Year 4 Subtotal	<u>1900</u>	<u>\$ 15,216,928.04</u>	<u>\$ 3,804,232.31</u>	<u>95</u>
Q1	<u>490</u>	<u>\$ 3,924,365.65</u>	<u>\$ 981,091.49</u>	<u>25</u>
Q2	<u>490</u>	<u>\$ 3,924,365.65</u>	<u>\$ 981,091.49</u>	<u>25</u>
Q3	<u>490</u>	<u>\$ 3,924,365.65</u>	<u>\$ 981,091.49</u>	<u>25</u>
Q4	<u>490</u>	<u>\$ 3,924,365.65</u>	<u>\$ 981,091.49</u>	<u>25</u>
Year 5 Subtotal	<u>1960</u>	<u>\$ 15,697,462.61</u>	<u>\$ 3,924,365.96</u>	<u>98</u>
TOTAL	<u>6,298</u>	<u>\$ 50,440,112.00</u>	<u>\$ 12,610,029.00</u>	<u>315</u>

1 **1.04 Energy Savings**

2
3 The BIL program will utilize the DOE energy saving algorithm as per WPN 22-1 p. 25. In addition,
4 the Grantee will evaluate environmental and energy benefits based on the goals outlined in the
5 North Carolina Clean Energy Plan and North Carolina House Bill 951.
6

7 **1.05 Monitoring Activities**

8
9 **1.05.1 Introduction**

10
11 Monitoring is the principal method by which NCWAP can identify areas within the Subgrantee’s
12 program operation and administration where assistance may be required. Approximately 50-60% of
13 administrative funds will be utilized for monitoring activities. NCWAP ensures that each Subgrantee is
14 monitored during the current grant year. The monitoring visit will consist of all areas under item
15 **1.05.3 c. On-Site Review** of this section. The results of these reviews and individual Subgrantee
16 requirements will determine the need for Training and Technical Assistance (T&TA) and/or
17 additional monitoring.
18

19 There have been many improvements as a result of the monitoring efforts of NCWAP. Client files
20 have become more complete, forms contained within those files are more consistent statewide, and
21 the quality of work is continuing to improve across the state.
22

23 **1.05.2 Peer Exchange**

24
25 Subgrantees will receive Training and Technical Assistance funds to participate in Peer Exchange.
26 These funds are designed to cover the cost of time, travel, lodging and meals of those involved in
27 Peer Exchange. The Peer Exchange funds will be included in the general T&TA allocation.
28 NCWAP reserves the right to disallow allocations of T&TA Peer Exchange funds to Subgrantees
29 if it is determined such funds are not being used or being used incorrectly.
30

- 31 a) Training needs of Subgrantees will be identified and remedied through Peer Exchange and
32 NCWAP.
- 33
34 b) Agencies will follow the Peer Exchange Protocol ([See Appendix A](#)).
35

36 **1.05.3 NCWAP Monitoring of Subgrantees**

- 37
38 a) **Audit** - An annual monitoring visit, as required by contract agreement, shall be conducted
39 by NC Weatherization Assistance Program (WAP) to verify information received on
40 monthly reports and clarify questions raised by NCWAP, and/or the Subgrantee.
41
- 42 b) **In-House** - All monthly reports shall be monitored by NCWAP to determine compliance
43 with program requirements, monitor spending patterns and chart program progress. Any
44 irregularities or questions raised by the in-house review that are not readily resolved will
45 be sufficient reason to schedule an on-site review.
46

- 1 c) **On-Site Review** - NCWAP may conduct an on-site review on an annual basis and when
2 required in item b above. The on-site review shall consist of staff from NCWAP and
3 qualified technicians as necessary under the direction of NCWAP. The following items
4 shall be reviewed at a minimum.
5
6 ○ **Financial Records** - Including but not limited to general ledger, bank statements,
7 checks, audit reports, financial statements and other records necessary for the
8 review of the financial records.
9 ○ **Inventory System** - Including but not limited to purchasing system, controls,
10 perpetual inventory, financial records and other records deemed necessary by the
11 reviewer.
12
13 ○ **Client Files** - For accuracy, completeness, demographic information, and
14 documentation of work needed, work completed, client eligibility and inspection of
15 work.
16
17 ○ **Work Completed** - Homes shall be reviewed to determine quality of work,
18 completeness of work, conservation measures installed based on a computerized
19 audit or DOE approved regional priority list to determine cost effectiveness,
20 geographic distribution, proper documentation in client files, client satisfaction and
21 other information deemed necessary by the NCWAP monitor.
22
23 d) **Subgrantee Post-Installation Inspection** - Each weatherized unit **must** be inspected by
24 the Subgrantee to ensure that the work is in compliance with required specifications before
25 the unit is reported to NCWAP as completed. A complete inspection form, legibly signed
26 by the Subgrantee's inspector shall be placed in each job file. In addition, Subgrantees and
27 their subcontractors **must** certify all weatherization work and materials including base load
28 measures for a period of one year from the time of completion. Certification includes the
29 repair and replacement of defective measures resulting from improper installation or
30 material defect.
31
32 e) **Subgrantee Review** - If deficiencies in agency program operations indicate non-
33 compliance with Low Income Weatherization Program Implementation, Master Grant
34 and/or federal rules and regulations, NCWAP will respond by working with the Subgrantee
35 to correct deficiencies.
36
37 f) **Provide Training and Technical Assistance** - T&TA activities are intended to maintain
38 or increase the efficiency, quality, and effectiveness of the Weatherization Assistance
39 Program at all levels. Such activities should be designed to maximize energy savings,
40 minimize production cost, improve program management, and/or reduce the potential for
41 waste, fraud and abuse.
42
43
44
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46
47

1 **1.06 Training and Technical Assistance and Workforce Development**
2 **Approach**

3
4 Currently, many of our subgrantees are understaffed and the challenges of retaining and expanding
5 well trained staff are a hindrance to production expansion.
6

7 NC State Energy Office (NCSEO) is currently working on addressing capacity building within our
8 subgrantee network to expand our services within the regions where weatherization services are
9 provided. To that end NCSEO will advance workforce development and technical and training
10 assistance in three focus areas.
11

12 a) Focus Area 1 Boosting Programmatic Effectiveness

13 o Objectives

- 14 ▪ Collaborative intake process,
- 15 ▪ Training to blend all funding sources, including available private funds,
- 16 ▪ Neighborhood approach in urban areas,
- 17 ▪ Targeted approach in rural areas,
- 18 ▪ Increase client base across North Carolina.
- 19 ▪ Partnerships with organizations including utilities for targeted outbound
20 marketing.

21
22 b) Focus Area 2 Training, Certification and Professional Development

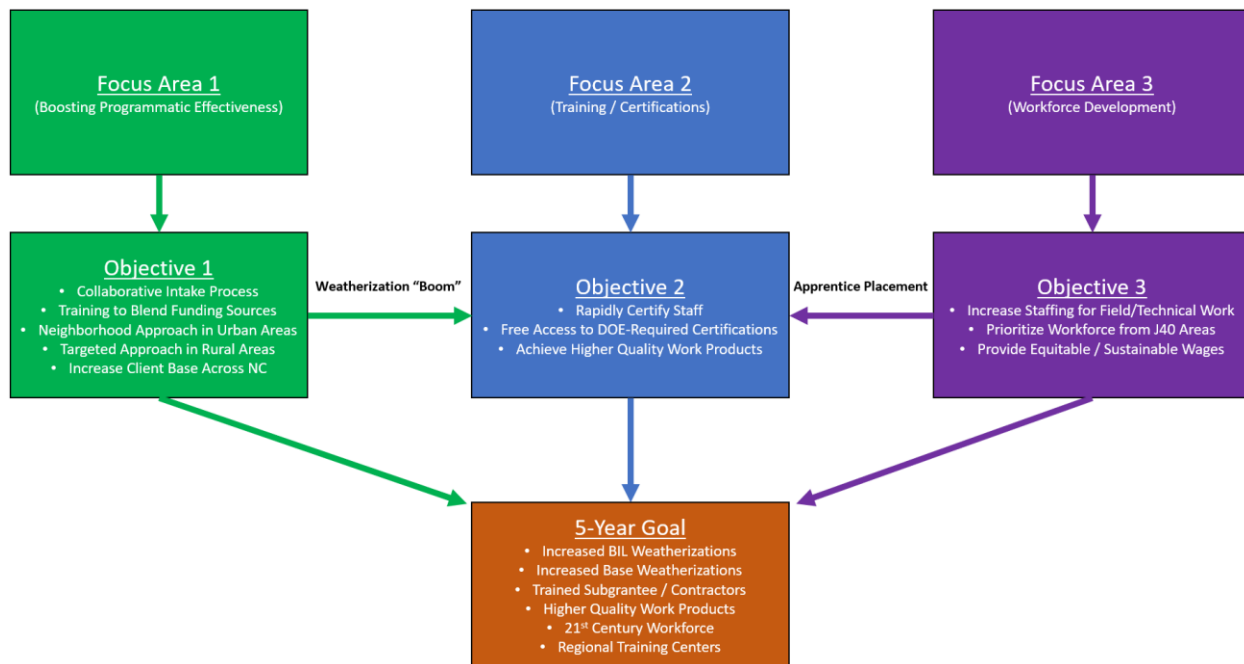
23 o Objectives

- 24 ▪ Rapidly certify all agency staff,
- 25 ▪ Free Access to all subgrantees for state and DOE–required certifications,
- 26 ▪ Achieve higher quality and consistent work products,
- 27 ▪ Training dollars stay within North Carolina.

28
29 c) Focus Area 3 Workforce Development

30 o Objectives

- 31 ▪ Increase staffing for field/technical work,
 - 32 ▪ Prioritize workforce from J40 areas,
 - 33 ▪ Provide equitable/sustainable wages.
- 34



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Focus Area 1 Boosting Programmatic Effectiveness

In many communities in North Carolina, energy efficiency programs, weatherization programs, and home repair and rehabilitation programs are delivered and administered separately, through multiple agencies. Lack of communication between these agencies makes it difficult for eligible homeowners to access services they require to obtain a safe, weatherized, and energy efficient home. Many LMI households, arguably those that need the most attention, are not being served equitably. To elaborate, in the current home repair model, homes that are eligible for weatherization services may be waitlisted if their home is not in “weatherization-ready conditions.” Thus, eligible low-income homeowners are deferred from weatherization services if their home requires additional work that weatherization funding cannot be used for; these fixes include serious health concerns like mold and leaky roofs. The responsibility was the homeowners to seek out, apply for, and coordinate repairs across agencies. The separation of services and lack of coordination of these programs has created significant inefficiencies: funds are often left on the table because they are not properly leveraged, which costs both service provider organizations and applicants time, money, and effort. The current model home repair model creates obstacles that hinder the deployment of energy efficiency upgrades, weatherization programs, and urgent health and safety repairs, leaving low-income North Carolinians without services that they desperately need and are eligible for.

The SEO aims to employ a cooperative home repair approach throughout the state by identifying appropriate agencies that can take part in the collaboration and coordination of local partners. We anticipate that collaborations will be based on the geographic jurisdictions of NC’s weatherization service providers. The collaborative model has already shown in success in Orange and Chatham counties by Triangle J COG (TJCOG), the North Carolina Justice Center (NCJC), and Rebuilding Together of the Triangle (RTT). These head agencies worked with local weatherization and home repair service providers to better serve low-income homeowners—strategies including a unified

1 intake process, collaborative case management process, and uniform program assessment
2 strategies. The collaborative model takes the strain off homeowners with a “no wrong door”
3 approach—eligible applicants seeking assistance are able to more efficiently receive a suite of
4 services such as accessibility modifications, weatherization, home repair programs, and
5 electrification assistance as needed.

6
7 SEO intends to identify lead agencies, or “hubs”, in other areas of the state that can be trained to
8 facilitate the development of a local collaborative approach that can blend funding opportunities.
9 The approach will be tailored to specific regional needs and should be rooted in the interest of
10 community partners. The stakeholders in the collaboration will be the groups working in the homes
11 of low-income families that include but are not limited to a) Local governments b) Home Repair
12 and Community Development organizations c) Aging Related agencies d) Community Social
13 Services e) Housing and Development Agencies f) Councils of Governments g) other nonprofits.
14 The tools and strategies may be utilized in different ways to allow for a tailored plan and
15 coordinated efforts by the local collaborative. The SEO expects that each weatherization agency
16 involved, as identified by the state, will engage, and participate in a locally organized,
17 appropriately structured collaborative process as a condition of receiving WAP funds.

18 19 Focus Area 2 Training, Certification and Professional Development

20
21 The need for structured training is the biggest stumbling block to the advancement of the program.
22 Training is almost always only done to obtain or renew a certification. Trainers find themselves
23 re-teaching concepts and procedures to students again and again because there is no formalized
24 training to teach students to have a useable understanding of why they are doing what they are
25 doing.

26
27 A Training Matrix would be an established path for Weatherization professionals to follow. It
28 would lead them through levels of expertise with initial instruction, refreshers, and advanced single
29 subject classes on vital subjects such as combustion safety and ventilation. Everything would be
30 vetted by the State and reflect approved standard work specifications, diagnostic thresholds, and
31 program processes.

32
33 By default, the Training Matrix creates a situation conducive to a Professional Development
34 Career Path. Every person in the program would have a plan of consistent training and options of
35 additional training for advancement, a lateral role change, or from administration to technical and
36 vice versa. This career path could also be used as a benchmark for employee performance,
37 promotion, and compensation.

38
39 Training centers typically have a variety of clientele from many aspects of the energy efficiency
40 and building trades. Students can be private contractors, government employees, and utility service
41 providers. It soon becomes clear that Weatherization can thrive far beyond the confines of training
42 just to renew certifications.

43
44 Training and Technical Assistance (T&TA) funds will be allocated to support all levels of staff
45 working within the weatherization program; this includes field/technical staff as well as staff
46 responsible for supporting and/or managing the program.

1
2 All training and certifications are required to follow state and federal requirements for
3 weatherization activities. (Supplement 1 – Sample Training and Certification Schedule)

4
5 Focus Area 3 Workforce Development

6
7 North Carolina is committed to equitable workforce expansion, transitioning to a clean energy
8 economy, reducing the energy burden for low-income households, and enhancing the resilience of
9 the electric grid. While transitioning, the State will focus on efforts that will attract, train, and
10 retain the appropriately skilled workforce while concurrently funneling workers to subgrantees to
11 rapidly increase the number of completed units by 2027. As part of the workforce development
12 program, North Carolina will continue to create long-term jobs in the weatherization industry with
13 family-sustaining wages and benefits for low-income communities and displaced workers as
14 recommended in the NC Clean Energy Plan.

15
16 A coalition of universities, community colleges, state agencies and educational non-profits would
17 spearhead the program through a single entity. As an example, North Carolina began piloting these
18 initiatives in summer 2021 with NC A&T State University, which is a Historically Black College
19 and University serving as the lead university for the program. The pilot program utilized local
20 hiring agreements and attracted, trained and retained an appropriately skilled workforce by
21 providing on-the-job training and related education for clean energy and energy efficiency
22 occupations. The initial 2021 pilot served all workers; however, it focused on those
23 underrepresented and historically excluded. Of those participating, 93% were minorities and 69%
24 were females. The program also led to four registered apprenticeship and pre-apprenticeship
25 programs in clean energy and energy efficiency that were registered through Apprenticeship NC.
26 Expansion of programs will include developing clean energy pathways such as additional
27 apprenticeships, certification programs, associate degrees, and bachelor’s degrees across the state.

28
29 **Timeline**

30
31 March - June 2023

- 32
33 a) Notification of Funding (NOF) and Request for Qualifications (RFQ) [i.e., application],
34 sent,
35 b) Review of RFQ and organizations selected,
36 c) Organizations submit work plans for reaching T&TA goals,
37 d) Contracts written, agreed upon and signed.

38
39 June - October 2023

40 The three organizations begin to implement their workplans.

41
42 2023-2027:

43 Through a partnership with the workforce development organization enrolled students will be
44 placed with 10-week paid apprenticeship with a matching subgrantee partner beginning in the fall
45 of 2023. Upon completion of the first wave of apprentices, program will work to conduct an
46 evaluation of the plan to identify lessons learned prior to launching the next cohort. NCSEO

1 anticipates three ten-week apprenticeships every calendar year with approximately 100 students
2 per session. The cadence of the apprenticeship placement is:

- 3
- 4 a) 10 weeks in fall
- 5 b) 10 weeks in spring
- 6 c) 10 weeks in summer
- 7

8 **Incentives for employers and community colleges**

9

10 In the Weatherization apprenticeship program, employers agree to pay apprentices \$30/hour with
11 a 50% cost share with Apprenticeship NC. Additionally, the employer is reimbursed
12 approximately \$2,000 per participant to compensate for the supervisor’s time. Once the
13 apprentices complete the program and hired full-time, the employer agrees to continue with the
14 apprenticeship wage which is offset by tax credits. The employer agrees to have Apprenticeship
15 laborers perform at least 15% of the jobs starting in January 2023.

16
17 The community colleges who participate in Apprenticeship NC are given \$3,000 per participant
18 for tuition and educational supplies.

19 20 21 ***1.06.1 Allocation of T&TA Funds***

22
23 NCSEO will allocate all T&TA funds towards the “Training and Technical Assistance and
24 Workforce Development Approach” to meet the training and technical assistance needs of all
25 Subgrantees.

26 In place of BIL T&TA funds, Subgrantees **must spend annual base “Program Year” USDOE**
27 **appropriations** for the following activities:

- 28
- 29 a) Registration costs for conferences, meetings, workshops and other related energy
30 functions.
- 31
- 32 b) Travel, lodging, meals and parking to attend activities identified above.
- 33
- 34 c) Salary and fringe costs for direct agency staff while attending approved training
35 functions.
- 36
- 37 d) Subscriptions to magazines, newsletters, and memberships.
- 38
- 39 e) Other energy related functions, activities or events not mentioned in 1.06.1 a. - d. above.
- 40

41 Once a Subgrantee’s **annual base “Program Year” USDOE T&TA** appropriations are
42 exhausted, BIL T&TA funds may be appropriated to supplement shortfalls for **1.06.1 b. – c.** above
43 if NC WAP determines it’s in the best interest of the program. In addition, costs for the above
44 items must follow the procedures identified in Section 2.17 of this plan.

1 **1.06.2 Availability of T&TA funds**
2

3 NCSEO will determine the amount of T&TA funds to allocate to the organizations supporting
4 the “Training and Technical Assistance and Workforce Development Approach” based on
5 availability of funding from DOE.
6

7 **1.06.3 Technical Assistance**
8

9 NCSEO staff will provide technical assistance on DOE related matters to all weatherization
10 programs. Technical assistance shall include but not be limited to the following:
11

- 12 a) Provide guidance in use of regulations.
- 13
- 14 b) Advise and assist in use of a computerized audit tool and/or USDOE-approved priority list
15 for determining the cost effectiveness of weatherization measures.
16
- 17 c) Provide information obtained from local programs on innovative and successful program
18 methods that are readily adaptable to other projects.
19
- 20 d) Provide monitoring of local projects to assure improvement in quality and services.
21
- 22 e) Identify specific problem-solving techniques in areas of labor, transportation,
23 administration, management, and financial control.
24
- 25 f) Provide information on new materials, procedures, and processes for weatherization work
26 (i.e., Build America, Buy America Act compliance).
27
- 28
- 29 g) Coordinate efforts among federal, state, local and private agencies to assure continued
30 improvements in the effectiveness of weatherization projects.
31
- 32 h) NCSEO shall address deficiencies that are identified by program review, audit, reports,
33 regional or national reviewer or other sources.
34

35 **1.07 Leveraging Activities**
36

37 **1.07.1 Other Funds**
38

39 NCSEO administers “Other Funds” for low-income weatherization. These “Other Funds” include
40 Low Income Home Energy Assistance Program (LIHEAP), the Heating Appliance Repair and
41 Replacement (HARRP) program and any funds designated for low-income weatherization
42 awarded to the state as a result of legal settlements.
43

44 Subgrantees also have access to funds from utility rebates. Utility rebates are not administered by
45 NCSEO; however, they should be administered to supplement a NCSEO-sponsored program.
46

47 **1.07.2 DOE Funds as Leverage**

Historically, DOE funds have not been used to create leverage opportunities. However, Subgrantees are encouraged to use all available funding (including DOE) to perform energy audits, client home upgrades, and related activities on homes that will be weatherized.

1.08 Policy Advisory Council

1.08.1 Make up and Meetings

The Policy Advisory Council provides policy direction and oversight to NCSEO WAP in accordance with 10 CFR 440. The Council meets annually and includes a range of expertise and geographic representation for low-income programs. Policy Advisory Council Membership List

North Carolina's Policy Advisory Council (PAC) Members

Angie Jaco Energy Programs Coordinator, Four Square Community Action, Inc. At-Risk Category: EE and Weatherization Expert angie.jaco@foursq.org	Felicia Coleman Executive Director, Franklin-Vance-Warren Opportunity, Inc. At-Risk Category: EE and Weatherization Expert feliciacoleman@fvwopp.com
Gary Smith NC Interfaith Power & Light At-Risk Category: Consumer Advocacy Group smithgk@mindpsring.com	Kathy Payne Executive Director, Yadkin Valley Economic Development District Inc At-Risk Category: EE and Weatherization Expert kpayne@yveddi.com
Kristen Brannock President at Resource for Seniors At-Risk Category: EE and Weatherization Expert kristenb@rfsnc.org	Michael Blair Community Development Director, PTRC At-Risk Category: EE and Weatherization Expert mblair@ptrc.org
Robert Parrish Raleigh Mayor's Committee for Persons with Disabilities, Committee Member: Housing At-Risk Category: Consumer Advocacy Group Robertparrish7@gmail.com	Tara Bolen Duke Energy At-Risk Category: EE and Weatherization Expert Tara.bolen@duke-energy.com

At Risk Categories:

- Energy Efficiency (EE) and Weatherization Expert
- Consumer Advocacy Group

1.09 Public Hearing

NCSEO will hold a hybrid Public Hearing on Tuesday, September 12, 2023, at 3:00 p.m. EST. Contact Matthew Davis at (919) 397-9788.

2 PART II – MASTER FILE

Eligibility

As of the 2020 Census, approximately 675,331 North Carolina households and 3,258,214 individuals are at or below 200% of the federal poverty level.^{4,5} Subgrantees are responsible for determining if a household is eligible for NC Weatherization Assistance Program (WAP) assistance. Every dwelling weatherized must meet both the client eligibility and the building eligibility requirements.

2.01.1 Categorical Eligibility

Income eligibility has been expanded to categorically include HUD means-tested programs at or below 80% of Area Median Income (AMI) to better facilitate referral services for low-income households, reducing the burden on both the intake agencies and households trying to obtain services. (Examples of HUD program but not limited to Community Development Block Grants (CDBG), HOME Investment Partnerships Program (HOME), Lead Hazard Control & Healthy Homes Program (OLHCHH), Section 8, etc.)

The effort explored the overlap in incomes of the different households served through the various programs. The overlap is sufficient to consider “categorical income eligibility”, defined across programs as automatically granting program eligibility to applicants who have already met the eligibility requirements of another agency’s identified program.

Subgrantees may certify that applicants have met the income requirements of HUD means-tested programs through mechanisms including, but not limited to, applicant documentation, interagency lists of recipients, shared system databases, etc. Method of verification of eligibility must be included in the client file.

Applicants must receive written notification of their eligibility/ineligibility status within thirty days of application submission to the Subgrantee. A copy of the applicant's notice of eligibility/ineligibility must be maintained in the client files. A notice of ineligibility must include the reason (s) for denial of weatherization services. The application for weatherization services must be processed within 30 days of receipt. Incomplete applications should receive a response with a written request for the missing information immediately following the initial review of the application. If services are denied, the applicant has the right to appeal. All denial of services notifications must be in writing with a copy maintained on file by the Subgrantee.

a) What is Income

Please refer [Appendix B](#) for the definition of what is income.

b) What Is Not Considered Income

⁴<https://data.census.gov/table?q=S1702:+POVERTY+STATUS+IN+THE+PAST+12+MONTHS+OF+FAMILIES&t=Income+and+Poverty&g=0400000US37&tid=ACSST5Y2021.S1702>

⁵<https://data.census.gov/table?q=S1701:+POVERTY+STATUS+IN+THE+PAST+12+MONTHS&t=Income+and+Poverty&g=0400000US37&tid=ACSST1Y2021.S1701>

1
2 Please refer [Appendix B](#) for the definition of what is not considered income.
3

4 **2.01.2 Time Period for Income Verification** 5

6 Verification of income **must** be recertified when the eligibility determination exceeds 12 months.
7

8 In **multi-family buildings** agencies must make every effort to obtain an application for each
9 household. If it is not possible to obtain applications for all households, then documentation must
10 be included in the file as to why the application(s) could not be obtained. A minimum of 66% of
11 the households in the multi-family building must meet income guidelines in order to qualify for
12 assistance unless the requirements of section 2.18.2 are met.
13

14 Both renters and homeowners will be eligible, and those households in similar circumstances will
15 receive similar benefits. Applications older than one (1) year must have the household income
16 verified again.
17

18 **Subgrantees are not required to re-verify income eligibility once the project is started. The**
19 **project start is defined as the date the energy audit is completed.**
20

21 Subgrantees are strongly encouraged to coordinate with the local Low Income Home Energy
22 Assistance Program provider to obtain eligible LIHEAP/DOE applicants who have requested
23 weatherization.
24

25 **2.01.3 Priorities and Wait List** 26

27 The number of occupied dwellings in North Carolina based on these eligibility criteria far exceeds
28 the limited funding available to provide weatherization services.
29

30 Subgrantees are required to provide priority for weatherization services for persons in certain
31 categories. Priority is given to weatherizing dwelling units that contain a family unit which
32 includes one or more:
33

- 34 a) elderly persons (60 or more),
- 35 b) persons with disabilities,
- 36 c) a child (under the age of 6 or expectant mothers),
- 37 d) households that have a high energy burden (over 15% of annual income expended on
38 energy costs), energy intensity (energy usage per square foot), and,
- 39 e) households that are high residential energy users (use electric strip heat as the primary heat
40 source).
41

42 A priority waiting list of households to be served is required to be maintained by each Subgrantee
43 using a statewide priority rating tool that assigns a greater number of points to households
44 containing priority populations. Each Subgrantee is required to report priority considerations
45 through the client database, which provides the Grantee with information to complete DOE's
46 quarterly reporting.

1
2 The Subgrantee will be required to review and prioritize applicants to be served at least quarterly.
3 Given that all applicants are required to re-verify for the program annually and thus the
4 applications are no older than one year. The first consideration must be by priority category.
5 Afterwards, Subgrantees may choose to use oldest application certification date for positioning
6 applicants within the same allowable priority category. Applicants are not required to reapply
7 annually for Weatherization; however, Subgrantees are required to re-verify applicant information
8 annually to ensure program compliance.
9

10 Subgrantees have some flexibility in prioritizing applications by county or within the entire service
11 area, whichever helps the Subgrantee use the work crews or contractors in the most cost- effective
12 and operationally efficient manner.
13

14 Each Subgrantee will be responsible for ensuring that State legislative and federal congressional
15 districts are equitably served through outreach, intake opportunities and weatherization services
16 relative to their share of eligible household population.
17

18 Finally, North Carolina requires Subgrantees to prioritize assistance to properties where other
19 housing resources can be leveraged. This includes programs that increase energy efficiency,
20 minimize the impact of high energy costs, reduce utility bills, and provide for the comfort and
21 safety to low-income households throughout North Carolina. Housing programs such as those
22 offered by investor-owned utilities, cooperative utilities, and municipal utilities are eligible and
23 encouraged to compliment weatherization services that meet the income verification requirements.
24
25

26 ***2.01.4 Equity and Racial Justice*** 27

28 NCSEO has committed to advance equity and racial justice by identifying and addressing
29 institutional and systematic barriers that have created and perpetuated patterns of disparity in
30 housing and economic prosperity. Towards that goal, NCSEO will be evaluating equity and racial
31 justice of populations served by designing and using a GIS mapping tool that blends the state and
32 federal priorities to meet the requirements of Justice 40.
33

34 This tool will provide a comprehensive overview of North Carolina’s low-income communities
35 and assist with identifying those that that have not had equitable access to weatherization services.
36 The tool will also assist with the fair treatment and meaningful involvement of all people regardless
37 of race, color, national origin, with respect to the development, implementation, and enforcement
38 of regulations and policies.
39

40 **Nondiscrimination** 41

42 No person shall on the grounds of race, color, religion, national origin, sex, disability, familial
43 status, sexual orientation, gender identity, marital status, or source of income be excluded from
44 participation in, be denied the benefits of, or be subjected to discrimination under any program or
45 activity funded in whole or part with DOE funds. Any prohibition against discrimination on the
46 basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified
47 disabled individual as provided in section 504 of the Rehabilitation Act of 1973, also shall apply

1 to this weatherization program.
2
3

4 **2.02 Climatic Conditions**

5
6 Grantee uses heating degree day info and references:

7
8 <https://www.eia.gov/energyexplained/units-and-calculators/degree-days.php> EIA Degree Days
9 Calculations document attached to SF424 in PAGE. We use Weatherization Assistant software
10 Weather File that has NC split into 6 regions that determine the effect of climate on weatherization
11 eligible units.
12

13 Most of North Carolina has a humid subtropical climate. The climate in the higher elevations of
14 the Appalachian Mountains is subtropical highland. Climate varies with altitude, so the State's
15 coastline is naturally warmer than the mountains in the west. During July, most of the state has an
16 average daytime temperature of 90°F. During January, the daytime average temperature is near
17 50°F. When conducting a computerized audit, Subgrantees select the weather station closest to
18 client's dwelling to ensure that climatic variations are considered with determining what is cost
19 effective.
20

21 Maps of North Carolina's climate may be found at the following link:

22 <https://products.climate.ncsu.edu/climate/>
23

24 **2.03 Weatherization Work**

25
26 All energy efficiency work is being performed in accordance with the DOE approved energy audit
27 procedures and 10 CFR 440 Appendix A.
28
29

30 ***2.03.1 Permission to Proceed***

31
32 Prior to any work conducted on a dwelling (including baseload measures), and prior to a
33 subcontractor visiting the dwelling for purposes of evaluating job costs, the Subgrantee **must** have
34 a signed statement from the owner or their agent that permission has been granted to perform
35 weatherization and baseload measures on and at the dwelling. At a minimum, the statement **must**
36 include:
37

- 38 a) A list of possible measures that may be installed.
- 39
40 b) If walls are to be blown with insulation, it must indicate the owner or their agent has seen
41 pictures of what a wall blown with insulation includes, and how the dwelling will look
42 when completed.
- 43
44 c) If a refrigerator(s) is to be installed, the statement **must** clearly indicate who owns the
45 refrigerator. A copy of this statement with owner's (**and** owner's agent) signature,
46 printed/typed name of each signatory, and date signed, **must** be clearly visible in the job
47 file. A second copy of the signed refrigerator owner statement **must** be given to the tenant;

1 and the original signed statement must be given to the owner (or owner’s agent).

- 2
3 d) The residence is not currently for sale by owner of property, nor is it designated for
4 acquisition or clearance (foreclosure) by federal, state, or local programs.
5

6 **Neither stand-alone freezers nor through the door ice/water dispensers are allowed when**
7 **utilizing DOE funding.**
8

9 *Note: Subgrantees must have an NCSEO approved refrigerator replacement plan prior to*
10 *replacing refrigerators.*
11

12 **2.03.2 Re-Weatherization Compliance**

13 In accordance with 42 U.S. Code §6865(c)(2), housing units that were weatherized using DOE or
14 other federal funds may not be “re-weatherized” until the date that is 15 years after the
15 completion date of the previous weatherization. Subgrantees must add a question to their
16 weatherization applications asking if the home has been weatherized in the last 15 years by any
17 agency. Other Federal funds includes sources such as LIHEAP, HUD, or USDA weatherization
18 activities. Subgrantee must examine all submitted paperwork by the clients to determine if they
19 have received weatherization services in the past and they must cross check the NCSEO client
20 database. If so, the Subgrantee can determine if the work falls under the definition of
21 weatherization. If the client did receive Federally funded weatherization services during that time
22 frame, they must be denied weatherization utilizing DOE during the 15-year period.
23

24 **2.04 Energy Audit Procedure**

25
26 One energy modeling software platform has been approved by DOE for use in the NCWAP
27 program. The Weatherization Assistant Version Created by ORNL is approved for single family
28 homes, mobile homes and small multifamily dwellings. NCWAP will be requesting approval of
29 alternative, DOE approved computer modeling software for use by subgrantees in addition to the
30 Weatherization Assistant software.
31

32 **Computer modeling Dwelling Criteria**

33
34 As defined in the policy computer modeling audit is to be used for the following building types:
35

- 36 a) Single-family dwellings up to 4-plexes,
37 b) Mobile homes, and
38 c) Multifamily buildings (multi-family residential buildings containing 5 or more units per
39 building)
40

41 Large Multi-family dwelling criteria will follow the guidelines according to WPN 22-12 and any
42 subsequent amendments or editions. Energy Auditors and QCI inspectors will be required to have
43 proper certification for multifamily buildings including training on multifamily auditing software
44 and the BPI multifamily QCI certification.
45

46 Computer energy audits require a physical inspection of the home, specific diagnostic tests, and

1 proper data input into the software program. An energy profile of the existing home is compared
2 to a set of improvements recommended for installation. Each measure is then evaluated, and a
3 report is generated with the cost-effectiveness of each measure listed by Savings to Investment
4 Ratio (SIR).

5
6 Subgrantees are required to have staff members certified in the use of residential energy modeling
7 software. If a modeling analysis is completed by a non-certified user, it must be reviewed by a
8 certified user.

9 10 11 12 **2.04.1 Prior to Audit**

13
14 Prior to an audit of a prospective dwelling, the Subgrantee **must** have a completed application and
15 all necessary paperwork, including proof of income eligibility, owner’s name and address/contact
16 information as well as utility supplier(s).

17 18 **2.04.2 Use of US DOE Regional Priority Lists OR the Computerized Audit Tool**

19
20 NCWAP will be adopting the US DOE “Climate Region 2” priority lists (PLs) for use in the
21 NCWAP program. This allowance is designed for energy audits to be conducted using predefined
22 lists by housing type when “similar dwelling units without unusual energy-consuming
23 characteristics” exist. The US DOE has determined what these similar dwelling unit types are and
24 what measures should be considered for installation in these dwelling types based on regional
25 differences in climate and energy costs.

26
27 These optional regional Priority Lists are not exhaustive and do not include every measure that
28 may be cost effective on a site-specific basis. If a dwelling unit needs measure(s) that are not
29 included within the PL, or if the home does not meet the basic requirements of the PL, then a site-
30 specific energy audit will be required to be run utilizing DOE approved software and according to
31 the dwelling type audit protocol. Eligibility must be determined prior to utilizing the PLs and have
32 requirements for Health and Safety measures installed according to the Health and Safety Plan.

33 34 **2.04.3 Coordinator Override**

35
36 Coordinator Override is not allowed under the DOE State Plan. If a measure is deemed as “not
37 cost effective” using a computerized audit, it must be omitted or purchased through non-DOE
38 funds. Such activities must be documented and included in the client file.

39 40 **2.04.4 Prioritization of Work**

41
42 Work will be prioritized and completed in descending order with measures receiving the highest
43 cost effectiveness (SIR) to lowest cost effectiveness. **The average cost per unit (ACPU) for**
44 **overall program expenditure is limited to the annual inflation adjustment as established by**
45 **DOE through Weatherization Program Notices.**

46 47 **2.04.5 Audit Tool Training**

1 NCWAP has implemented the two-week Energy Auditor Certification requirement for all Energy
2 Auditors to cross-reference the schedule identified in "Supplement 1"
3
4

5 **2.05 Final Inspection**

6
7 By signing the WAP Contract, which includes Schedule B Scope of Work, the Subgrantee agrees
8 that all WAP work including audits/testing, installation of energy conservation measures, health
9 and safety measures, incidental repair measures, and final inspections will be performed in
10 compliance with the NCWAP Standards.

11
12 The Grantee shall require that certified QCI are identified in the Subgrantee yearly application,
13 and this certification shall be verified on the Building Performance Institute Website.

14
15 Monitoring shall confirm that only certified QCI are performing final inspections. If monitoring
16 reveals the QCI are not adhering to the alignment with the Standard Work Specification (SWS) or
17 the certification requirements, a programmatic finding shall be issued to the Subgrantee which will
18 require a Corrective Action Workplan. Additionally, training will be identified to remedy the
19 deficiency with the QCI in question and additional Grantee monitoring will be required. (See
20 Quality Assurance Plan below).

21
22 A final inspection of the installed measures must be conducted by Quality Control Inspector (QCI).
23 Subgrantees can use independent QCI when they do not have one on staff. QCI is required to have
24 Energy Auditor Certification. Agencies typically have QCI final inspector on staff that is different
25 from the auditor.

- 26
- 27 a) QCI's shall possess the knowledge, skills and abilities in the National Renewable Energy
28 Laboratory (NREL) Job Task Analysis for Quality Control Inspectors. All QCI's must be
29 certified as a Home Energy Professional Quality Control Inspector.
30
 - 31 b) Subgrantees require new final inspectors to have QCI certification within one year of hire.
32
 - 33 c) Prior to "close out" of weatherization activities for a completed unit, at least one QCI
34 signature is required to be transcribed on the Grantee's final inspection form. In addition,
35 all activities associated with "close out" are required to be reported in the Grantee's client
36 database within the timeframes specified in other sections of this plan.

37 **Final inspections:**

- 38
- 39 a) Must be performed by someone other than the person who installed the primary
40 weatherization measures. The Quality Control Inspector is encouraged not to also serve as
41 the Energy Auditor for the same dwelling. If this is not possible, the Subgrantee shall be
42 subjected to additional monitoring by the Grantee.
43
44
 - 45 b) Shall be aligned with the Standard Work Specifications (SWS) and the Subgrantee
46 contracts and subcontractor agreements cite that work must align with the SWS.
47

- 1 c) Must include the certification that any mechanical work performed, and that installed
2 weatherization work has been completed in a workmanlike manner and in accordance with
3 the priority determined by the audit procedures required by 10 CFR 440.21.
4
- 5 d) To ensure all planned measures were performed and completed, the original energy audit,
6 work order (and subsequent change orders), and all invoices previously submitted to the
7 Subgrantee must be available during the final inspection.
8
- 9 e) All invoices must be reconciled with the work orders and must be paid by the Subgrantee
10 before the job can be submitted for reimbursement.
11
- 12 f) The Grantee reserves the right to require a Subgrantee to produce all invoices at final
13 inspection if not doing so has previously been shown to be problematic for that Subgrantee.
14

15 NCWAP has implemented a Quality Assurance Plan, a 3-Strike Removal Rule for QCI's that have
16 repeat findings.
17

18 For Closed Jobs at Monitoring: If there are repeat findings from a QCI, additional training will be
19 required. If after successfully passing additional training, the QCI continues to have repeat
20 findings, NCWAP will not accept any final inspections signed by that QCI and the QCI will be
21 required to complete the following steps:
22

23 Step 1: Counseling: NCWAP will schedule a counseling session with the QCI.
24

25 Step 2: Additional Training: As a result of counseling, the QCI must attend and pass mandatory
26 additional training.
27

28 Step 3: Removal from QCI Final Inspections: If the QCI is unable or unwilling to perform to the
29 standards set by NCWAP, they will no longer be allowed to conduct QCI Final Inspections for
30 NCWAP for a minimum of two program years. After the completion of the two-year period, the
31 employee may request to be reinstated into the role of QCI. The request to be reinstated must
32 include the corrective action steps that were taken and justification. The request will be approved
33 or denied by NCWAP.
34

35 NCWAP also reserves the right to reject work from Energy Auditors or Subcontractors that have
36 repeat findings.
37

38 ***2.05.1 Funding Summary Report*** 39

40 All weatherization projects are required to include a funding summary report in the file. The
41 funding summary report **must**, at minimum, include:
42

- 43 a) Actual costs of each measure completed.
44
- 45 b) Funding source(s) utilized for each measure.
46

- 1 c) If a non-cost-effective measure is “bought down” using appropriate funding, the amount of
2 the “buy down” must be indicated, funding source identified and explained on the funding
3 summary report.
- 4
- 5 d) If a non-cost-effective measure is completed and paid for completely using appropriate
6 funding, the funding must be identified and explained on the funding summary report.
7
- 8 e) Health & Safety (H&S) repair costs: Indicate which funding source(s) were utilized and an
9 explanation of what the H&S repairs included.
- 10
- 11 f) Incidental repairs costs, funding source(s) utilized and an explanation of what the incidental
12 repairs included.
- 13
- 14 g) Total of each individual funding source as well a combined total of all funding sources.
15

16 **2.06 Analysis of Effectiveness**

17
18 Annually, Subgrantees are individually assessed for risk before weatherization contracts are
19 awarded. These risk assessments are performed to gauge each Subgrantee’s effectiveness in areas
20 of:

- 21 a) energy efficiency,
- 22 b) final inspections/quality assurance,
- 23 c) program finance, and
- 24 d) agency staffing.

25
26 NCWAP may conduct a program energy savings evaluation, measurement, and verification to
27 determine the energy savings as a result of weatherization services. At a minimum, this evaluation
28 shall consist of an analysis of weatherization improvements and utility billing data to determine
29 program effectiveness.
30

31 As part of the energy efficiency risk assessment, Subgrantees are required, when possible, to obtain
32 twelve months’ prior energy usage of metered energy sources for each dwelling to be weatherized
33 for accurate energy savings calculations. NCWAP may contract with a third party (via T&TA
34 funds) to measure and verify at least 12 months of post-installation energy savings data based
35 actual billing data.
36

37 In addition, measured percentages in home air infiltration reduction (measure by a blower door)
38 are used to ascertain the amount of energy efficiency-based savings. Risk is assessed for all
39 Subgrantees whose blower door numbers reflect home air infiltration reductions averaging under
40 20%. For Subgrantees who average less than 20% reduction, other factors are examined to
41 determine if adequate reduction has taken place.
42

43 Additionally, Subgrantee risk is analyzed by:

- 44 a) field and desktop monitoring results,
45

- 1 b) findings,
- 2 c) ability to spend funds,
- 3 d) cost per unit average (CPU), and
- 4 e) Key Staff turnover (Exec. Director, Fiscal Director, Program Manager).

5
6 Any Subgrantee deemed to be medium or high risk must complete a Corrective Action Plan (CAP).
7 The CAP must address the root cause of the deficiency and the specific steps that shall be taken to
8 ensure improvement. These steps may include:

- 9
- 10 a) additional oversight by Subgrantee management,
- 11 b) additional training, or
- 12 c) staff reorganization.

13
14 The Grantee approves the CAP and follows up on any issues during monitoring. Subgrantee
15 effectiveness is evaluated through monitoring. Any noted deficiencies are addressed with findings
16 and corrective actions.

17 **Production and Program Monitoring**

18
19
20 All Subgrantees' production is tracked monthly using a database program and production number
21 are compared at mid-year. Those not meeting expectations are contacted and receive additional
22 guidance to assist them in meeting production goals.

23
24 NCWAP uses these interactions and Subgrantee programmatic monitoring visits to assist in
25 determining and prioritizing training needs for individual Subgrantees as well as the network.

26 **Financial**

27
28
29 All Subgrantee financial performance is tracked and compared monthly as a part of the monthly
30 reimbursement process. Those not meeting expectations are contacted and receive additional
31 guidance to assist them in meeting goals.

32
33 NCWAP uses these interactions and financial monitoring visits to assist in determining and
34 prioritizing training needs for the individual Subgrantees as well as the network.

35
36 Any noted deficiencies are addressed with findings/corrective actions.

37
38 NCWAP financial and programmatic analysts follow up with Subgrantees to ensure
39 implementation of guidance is effective and progressing.

40
41 The NCWAP Energy Efficiency Program will be accessing the post-Weatherization energy
42 savings for three additional Subgrantees in PY23. This program evaluates weatherization work
43 installed by Subgrantees and provides strategies to increase program efficiencies. We will compare
44 productivity and energy savings, and the comparisons will be used to develop training and
45 technical assistance activities to increase those savings.

1
2 **2.07 Health and Safety Plan**
3

4 A major goal in Weatherization efforts is to promote and establish a safe and healthy living
5 environment for the clients. A portion of the Weatherization funds allocated to Subgrantees is
6 targeted toward health and safety (H&S) measures. Often, subgrantee utilization of these funds are
7 in conjunction with leveraged funds from other organizations. Management of these H&S funds
8 are evaluated and tracked monthly using a computer database. These funds are used for measures
9 that help provide, maintain, or mitigate elements to promote healthy living in weatherized homes.
10 Health and safety measures include actions to improve indoor air quality and control
11 environmental pollutants. The elimination or mitigation of mold, radon, gasses from combustion
12 appliances and spray foam sealants, as well as forced-air HVAC-sourced contaminants are the
13 focus of H&S measures. Measures performed in these areas following state SWS guidelines
14 provide protection for weatherization workers, as well as the weatherized clients.
15

16 The primary goal of the US Department of Energy's (DOE) Weatherization Assistance Program
17 is energy efficiency. However, DOE allows funds to be used for health and safety risk mitigation
18 and no longer requires these costs to be within the per-home expenditure average. DOE does
19 require that subgrantees denote any H&S measures and cost percentages associated with DOE
20 funds. The cost percentages associated with DOE funds should not reflect a lower number as a
21 result of supplemental funding including private funds. Additionally, they require that all grantees
22 develop a Health & Safety Plan (H&SP). NCWAP considers the H&SP a meaningful guidance
23 tool for subgrantees, subcontractors and weatherization crew members. NCWAP periodically
24 reviews and maintains the H&SP and amends when appropriate.
25

26 NCWAP requires subgrantees to collect health information from clients to identify high-risk
27 clients or H&S concerns. NCWAP deems clients are at-risk if they are: over 65 years of age, have
28 disabilities, and/or have pre-existing health conditions. Additionally, NCWAP requires that
29 subgrantees educate clients on potential H&S risks associated with lead-based paints and materials,
30 asbestos, radon, carbon monoxide, mold, and off gassing products such as spray foam sealants and
31 adhesives. Subgrantee weatherization staff and auditors are trained specifically on the H&S
32 guidelines which is located within the Standard Work Specifications (SWS) and other various
33 additional weatherization trainings. These additional training locations are local, state, regional,
34 network-based, conference-based, and/or web-based.
35

36 Any renovation, repair, or painting (RRP) project in a pre-1978 home or building can easily create
37 dangerous lead dust. NCWAP requires that RRP projects that disturb lead-based paint in home,
38 childcare facilities and preschools built before 1978 be performed by lead-safe certified
39 contractors.
40

41 In the event that a home falls outside typical H&S measures listed above, the subgrantee must
42 receive guidance from NCWAP in order to properly evaluate and make determinations on a case-
43 by-case basis. NC WAP will use staff expertise in areas such as construction, building science,
44 physics, and general logic to make these determinations based on USDOE regulations and
45 guidance.
46

1 Potential contaminants sourced from HVAC systems can be evaluated and mitigated using H&S
2 funding. As part of the heating system evaluations, subgrantees assign qualified HVAC
3 subcontractors to perform Evaluate, Clean and Tune (ECT) measures. These subcontractors
4 professionally evaluate heating systems to determine if they require cleaning. The economic
5 practicality of performing ECTs on non-functioning units or systems needing major repairs is also
6 evaluated at the initial system inspection. ECTs or repairs costing greater than one third of the
7 equivalent system replacement cost shall be replaced without any original system cleaning.

8 9 **2.08 Health and Safety – Incidental Repairs**

10
11 NCWAP allows subgrantees to spend fund to perform Incidental Repair Measures (IRMs). These
12 IRMs are considered minor repairs and are limited to weatherization and HARRP-based measures
13 that are necessary for the effective performance or preservation of weatherization and heating
14 materials. Proper utilization of materials, methods, and payments associated with IRMs are
15 evaluated during yearly fiscal monitoring activities and through programmatic monitoring sample
16 client file selection review. Any noted deficiencies with IRM utilization are addressed with
17 additional training and findings/corrective actions.

18
19 Dwellings that require IRMs must have a site-specific computerized audit in which the cost of the
20 IRMs are added. This is to ensure that the **package of measures** do not reduce the **overall SIR** to
21 less than 1.0. However, a computerized audit is not required where the total cost of the IRMs does
22 not exceed \$200 and are well documented in the client file. If the projected IRMs drop the total
23 SIR below 1.0 with no other leverageable funds, the dwelling must be deferred, or the measure
24 and incidental repair removed. If the measure and incidental repair is removed, it must be
25 determined if weatherization services can be performed.

- 26
27 a) Minor Repair – Less than \$200
28 b) Limited Repair – Greater than \$200 but less than \$1,500
29 c) Major Repair – Greater than \$1,500

30
31 An incidental repair is a repair necessary for the effective performance or preservation of
32 weatherization materials. **Incidental repair costs must be included in the job cost and SIR**
33 **calculations.**

34 35 **2.09 Documentation**

36
37 All documentation shall remain the property of NC WAP. In the event of program closure, such files shall
38 revert to NC WAP.

39 40 41 **2.10 Program Management**

42
43 Under the Energy Conservation in Existing Building Act of 1976, funds are available for weatherization
44 assistance for low-income persons. As outlined in 10 CFR 440, the Governor of each state shall designate
45 a grantee at the state level to receive and administer these funds within the state.

1 **2.10.1 Overview**

2
3 Based on experience in granting funds to local agencies for operating programs designed to assist
4 low-income persons, the Governor of North Carolina has designated the North Carolina State
5 Energy Office (NCSEO) as the agency that shall have responsibility to apply for, receive, and
6 administer U.S. Department of Energy - Weatherization Assistance Program funds.
7

8 **2.10.2 Service Delivery System**

9
10 NCSEO intends to utilize the existing network of service provider agencies including Community
11 Action Agencies (CAAs); Community Based Organizations (CBOs); Area Agencies on Aging
12 (AAAs); and Special Population Organizations (SPOs). For the purpose of this plan, there will not
13 be a distinction as to type of agency, but rather all agencies shall be identified as “Subgrantees.”
14

15 **2.10.3 Designated Subgrantee**

16
17 **The BIL funds are separate from, and in addition to, the current Subgrantee base WAP**
18 **appropriation.**

19
20
21 **Temporary Subgrantee Selection**

22
23
24 Existing Subgrantees who apply for the BIL funding are considered “Temporary Subgrantees” for
25 the 5-year period.
26

27 Existing Subgrantees will be given the first right to participate in BIL funds through an application
28 process. The application will be evaluated and Subgrantees will be selected based upon geographic
29 need, Census data, Subgrantee capacity, and efficacy of the organization. Based on these factors,
30 awards under the BIL program will follow one of the following scenarios:
31

32 **Scenario #1**

33 If all current existing Subgrantees apply for the BIL program funds and are selected, then the
34 maximum BIL award for any existing Subgrantee will not exceed their annual allocation under
35 WAP PY22 allocation as defined by the state plan and allocation formula. This ensures continued,
36 even distribution of BIL and WAP funds based on area served and weather impact, while allowing
37 any qualified Subgrantee agency the ability to increase their capacity and production impacts
38 during the BIL contract period.
39

40 **Scenario #2**

41 If a portion of existing Subgrantees apply for the BIL program funds and are selected, then BIL
42 awards will be made based upon geographic need, Census data, agency capacity, and efficacy of
43 the organization. New Temporary Subgrantees will be added based on the procedures outlined in
44 10 CFR 440.15.
45

46 Additional Temporary Subgrantees will be identified through state issued Notice of Funding
47 Availability (NOFA). In advance the NOFA, the State Energy Office will undertake a statewide
48 outreach campaign to identify potential new Temporary Subgrantees. This will include outreach

1 to groups recommended by current subgrantees and specific outreach to Tribes to the greatest
2 extent possible.

3
4 Selection of a **new** Temporary Subgrantee will be based on a proposal submitted to NCSEO
5 Weatherization Program in response to the NOFA, which will be evaluated by program and fiscal
6 staffs, as well as testimony offered at a public hearing in accordance with 10 CFR Part 440.15(d).
7 In accordance with these minimum guidelines, a potential **new** Temporary Subgrantee must:

- 8
9 a) be a not-for-profit, legally incorporated organization, or a unit of local government, or the
10 designated representative of an Indian tribal organization.
11
12 b) if a not-for-profit organization, meet the charities registration requirements of the State of
13 North Carolina.
14
15 c) be in legal and financial compliance with requirements and regulations established under
16 State and Federal law.
17
18 d) provide a list of the current board of directors or governing body, bylaws and other
19 documents concerning the structure and operation of the organization.
20
21 e) provide proof that the organization has been responsive to the needs of the community by
22 citing the programs and services in the energy or human services area that it has
23 implemented; or be able to demonstrate that the organization has the potential to provide
24 such services in an efficient and responsible manner.
25
26 f) demonstrate special expertise for providing energy conservation programs including
27 management capability, technical skills, outreach capabilities, etc.
28
29 g) show experience in housing and construction management-oriented programs.
30
31 h) submit a detailed budget and narrative work plan showing how the project will be carried
32 out. The budget should list all personnel, including volunteer and paid staff, who will be
33 associated with the program. The work plan will detail how the project will be
34 implemented. Potential weatherization subgrantees must also show a production and
35 expenditure plan, specifying whether subgrantee crews, subcontractors, or a combination
36 of the two will be used. New subgrantees will be expected to meet or exceed the work plan
37 goals they propose.
38

39 In making awards, NCSEO will give priority to Temporary Subgrantees who serve a Disadvantage
40 Community (DAC) census tract. **Participating in the apprentice program and placing**
41 **apprentices within their organization will likely be a requirement of joining the subgrantee**
42 **network. More guidance will be provided via memo once technical requirements of the**
43 **workforce program are developed.**
44

45 NCSEO will award funds to a Temporary Subgrantee based on subgrantee applications for PY
46 2023 and geographic need. NCSEO intends to add approximately 5-10 additional Temporary

1 Subgrantees in various parts of the state, based on geographic need, of which at least 40% of the
2 benefits will be allocated to DAC areas.

3
4 Existing Subgrantees will request their allocated funding through an internal WAP application
5 process. Those who request and receive BIL funding will receive a contract for an initial two-year
6 period (2023-2024). NCSEO will review funds and performance of Temporary Subgrantees on a
7 quarterly basis to properly and effectively manage the program. Upon successful delivery and
8 evaluation of the program, the Temporary Subgrantee may renew for an additional two-year (2025-
9 2027) period, with a potential one-year extension possible during the BIL grant period unless the
10 Temporary Subgrantee withdraws, or when monitoring of the Temporary Subgrantee indicates
11 serious or repeated deficiencies. Failure by the Temporary Subgrantees to correct deficiencies
12 found in monitoring may warrant increased training and technical assistance, further increased
13 levels of monitoring, corrective action plans, or in the most severe cases a formal warning notice
14 that may lead to termination. When serious compliance and production concerns arise, NCSEO
15 will follow the guidance outlined in Section 2.11 of this BIL plan.

16 17 **2.10.4 Conflict of Interest**

18
19 Subgrantees, its contractors, subcontractors, and vendors, acting either as individuals or on behalf
20 of a third-party agreement, may not solicit or provide additional services outside of the NCSEO-
21 approved scope of work to low-income clients, while that client is receiving weatherization
22 services.

23
24 A contractor must keep separate all work that is not considered an Energy Efficient and
25 Conservation (EEC) program assignment for a length of time that is agreed upon by the contractor
26 and the subgrantee, and there must be a written contract identifying this agreement and all work
27 that needs to be performed. All of NCSEO's grant-funded work must be completed in its entirety,
28 successfully pass the post-installation inspection, and be paid in full, prior to the commencement
29 of any additional work or third-party agreements.

30
31 The purpose of this policy is to avoid the appearance of, or the existence of, an actual conflict of
32 interest related to NCSEO Programs' scope of work.

33
34 Subgrantees should be aware that service to employees and relatives of employees may appear as
35 a conflict of interest. In these cases, subgrantees must obtain prior approval from NCSEO before
36 rendering service(s).

37 38 **2.10.5 Administrative Expenditure Limits**

39
40 Sec. 1011(g) of the Energy Act of 2020 (Division Z of P.L. 116-260) includes language that will
41 amend 42 U.S. Code § 6865(a)(1) language on administrative funds. The DOE administrative cost
42 category is now at 15 percent.

43
44 DOE will allocate the 15 percent, with a direct split between the Grantee and its Subgrantees. Not
45 more than 7.5 percent may be used by the Grantee for such purposes, and not less than 7.5 percent
46 must be made available to Subgrantees by the Grantee.

1
2 The LIHEAP administrative cost category is 10 percent; 5 percent for the Grantee and 5 percent
3 for the Subgrantee.

4
5 Consistent with past practices, DOE includes the provision where a Grantee may provide in its
6 annual plan an additional 5 percent for administration for recipients of grants of less than \$350,000.
7 The Grantee must determine that such recipient requires the additional amount to effectively
8 implement DOE's administrative requirements.
9

10 **2.11 Monitoring – Quality Assurance**

11
12 The Grantee maintains qualified personnel to monitor the fiscal and programmatic activities of the
13 Subgrantees. A comprehensive monitoring plan (closed and in-progress jobs) will be developed
14 that requires the evaluation of all aspects of the program at the Subgrantee level and allows the
15 Grantee to accurately track Subgrantee performance levels throughout the contract period. This
16 plan allows the Grantee to track Subgrantee performance and provides for the tailoring of
17 monitoring activities so that all agencies will receive the level of training and technical assistance
18 appropriate to their level of performance. Grantee provides additional monitoring to Subgrantees
19 with significant deficiencies. We will provide training via webinars, conferences, onsite training,
20 and through accredited training facilities.

21
22 NCWAP's Fiscal Analysts will conduct monthly budget reviews for each Subgrantee and desktop
23 and on-site monitoring for Subgrantees. Subgrantees are required to submit documentation to
24 NCWAP for all weatherization expenses incurred within a single month prior to receiving
25 reimbursement of funds. Fiscal monitoring focuses on fiscal and administrative compliance with
26 all applicable federal and state WAP rules, regulations, and laws. The financial analysts have
27 received training in 2 CFR 200 and related OMB guidance to ensure that they can provide adequate
28 monitoring. The analysts perform required desktop monitoring activities to ensure Subgrantee
29 contract compliance during the period of the contract. Desktop monitoring activities includes an
30 examination of financial records to determine compliance with federal, state and local policies.
31 The Fiscal Analysts review Subgrantee financial audits yearly and issue Auditing Financial
32 Findings letter on any relevant findings.
33

34 NCWAP's Quality Control Inspectors (QCI) will conduct desktop and/or monitoring for each
35 Subgrantee annually. QCIs review of the client files for completed jobs is to include but is not
36 limited to:

- 37
38 a) client eligibility verification,
39 b) quality of work,
40 c) initial audits,
41 d) software modeling/computer audits,
42 e) jobs costs,
43 f) ASHRAE forms,
44 g) pictures, and final inspections.
45

1 The grantee will inspect 5% of the client files for completed jobs weatherized in the program year.
2 Grantee will increase monitoring from 5% to 10% when the auditor and the QCI are the same
3 person. Grantee reserves the right to increase the inspection amount due to weaknesses,
4 deficiencies, or previous issues found with Subgrantees. QCI issues findings and trends for concern
5 to non-compliant Subgrantee agencies.
6

7 When problems or weaknesses are discovered as a result of a fiscal or technical monitoring visit,
8 they shall be outlined in a monitoring letter to the Subgrantee with a list of findings,
9 recommendations for resolving the problem, and an appropriate timetable for taking corrective
10 action. This letter shall be issued within 30 days after the monitoring visit. The Subgrantee is
11 required to respond to the findings letter with written corrective action plans to resolve the noted
12 findings.
13

14 When observations are made that suggest training or technical assistance is needed, the monitor
15 will recommend appropriate actions that must be taken to assist the Subgrantee in resolving the
16 problem. Assistance will be provided by grantee staff or other training and technical assistance
17 resources. These processes shall also apply to QCI certified personnel if they fail to adequately
18 inspect to the most recently approved DOE field guide.
19

20 Any problems or weaknesses identified in a Subgrantee's program and outlined in a monitoring
21 report will remain in an active status until satisfactorily resolved by the Subgrantee and a written
22 response submitted to the Grantee. A Subgrantee with an active status monitoring report will be
23 subject to additional monitoring visits until problems and weaknesses are resolved.
24

25 The NC WAP Supervisor will immediately report sensitive or significant noncompliance findings
26 to the DOE project officer. Subgrantees unable or unwilling to meet federal and state contracts and
27 performance requirements will be suspended or terminated in accordance with federal and state
28 regulations.
29

30 Monitoring results will be analyzed annually, and the results used in planning for training and
31 technical assistance activities, determining the future status of the Subgrantee as an approved
32 service provider and developing a monitoring plan for the subsequent contract year.
33

34 NCWAP employs monitoring activities to ensure the quality of work and the adequate financial
35 management controls at the Subgrantee level.
36

37 NCWAP's Weatherization technical Monitors schedule, at minimum, a yearly visit to each
38 Subgrantee. During these visits the Monitor reviews subgrantee policy, procedures, client files and
39 field operations.
40

- 41 a) NCWAP's Fiscal Monitor schedules a yearly visit to each Subgrantee. During these visits,
42 the Monitor conducts a comprehensive review of all ledgers, budgets, and accounting
43 systems, related to the weatherization program.
44
- 45 b) The NC WAP Supervisor may conduct unannounced spot visits of Subgrantees at random.
46 During these visits all aspects of the program may be reviewed to determine compliance

1 with federal and state requirements.

- 2
3 c) Peer Exchange is optional and is used as both a monitoring tool as well as a training
4 opportunity. Subgrantees may choose to visit another Subgrantee for the exchange.
5

6 **2.11.1 Subgrantee Termination**

7

8 NCSEO may terminate Subgrantees if they fail to comply with the terms and conditions of the
9 Financial Assistance Agreement or if NCSEO determines that termination would be in the best
10 interest of the State.

11
12 Reasons for termination include, but are not limited to, the following:

- 13
14 a) Work performance fails to substantially adhere to the requirements of the Financial
15 Assistance Agreement or its associated documents,
16
17 b) Refusal to proceed with or complete the work,
18
19 c) Failure to provide original receipts to justify whether costs are allowable, necessary, or
20 reasonable,
21
22 d) Disregard for laws, rules, ordinances, or regulations set by NCSEO,
23
24 e) Misuse of dedicated account funds, including but not limited to:
25 o failure to pay vendors,
26 o failure to notify NCSEO of fraud or the allegation of fraud,
27 o embezzlement, misappropriation, or abuse of funds,
28
29 f) Disregard for competitive bidding, or
30
31 g) Other cases of conflict of interest.

32
33 If any staff member of NCSEO uncovers significant problem areas with the work or actions of a
34 Subgrantee, that NCSEO staff member must document such problem areas and provide a report to
35 the NCSEO WAP Supervisor. The NCSEO WAP Supervisor will immediately report the
36 information to the appropriate NCSEO or federal funding project officer to take appropriate
37 action(s).
38

39 When significant problems are not resolved within thirty (30) days, NCSEO will transmit a letter
40 of non-compliance to the subgrantee's leadership and executive management, such as a board
41 chairperson, weatherization director, or executive director. This letter will cite specific section(s)
42 of the Financial Assistance Agreement with a requirement that the subgrantee provide a written
43 corrective action plan within five (5) calendar days and implementation of the plan within ten (10)
44 calendar days.

45
46 If no response is received by NCSEO within five (5) calendar days of the issuance of the letter of

1 non-compliance, the plan for resolving the alleged noncompliance is unacceptable to NCSEO, or
2 the plan to resolve the alleged noncompliance is not followed, a notice of default and intention to
3 terminate will be transmitted to the subgrantee’s leadership and executive management team.
4

5 Failure on the part of the subgrantee to respond to the notice of default and intention to terminate
6 within ten (10) calendar days will result in the issuance of a notice of termination. With the notice
7 of termination, a public review will be scheduled to inform the public of the termination of the
8 subgrantee and to identify a new subgrantee through an RFP process to provide energy program
9 services.
10

11 **NOTE: Notwithstanding the above, NCSEO may suspend or terminate a subgrantee without**
12 **prior written notice upon a finding of substantial noncompliance, substantial breach of**
13 **agreement or at the discretion of the NCSEO Director.**
14

15 **2.11.2 Exemplary Agencies**

16 NCSEO will use the following criteria for designating a Subgrantee as an “Exemplary Agency”.
17 Levels of Agency Performance
18

19 **High Performance or Exemplary Agencies:**

20
21 By way of monitoring review, an agency has demonstrated performance standards that meet or
22 exceed that commonly observed in the following areas:
23
24

25 **Program Operations:**

- 26 ○ No Health and Safety finding as identified in previous monitoring report.
- 27 ○ No procedural findings related to program rules, and policies and procedures.
28

29 **Fiscal:**

- 30 ○ No annual program specific audit findings.
31

32 **Technical:**

- 33 ○ Provide comprehensive service utilizing the latest building science and renewable
34 technology, in a cost-effective manner in accordance with State of North Carolina law
35 and policy.
36

37 **Production:**

- 38 ○ In general, the agencies production is high relative to funding.
39

40 **Qualified staff:**

- 41 ○ Agency will receive higher credit for exemplary status if: (1) the staff or contractors are
42 BPI certified; (2) agency staff received appropriate job-related certification(s); and (3)
43 agency staff conducted, or proctored, NCSEO sponsored/endorsed certification trainings.
44

45 **Risk:**

46

- No “at-risk” elements are found in major categories for an agency.

If the above is met, a final visit may be made by an NCSEO WAP Supervisor for final confirmation of achievement.

Typical Agency Performance:

Typically, the frequency of monitoring will be one or two visits per year by an NCSEO Program Monitor and/or an NCSEO Weatherization Program Monitor and Fiscal Monitor. The need for a second visit will be determined by NCSEO based on such factors such as past monitoring results, an agency’s program funding and production level, the completeness of the monitoring within the time available, and compliance with federal requirements such as Davis Bacon, Build America Buy America, and Justice 40, National Environmental Policy Act, and historic preservation. NCSEO expects every agency to meet these standards of performance:

- a) Well-established systems for program administration and operations, with no finding in the following areas:
 - Compliance with major program requirements, such as, lead-based paint procedures, cost allocation plan/indirect rate, required contractor information.
 - No program specific finding in the annual audit.
 - Staff well trained in performance of specific job duties.
 - Complete and organized files.
- b) Evidence of prudent decision making as to use of program resources:
 - Complete scopes of work.
 - Fiscal documentation is current and consistent with billing procedures.
- c) Consistently maintaining updated records in the NC WAPs Client Database
 - Staff proficient in its use.
 - Evidence that client data for waitlist or deferral lists are updated and verified at least annually. Please see [Appendix C](#) for the “deferral” process.
 - Client data is maintained on a monthly basis for those receiving weatherization services (excluding waitlists and deferral lists as defined in “b”).
- d) Staff and contractors have demonstrated proficiency in technical applications, including diagnostics.
- e) Agency has a minimal number and severity of procedural findings (as related to program laws, rules, and policies and procedures), as well as health and safety findings from previous monitoring report.
- f) Agency complies with Occupational Safety and Health Administration (OSHA)/DHS/NCSEO safety rules, as applicable.
- g) The agency maintains a professional working relationship with NCSEO such as conducting oneself with responsibility, integrity, accountability, respect, and excellence in all

1 interactions.

2
3 h) Past corrections made and reported in a timely manner.

4
5 i) No “at-risk” elements are found in major categories for an agency.

6
7
8 **At-Risk Agency Performance:**

9
10 At-risk agencies may be identified as a result of a variety of factors that may include:

11
12 a) There is evidence of significant administrative or program sub-standard performance; for
13 example, repetitive pattern of findings, failure to have copies of permits on file, or lack of
14 compliance with historical preservation rules.

15
16 b) The agency is not in compliance with three (3) or more program policies, procedures, and
17 specifications.

18
19 c) The agency has three (3) or more health and safety findings.

20
21 d) Agency staff/crew members have been unable to pass certification training.

22
23 e) The agency has deficient scopes of work.

24
25 f) The agency has three (3) or more program specific audit findings.

26
27 g) The agency files are incomplete or disorganized.

28
29 h) The agency staff is unresponsive to NCSEO requests and deadlines. For example, the
30 agency consistently fails to provide monthly reports and contract closeouts in a timely
31 manner.

32
33 i) The agency maintains an unprofessional working relationship with NCSEO such as not
34 conducting oneself with responsibility, integrity, accountability, respect, and excellence in
35 all interactions.

36
37 j) Agency production is substantially low relative to funding.

38
39 k) Other NCSEO programs (Community Services Block Grant (CSBG), LIHEAP, Food,
40 Homeless, etc.) have indicated problems with, or concerns about, the agency.

41
42 At-risk agencies will be monitored **no less than twice annually**. Other factors in the frequency of
43 monitoring visits may be based upon the requirements of specific funding sources.

44
45
46 **2.12 Monitoring – Productivity**

1
2 NCSEO monitors Subgrantee productivity through information provided on monthly fiscal reports,
3 fiscal/program monitoring, and the Peer Exchange. If a Subgrantee falls consistently and
4 considerably below their projections, NCSEO reserves the right to redistribute their unexpended
5 funds by providing a letter stating that the formal process to move funds will begin in ten business
6 days.

7 8 **2.13 Multi-Family** 9

10 Multifamily buildings are those containing five dwelling units or more. For multifamily buildings
11 containing less than 25 units with units that are individually heated or cooled, either the
12 Multifamily Priority List or the Weatherization Assistant shall be used to determine the proper
13 work scope.

14
15 In order to weatherize an apartment, all units in the affected building must be weatherized.
16 Standalone small multifamily housing (duplexes, triplexes, and quadplexes) does not require prior
17 approval from NCWAP.

18
19 Groupings of four or more buildings on a single site that are owned by a single owner shall require
20 prior approval from NCWAP.

21
22 Small multifamily units are eligible for weatherization, provided that they meet the eligible client
23 occupation minimum:

- 24 a) 50 percent of a duplex,
- 25 b) 66 percent of a triplex, or
- 26 c) 50 percent of a quadplex.

27
28
29 Additionally, Subgrantees may only count vacant units towards the 50 percent or 66 percent
30 threshold when the building has been assisted by a state or federal program that restricts occupancy
31 to households with incomes that qualify for the Program and where there is a reasonable
32 expectation that the unit will be occupied by such a household within 180 days following
33 completion of the project.

34
35 Costs on these properties are limited by the percentage of eligible clients multiplied by the
36 maximum cost-per-unit average. Unlike single family homes, the maximum cost-per-unit is a hard
37 limit. The cost limitation excludes health and safety expenditures.

38
39 The Grantee will follow the following procedures for multifamily:

- 40 a) If reported Multi-Family dwellings containing five or more units make up **less than** 20%
41 of the Grantee's weatherized units, then the projects must be submitted for review and
42 approval by DOE prior to commencing work on the units; or
- 43 b) If reported Multi-Family dwellings containing five or more units make up **more than** 20%
44 of the Grantee's weatherized units, then the projects must be evaluated by a USDOE-
45
46

1 approved energy audit tool (i.e., TREAT, REM, MULTEA) prior to commencing work on
2 the units. NCWAP will be requesting approval of alternative, DOE approved computer
3 modeling software for use by Subgrantees.
4

5 Renters are eligible for the weatherization program. Benefits of weatherization shall accrue
6 primarily to the tenant. No rental dwelling unit shall be weatherized without first obtaining the
7 written permission of the owner. Once the Subgrantee has entered into a Landlord Agreement with
8 the owner, with the tenant as the third-party beneficiary, the Subgrantee may perform
9 weatherization services on the unit.
10

11 The agreement must contain certain restrictions for the owner, such as a negotiable period of not
12 less than two years for raising tenants rent due to weatherization, and not evicting the tenant if they
13 comply with all ongoing obligations to the owner.
14

15 Lease-to-Own properties shall be treated as rental units until the ownership has been transferred.
16

17 Vacant units may be counted as eligible units if the owner agrees, in writing, to rent those units to
18 eligible households upon completion of work, or within 180 days, whichever is sooner.
19

20 For a one-year period after the weatherization work on the unit is completed, rent cannot be
21 increased, unless the increase is not related to weatherization services performed, as noted in
22 10CFR440.22(b)(3)(ii).
23

24 The Grantee must provide prior written approval for weatherization services on any property
25 within the Grantee weatherization network which is owned or rented by a Subgrantee board
26 member, staff member, subcontractor, or family member thereof. Such request to the Grantee shall
27 include a letter of support from the Subgrantee agency board of directors on agency letterhead and
28 signed by the chair of the board which shall include the name of the subject person, their
29 relationship to the Subgrantee, the address of the property and the fact that the board of directors
30 is in support of the request for weatherization services sought.
31

32 ***2.13.1 Multi-Family Eligibility***

33 ***Categorical Eligibility***

34
35
36 Income eligibility has been expanded to categorically include HUD means-tested programs at or
37 below 80% of Area Median Income (AMI) to better facilitate referral services for low-income
38 households, reducing the burden on both the intake agencies and households trying to obtain
39 services. (Examples of HUD program but not limited to Community Development Block Grants
40 (CDBG), HOME Investment Partnerships Program (HOME), Lead Hazard Control & Healthy
41 Homes Program (OLHCHH), Section 8, etc.)
42

43 The effort explored the overlap in incomes of the different households served through the various
44 programs. The overlap is sufficient to consider “categorical income eligibility”, defined across
45 programs as automatically granting program eligibility to applicants who have already met the
46 eligibility requirements of another agency’s identified program.

1
2 Subgrantees may certify that applicants have met the income requirements of HUD means-tested
3 programs through mechanisms including, but not limited to, applicant documentation, interagency
4 lists of recipients, shared system databases, etc. Method of verification of eligibility must be
5 included in the client file.

- 6
7 a) Privately owned buildings receiving tenant-based assistance. Subgrantee must verify
8 residents that hold Section 8 Housing Choice Vouchers through the property owners or
9 residents themselves. Percentage of eligibility is determined by the ratio of these vouchers
10 to total units.
11
12 b) PHA operated buildings are 100% income eligible. WPN 17-4 procedures must be
13 followed to certify buildings.
14
15 c) Privately owned buildings receiving project-based assistance in North Carolina. WPN 17-
16 4 procedures must be followed to certify buildings.
17
18 d) Tennant by tenant income verification by obtaining necessary documents from each
19 individual tenant.
20

21 **The WPN 17-4 process for Property Certification is:**

- 22
23 a) The property owner or authorized agent of the property must sign a Self-Certification form
24 attesting that:
25
26 b) The property owner or authorized agent maintains certified income records for
27 households residing at the property.
28
29 c) The property owner or authorized agent has reviewed its current certified income records.
30
31 d) The property owner or authorized agent has determined that at least 66 percent of the
32 units in each building (or at least 50 percent of the units for 2- and 4-unit buildings) have
33 certified incomes that are at or below 200 percent of the current federal poverty level
34 based on household size.
35
36 e) The property owner or authorized agent certifies that all the information provided with
37 the certification request is true and accurate.
38

39 ***2.13.2 Landlord Contribution Clause***

40
41 Some large multi-family buildings with less than 66% eligible units, (but at least 50%) may be
42 weatherized if agencies can demonstrate the investment of DOE funds would result in significant
43 energy-efficiency improvements, **AND**

- 44
45 a) Additional funds are leveraged from landlords, utilities, or other sources; **AND**
46

- 1 b) Leveraged funds **must** equal at least 10 percent of the total job cost to be eligible for
2 reduced unit eligibility percentage.
3

4 **2.14 Standard Weatherization Procedures**

6 **2.14.1 Labor**

8 It is the Subgrantees responsibility to ensure that employees and contractors are qualified and
9 properly supervised.
10

11 **2.14.2 Davis-Bacon Act – Buy American Act Compliance**

13 Any BIL-funded weatherization work on multifamily buildings with 5 or more units will be
14 required to pay wages to all laborers and mechanics engaged in the construction, alteration, or
15 repair of those multifamily buildings (whether employed by a contractor or subcontractor) wages
16 “at rates not less than those prevailing on similar projects in the locality, as determined by the
17 Secretary of Labor.” USDOE will provide further guidance regarding Davis-Bacon reporting. BIL
18 multi- family projects should be deferred until clarifying guidance is received or other funding
19 sources used. Once clarifying guidance is received, NCSEO will provide further guidance via
20 memo. Accounting and tracking activities will be accomplished through the WAP client database.
21

22 **2.14.3 Build America, Buy America Act**

24 Buy American Act (BAA) language was written into the Bipartisan Infrastructure Law (BIL).
25 USDOE will be providing additional guidance regarding BAA. Until additional guidance is
26 supplied, it is NC WAP’ expectation that when an American-made product of similar quality and
27 utility is available, and costs are not prohibitive, that product will be purchased. Once further
28 guidance is received, NC WAP will provide further guidance via memo.
29

30 Agencies must ensure that all applicable programs comply with the “Build America, Buy America
31 Act”.⁶ The Act requires the following:
32

- 33 a) Iron and Steel Products
34 ○ All manufacturing processes must occur in the United States.
35 b) Manufactured Products
36 ○ All manufactured products must be produced in the United States; and
37 ○ 55 percent or more of the total cost of components must be mined, produced, or
38 manufactured in the United States.
39 c) Construction Materials
40 ○ All manufacturing processes must occur in the United States.
41

42 **2.14.4 Authorization**

43
⁶ <https://www.whitehouse.gov/omb/briefing-room/2022/04/20/how-build-america-buy-america-guidance-strengthens-made-in-america-requirements/>

1 Prior to weatherizing residential units, the following procedures shall be followed. The owner or
2 authorized agent shall give written permission for the weatherization assistance. Such written
3 authorization must be signed by the owner (or owner’s authorized agent) and must include:
4

- 5 a) Location of dwelling (physical street address).
- 6 b) Name of eligible tenant.
- 7 c) A list of possible work to be completed.

8 9 **2.14.5 Operation of the Program**

10
11 It is the Subgrantee’s responsibility to identify and procure the local resources necessary to operate
12 this program. These would include, but not be limited to local and state funds, donated materials,
13 space, support, and any resources not provided for by U.S. DOE funds. Such resources are to be
14 identified by the Subgrantees in their grant proposals to NCSEO. Additionally, the Subgrantee
15 shall insure prior to operating the program, that the criteria are met.
16

17 Contractor Procurement: All Subgrantees that employ private licensed contractors to provide
18 weatherization, repairs, or inspections where the cumulative one-year compensation is \$25,000 or
19 more, must have a policy in place and use said policy to procure contractors.
20

21 **2.14.6 Expansion of Manufactured Home Definition**

22
23 The definition of manufactured homes is expanded to include travel trailers and motor homes under
24 the following conditions:
25

- 26 a) Unit is a permanent residence; **AND**
- 27
- 28 b) The unit has an address; **AND**
- 29
- 30 c) The occupant has a utility bill in their name or can demonstrate an energy burden; **AND**
- 31
- 32 d) The occupant has a legal lease or contract to live in the unit and park the unit at said
33 location; **AND**
- 34
- 35 e) There must be cost-effective (SIR of 1.0 or greater) weatherization improvements to be
36 completed on the structure; **AND**
- 37
- 38 f) Health and safety improvements are only related to weatherization and **do not** address
39 mechanical, other than Heating, Ventilation, and Air Conditioning (HVAC).
40

41 **2.14.7 National Environmental Policy Act Information (NEPA)**

42
43 The following activities are categorically excluded from further NEPA review, absent
44 extraordinary circumstances, cumulative impacts, or connected actions that may lead to significant
45 impacts on the environment, or any inconsistency with “integral elements” (as contained in 10
46 CFR Part 1021, Appendix B) as they relate to a particular project and adhere to the applicable

1 State's programmatic agreement with the cognizant State Historic Preservation Office (SHPO).

- 2
- 3 a) Administrative activities associated with management of the designated Weatherization
- 4 Office and management of programs and strategies in support of weatherization activities.
- 5
- 6 b) Development and implementation of training programs and strategies for weatherization
- 7 effort, including initial home audits, final inspections and client education.
- 8
- 9 c) Purchase of vehicles and equipment needed for weatherization audits.
- 10
- 11 d) Weatherization activities provided that projects apply the restrictions of each state's
- 12 programmatic agreement with SHPO.
- 13

14 Subgrantees verify that a dwelling is within or adjacent to an historic district at the following

15 website:

16 <https://nc.maps.arcgis.com/home/group.html?id=d56ec9c8aa77423b931f4d359f103ae6&view=list&categories=%5B%22%2FCategories%2FHPOWEB%22%5D#content>

17

18

19 Subgrantees are required to comply with State Historic Preservation Office guidelines as follows:

20

- 21 a) If any of the following measures are to be implemented (based on a Subgrantee's
- 22 completed work order):
 - 23 o anything requiring holes in the unit's weatherboard (siding),
 - 24 o replacing wood windows,
 - 25 o replacing a wood front door,
 - 26 o solar thermal applications (not a typical WAP measure).
 - 27
- 28 b) If any of these measures are applicable, and the dwelling is determined to be historic, then
- 29 proceed as follows:
 - 30 o forward an electronic version of the work order form or a scanned Subgrantee client
 - 31 database work order and pictures of the home from all four elevations (if possible)
 - 32 to energy.projects@ncdcr.gov for review.
 - 33 o the North Carolina State Historic Preservation Office will provide
 - 34 guidance/assistance regarding compliance and proper implementation for
 - 35 weatherization.
 - 36
- 37 c) If any of the listed measures are not applicable, then proceed with the weatherization
- 38 process.
- 39

40 **2.15 General Accounting Practices**

41 To insure accurate reporting, proper documentation, and compliance with federal and state

42 guidelines for fiscal procedures, all Subgrantees must at a minimum:

43

44 **2.15.1 Submit an Annual Audit**

45

1 Submit an annual audit of weatherization funds, which shall be conducted by a Certified Public
2 Accountant, using the audit standards contained in 2 CFR 200 – Subpart F.
3
4

5 ***2.15.2 Receive Authorization from DEQ for Purchases or Lease*** 6

7 Receive authorization from DEQ for purchases or lease of acquisitions in excess of **\$5,000**. All
8 capital property and vehicle purchases **must** be forwarded to the U.S. DOE Regional Support
9 Office for final approval.
10

11 For approval of Vehicle & Capital Equipment Purchases, the minimum information needed by
12 DEQ is:
13

- 14 a) Name of requesting local agency.
- 15
- 16 b) Where the vehicle will be used and how it will be used – Specify, full or part time use in
17 Weatherization Program.
- 18
- 19 c) Statement of whether this is a replacement or an expansion for ramp-up. If this is a
20 replacement, describe how the trade-in is being addressed.
21
- 22 d) Brief description of how the procurement will be done, and confirmation that the agency
23 maintains policies and procedures for property management that comply with all
24 requirements of the applicable Code of Federal Regulations, 2 CFR Subtitle B with
25 guidance at 2 CFR Part 200.
- 26
- 27 e) What the funding source(s) will be (e.g., DOE Weatherization Program Operations funds).
28 **Subgrantee T&TA funds are not an allowable option.**
29
- 30 f) Copies of bid specs (vehicle description with options requested) and bids received.
31
- 32 g) Statement that lowest bid will be selected; or a sufficient justification of the “best value
33 selection” if lowest bid is not recommended for DOE approval.
34

35 ***2.15.3 Travel Regulations*** 36

37 Each Subgrantee will have in place travel regulations that include travel authorization,
38 reimbursement, advancements, and per diem rates that do not exceed the State of North Carolina’s
39 maximum amount.
40

41 ***2.15.4 Financial Operations Manual*** 42

43 Each Subgrantee has in place a financial operation manual that details accounting standards,
44 segregation of duties, procurement procedures, program income application, and program rebates.
45

46 ***2.15.5 Use of Weatherization Funds for Renewable Energy Systems*** 47

1 **The average cost per unit (ACPU) for overall program expenditure is limited to the annual**
2 **inflation adjustment as established by DOE through Weatherization Program Notices.**

3
4 10 CFR §440.18 (Allowable Expenditures) incorporates the renewable energy system provisions
5 and specifies a ceiling of \$3000 per dwelling for labor, weatherization materials, and related
6 matters. Approved renewable energy systems will be listed in Appendix A of Part 440, Standards
7 for Weatherization Materials.

8
9 To help facilitate the integration of solar PV across the WAP network, DOE has released WAP
10 memorandum 024. This memo allows for the submission of pilot solar projects to DOE for
11 approval. North Carolina will be allowing Solar PV on a case-by-case basis with approval from
12 DOE. Solar PV projects must meet SIR requirements and are limited to the adjusted average limit.

13
14 With respect to community solar, USDOE specifies that community solar would be
15 more appropriate for competitive awards under the following programs: (1) "*Sustainable Energy*
16 *Resources for Communities*"; (2) "*Enhanced Innovation for Community Solar*"; or (3) "*Energy*
17 *Improvement in Rural or Remote Areas*". While these programs are outside of the five-year plan,
18 the NCSEO encourages leveraging these programs to pursue community solar in conjunction
19 with weatherization activities. Therefore, language was added to the plan that supports
20 leveraging these initiatives.

21
22 **Note: The adjusted average for renewable energy measures is not a separate average, but a**
23 **part of the overall adjusted average expenditure limit for the ACPU.**

24 **2.15.6 Prohibited Expenditures**

25
26
27 Funds shall not be expended for the items or services other than those listed in 10 CFR 440.18.
28 T&TA funds cannot be used to purchase equipment used in the day-to-day installation of
29 weatherization measures. Where a need exists to purchase tools and equipment Subgrantees should
30 use "program operations" funds.

31 **2.15.7 Discretion of Procurement**

32
33
34 DEQ gives Subgrantees discretion in the procurement of materials. All supplies, equipment,
35 materials, and services must be procured in accordance with applicable state law and procedures
36 and 2 CFR Subtitle B with guidance at 2 CFR Part 200.

37 **2.15.8 EPA Compliance**

38
39
40 Subgrantees shall comply with the Environmental Protection Agency (EPA) regulations as set
41 forth in 40 CFR Part 247 - Guidelines for Procurement of Recovered Materials, which encourages
42 the use of recyclable materials.⁷ Subgrantees shall use recyclable materials whenever possible.
43 Compliance with EPA regulations also applies to the decommissioning of replaced baseload
44 appliances whether subcontracted out or not.

45

⁷ <https://www.epa.gov/smm/regulatory-background-comprehensive-procurement-guideline-program-cpg>

2.16 Reporting Requirements

Each Subgrantee shall submit certified and timely reports to DEQ detailing the progress made towards the program objective(s) and all administrative and program expenditures. The report **must** agree with the Subgrantee’s accounting records, client database, and be certified by the Subgrantee’s chief executive officer or their designee via handwritten or certified electronic signature.

a) At a minimum, the required reporting documents for a complete monthly billing package include:

○ Invoice [WAP Template via ShareFile]

- Please note that this template is only required when billing costs to WAP each month (*each Subgrantee should submit **one invoice each month** on our templates for total costs by line item). **It should not affect internal invoicing systems.***
- Please submit as a signed PDF by the CEO/ED and Financial Director.

○ Financial Status Report “286” [WAP Template via ShareFile]

- Should include information for all required fields by WAP in the “286” along with supporting documentation showing that expenditures are consistent with the Subgrantee proposal, approved budget, and provisions of the contract (*i.e., PDF copies of monthly reports of completed units, waitlist reports, applicant reports, denial reports, applicant approval reports, and deferral reports from the client database*).
- The PDF should contain a signature, date, and title of the Certifying Official (*via handwriting, DocuSign, or Adobe Signature*). It should also contain initials of the Program Coordinator (*via handwriting, DocuSign, or Adobe Signature*). **Please note that the Preparer’s signature and Program Coordinator should be a different person than the Certifying Official.**
- Please submit a signed PDF and an unsigned Excel copy.

○ Project Expense Summary [WAP Template via ShareFile]

- Should include an inventory of all receipts/subcontractor invoices that quantify the totals listed on the WAP’s invoice, and 286 templates.
- For invoice amount subgrantees must specify whether it includes sales tax
- Low-Income Program & Category are dropdowns which will help determine what receipt/cost is being charged.
- Subgrantees should place the receipts in order as listed in the project expense summary. This will assist with expediting WAP’s reviews.
- Subgrantees must fill out the spreadsheet and submit as a PDF.

1 Please provide a signature and date by the Financial Director.

- 2
- 3 ○ General Ledger [*Subgrantee Provides*]
- 4 ■ This is the general accounting record of Subgrantee finances that
- 5 contains a set of numbered accounts used to track transactions
- 6 and prepare financial reports.
- 7
- 8 ○ Payroll Report [*Subgrantee Provides*]
- 9 ■ WAP needs a monthly report to validate staff time charged by
- 10 the subgrantee. Time can be logged using outputs from tools
- 11 such as:
- 12 1. Third-Party Timekeeping Software
- 13 2. Payroll Report/System
- 14 ■ The report should include signatures from the CEO/ED and
- 15 Finance Director.
- 16
- 17 ○ Official Receipts and Supporting Documentation Containing the
- 18 Subgrantee Project ID to Match the Exact Amount Billed [*Subgrantee*
- 19 *Provides*]
- 20 ■ Contractor-Based Subgrantees
- 21 1. Acceptable example of supporting documentation:
- 22 a. Official invoice/source document from
- 23 subcontractors containing the total amount
- 24 billed by program, brief description of work
- 25 completed, and associated Subgrantee Project
- 26 ID.
- 27 2. **Signed spreadsheets of costs are not acceptable in**
- 28 **lieu of supporting documentation.**
- 29
- 30 ○ Crew-Based Subgrantees
- 31 ■ Acceptable example of receipts and/or supporting
- 32 documentation:
- 33 1. Source documents from the point of sale (*i.e.,*
- 34 *receipts*) containing the purchased items, costs by
- 35 program, and associated Subgrantee Project ID.
- 36 2. **Signed spreadsheets of costs are not acceptable in**
- 37 **lieu of receipts and/or supporting documentation.**
- 38
- 39 ○ Orientation of Uploaded Documentation to ShareFile
- 40 ■ All documents submitted must be in a readable orientation (*i.e.,*
- 41 *not upside down or sideways*).
- 42
- 43 ○ **Note: The SEO cannot approve an incomplete billing package.**
- 44

- 45 b) Reporting Format – DEQ has provided all Subgrantees with online access to software for
- 46 the purpose of reporting weatherization activities. All weatherization Subgrantees are

1 required to use program software for reporting purposes.

- 2
- 3 c) NC WAP cannot approve an incomplete billing package. Expenses will not be
4 reimbursed without providing all items listed in 2.16(a) and (b) on a monthly
5 basis (*regardless of whether expenses were made*).
- 6

7 **2.16.1 Success Story Reports**

8

9 Subgrantees receiving thank you letters from or about people whose homes were weatherized,
10 should submit selected letters to NCSEO. Letters will then be forwarded to DOE to bolster efforts
11 to promote weatherization and give a human face to people receiving weatherization assistance.

12

13 **2.16.2 Fuel Switching**

14

15 Changing or converting a fuel source is allowable on a limited case-by-case basis with pre-
16 approval from NCSEO.

17

18 **2.16.3 Cook Stoves**

19

20 DOE does *not* allow cook stoves to be replaced with DOE funds. DOE does, however, allow for
21 repair of gas cook stoves. If a Subgrantee discovers a cook stove that is emitting dangerous levels
22 of carbon monoxide (check ambient CO Levels) and repair is not possible, other funds should be
23 used to remedy the problem.

24

25 **2.16.4 Disaster Relief**

26

27 In the event of a declared natural or manmade disaster (those in which the President or the
28 Governor of the state of North Carolina has declared the event an Emergency), North Carolina will
29 allow Subgrantees to assist their eligible clients with weatherization funds to the extent that the
30 services are in support of eligible weatherization work. The allowable expenditures under the
31 Weatherization Assistance Program (WAP) are limited to include the following:

32

- 33 a) The purchase, delivery, and installation of weatherization materials and,
34
- 35 b) The cost of incidental repairs to an eligible dwelling unit if such repairs are necessary to
36 make the installation of weatherization materials effective and,
37
- 38 c) The cost of eliminating health and safety hazards, elimination of which is necessary before
39 the installation of weatherization materials.
- 40

41 All materials utilized must be listed in 10 CFR Part 440 Appendix A. To the extent that the services
42 are in support of eligible weatherization (or permissible re-weatherization) work, such expenditure
43 would be allowable. For example, debris removal at a dwelling unit so that the unit can be
44 weatherized would be an allowable cost. Debris removal from a dwelling unit that is not to be
45 weatherized would not be an allowable cost.

46

47 In a declared federal or state disaster, sub grantees may return to a unit previously reported as a

1 completion to the Department of Energy that has been “damaged by fire, flood or act of God and
2 repair of the damage to weatherization materials is not paid for by insurance”, per 10 CFR
3 440.18(f)(2)(ii).

4
5 Local authorities must deem the dwelling unit salvageable as well as habitable and the damage to
6 the materials must not be covered by insurance or other form of compensation. In these cases, the
7 work can be addressed without prior approval or any special reporting.

8
9 North Carolina will also follow the provisions of its Energy Assurance Plan to assist with
10 preventing prolonged outages or disruptions of essential utilities.⁸ In addition, it will follow the
11 provisions of its “Climate Risk Assessment and Resilience Plan” to bolster efforts that build
12 resilient infrastructure and communities.⁹

13
14 Please note that the ACPU limit and other budgetary maximums continue to apply during disaster
15 or disruptive events.

16 17 **2.16.5 Wood Stove Replacement**

18
19 Replacement of wood stoves is allowed if it meets federal emissions standards

20 21 **2.17 Quality Control**

22
23 It shall be the responsibility of the Subgrantee to establish measures to ensure the quality of work
24 completed and address the following areas:

25 26 **2.17.1 Fire Codes**

27
28 Each Subgrantee is responsible for contacting the fire code officials in their service delivery area
29 to verify that work done and materials used meet local fire codes. The sole purpose for this
30 requirement is to protect the client and limit the liability of the Subgrantee.

31 32 **2.17.2 Electrical Codes**

33
34 Each Subgrantee is responsible for assuring that all work meets local and state electrical codes.
35 Any and all electrical work **must** be performed by a licensed electrical contractor.

36 37 **2.17.3 Building Codes**

38
39 Subgrantees *shall not* undertake structural modifications without first consulting the appropriate
40 building codes and contacting local officials.

41 42 **2.17.4 Materials Installed Properly**

43
44 It is the Subgrantee’s responsibility to ensure all materials are installed to required specifications
45 to achieve maximum benefit from the materials. **All units require post installation inspection**

⁸ <https://deq.nc.gov/media/21186/download>

⁹ <https://files.nc.gov/ncdeq/climate-change/resilience-plan/2020-Climate-Risk-Assessment-and-Resilience-Plan.pdf>

1 **completed by a certified Quality Control Inspector.** Inspections of weatherized units **must** be
2 completed by someone other than the installer(s).
3

4 ***2.17.5 Maximum Service – Holistic Approach*** 5

6 All Subgrantees are responsible to ensure each household has received the maximum amount of
7 services available within the expenditure limitations to maximize energy savings. Subgrantees are
8 encouraged to mobilize all funding available to deliver the highest level of energy efficiency
9 improvements in a holistic approach on each dwelling weatherized. Holistic approach refers to
10 treating the dwelling as an integrated complex system where the shell, mechanical and occupants
11 all interact and affect the energy usage.
12
13

1 **APPENDICES**

2

3 Appendix A - Peer Exchange Protocol

4

5 Appendix B - Determining Eligibility Levels

6

7 Appendix C - Deferral Criteria and Process

8

1 **Appendix A – Peer Exchange Protocol**

2
3 The following protocol will be used by NCSEO and agencies with a stable or vulnerable score
4 rating:

5
6 **a) Stable agencies can and Vulnerable agencies will participate in an annual peer exchange.**

- 7
8 ○ Agencies can visit another agency of their choice. It is encouraged that they seek an
9 agency that has a new or interesting aspect to their program such as a new weatherization
10 measure, technique, or technical application.
11
12 ○ Agencies may not visit the same agency as prior year without NCSEO permission.
13
14 ○ Once an agency is chosen for peer exchange, the visiting agency shall inform the agency
15 to be visited of their intentions at least three (3) months prior to the visit.
16

17 **b) Selecting Units to Visit**

- 18
19 ○ At least three (3) weeks prior to the peer exchange, the host agency and visiting agency
20 will communicate and discuss visiting agencies topics of interest.
21
22 ○ At least 10 days prior to the visit, monitoring agency will notify host agency of four (4)
23 jobs. Jobs selected based upon a previous conversation(s) concerning visiting agency’s
24 topic of interest.
25
26 ○ Host and visiting agency will schedule a mutual and convenient time for the peer
27 exchange.
28
29 ○ Host agency will schedule any field visits.
30

31 **c) Elements of Exchange Visits**

- 32
33 ○ Discuss new and innovative techniques and applications; administrative procedures’
34 equipment uses; applications diagnostic testing techniques; and use of testing equipment.
35
36 ○ Job site inspection (all four (4) units):
37 ▪ Discuss work and make notes with host agency’s representative.
38
39 ▪ Review installation techniques; testing procedures; benefits of application; as well
40 as related benefits to home and occupant.
41

42 **d) Discuss Observations**

- 43
44 ○ Items of interest should be discussed at length while on site; therefore, both agencies have
45 a clear understanding of the issue, techniques, tools used, and methods.

1
2
3
4
5
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12
13
14
15
16
17

e) Exit Interview

- Staff and program coordinator to discuss visit, roundtable applications, techniques, testing protocol, ideas and improvements.

f) Report to NCSEO

- Visiting agency to draft summary report of visit.
- The report will include:
 - Topics and discussion
 - A narrative letter discussing observations, ideas, what they learned, and any differences they plan to implement into their program.
- Visiting agency will submit a report to NCSEO within 15 working days of site visit.

1 **Appendix B – Determining Eligibility Levels**

2
3 As defined in [10 CFR 440.3](#), low-income means that income in relation to family size which:

- 4
- 5 a) Is at or below 200 percent of the poverty level determined in accordance with criteria
- 6 established by the Director of the Office of Management and Budget (OMB), except that
- 7 the Secretary may establish a higher level if the Secretary, after consulting with the
- 8 Secretary of the United States Department of Agriculture (USDA) and the Secretary of
- 9 Health and Human Services, determines that a higher level is necessary to carry out the
- 10 purposes of this part and is consistent with the eligibility criteria established for the
- 11 Weatherization Program under Section 222(a)(12) of the Economic Opportunity Act of
- 12 1964;
- 13
- 14 b) Is the basis on which cash assistance payments have been paid during the preceding twelve-
- 15 month period under Titles IV and XVI of the Social Security Act or applicable State or local
- 16 law; or
- 17
- 18 c) If a Grantee elects, is the basis for eligibility for assistance under the Low-Income Home
- 19 Energy Assistance Act of 1981, provided that such basis is at least 200 percent of the
- 20 poverty level determined in accordance with criteria established by the Director of the
- 21 Office of Management and Budget.
- 22

23 **QUALIFIED ALIENS RECEIVING WEATHERIZATION BENEFITS:** Grantees are
24 directed to review guidance provided by HHS under Low-Income Home Energy Assistance
25 Program (LIHEAP). This Guidance can be found at:
26 <http://aspe.hhs.gov/hsp/immigration/restrictions-sum.shtml>. In North Carolina, all qualified aliens
27 are eligible for weatherization services.

28
29 **ELIGIBLE RENTAL WEATHERIZATION:** A dwelling unit is eligible for weatherization
30 assistance if it is occupied by a family unit that meets the income guidelines set forth within this
31 WPN and meets the building eligibility guidelines detailed in [10 CFR 440.22](#). A Subgrantee may
32 weatherize a multifamily rental building containing a sufficient percentage of eligible rental
33 dwelling units, a single-family building, or a manufactured home provided written permission
34 from the owner or the owner’s agent.

35 See [10 CFR 440.22\(b\)](#) and [WPN 22-13, Weatherization of Rental Units](#).

36
37 **WEATHERIZING HUD PROPERTIES:** [WPN 22-5](#) extends categorical income eligibility to
38 HUD means-tested programs. WAP Grantees and Subgrantees may certify that applicants have
39 met the income requirements of HUD means-tested programs through mechanisms including, but
40 not limited to, applicant documentation, interagency lists of recipients, shared system databases,
41 etc. Method of verification of eligibility must be included in the client file. See WPN 22-5 for more
42 details.

43
44 **DEFINITION OF INCOME**

45
46 a) **INCOME:** Income means Cash Receipts earned and/or received by the applicant before taxes

1 during applicable tax year(s) **but not** the Income Exclusions listed below in **Section C**. Gross
2 Income is to be used, not Net Income.

3
4 d) **CASH RECEIPTS:** Cash Receipts include the following:

- 5
- 6 ○ Money, wages and salaries before any deductions;
- 7
- 8 ○ Net receipts from non-farm or farm self-employment (receipts from a person's own
9 business or from an owned or rented farm after deductions for business or farm
10 expenses);
- 11
- 12 ○ Regular payments from social security, railroad retirement, unemployment
13 compensation, strike benefits from union funds, worker's compensation, veteran's
14 payments, training stipends, alimony, and military family allotments;
- 15
- 16 ○ Private pensions, government employee pensions (including military retirement pay),
17 and regular insurance or annuity payments;
- 18
- 19 ○ Dividends and/or interest;
- 20
- 21 ○ Net rental income and net royalties;
- 22
- 23 ○ Periodic receipts from estates or trusts; and
- 24
- 25 ○ Net gambling or lottery winnings.

26
27 e) **INCOME EXCLUSIONS:** The following Cash Receipts **are not** considered sources of
28 Income for the purposes of determining applicant eligibility:

- 29
- 30 ○ Capital gains;
- 31
- 32 ○ Any assets drawn down as withdrawals from a bank;
- 33
- 34 ○ Money received from the sale of a property, house, or car;
- 35
- 36 ○ One-time payments from a welfare agency to a family or person who is in temporary
37 financial difficulty;
- 38
- 39 ○ Tax refunds;
- 40
- 41 ○ Gifts, loans, or lump-sum inheritances;
- 42
- 43 ○ College scholarships;
- 44
- 45 ○ One-time insurance payments, or compensation for injury;
- 46

- 1
- 2 ○ Non-cash benefits, such as the employer-paid or union-paid portion of health
- 3 insurance;
- 4
- 5 ○ Employee fringe benefits, food or housing received in lieu of wages;
- 6
- 7 ○ The value of food and fuel produced and consumed on farms;
- 8
- 9 ○ The imputed value of rent from owner-occupied non-farm or farm housing;
- 10
- 11 ○ Depreciation for farm or business assets;
- 12
- 13 ○ Federal non-cash benefit programs such as Medicare, Medicaid, Food Stamps, school
- 14 lunches, and housing assistance;
- 15
- 16 ○ Combat zone pay to the military;
- 17
- 18 ○ Child support, as defined below in **Section E**;
- 19
- 20 ○ Reverse mortgages; and
- 21
- 22 ○ Payments for care of Foster Children.
- 23

24 f) **PROOF OF ELIGIBILITY:** Grantees and Subgrantees are reminded that proof of income
25 eligibility must be clearly identified in the client file.

- 26
- 27 ○ Availability of Supporting Documentation: For purposes of review and audit, each
- 28 client file must contain an application from the client that contains the required
- 29 demographics and income for the entire family living in the residence. Do not count,
- 30 or enter, earned income or unemployment compensation for minors under the age of
- 31 18 (or full-time high school students) at the time of the application. The client file
- 32 must also contain evidence provided by the Subgrantee that the client is eligible to
- 33 receive Weatherization Assistance Program (WAP) services. This evidence may
- 34 include, but is not limited to, a memorandum from a third-party certification office
- 35 stipulating the income levels of the family or source documentation for each income
- 36 source listed on the application. These documents can be stored electronically or
- 37 retained in hard copy for each client.
- 38
- 39 ○ Eligibility Determined by Outside Agency/Program: If income eligibility is
- 40 determined by an outside agency or program, i.e., Low-Income Home Energy
- 41 Assistance Program (LIHEAP) or the U.S. Department of Housing and Urban
- 42 Development (HUD), any document used to determine eligibility, such as a copy of
- 43 LIHEAP eligibility or a copy of the HUD eligibility (e.g., Section 8 or Public Housing
- 44 eligibility) will suffice as evidence of client eligibility. This document and any related
- 45 documents must be retained in the client file.
- 46

- 1 g) **SELF-CERTIFICATION:** After all other avenues of documenting income eligibility are
2 exhausted, self-certification is allowable. However, evidence of the various attempts at
3 proving eligibility must be contained in the client file, **including** a notarized statement
4 signed by the potential applicant indicating that the applicant has no other proof of income.
5
- 6 h) **CHILD SUPPORT:** Child Support payments, whether received by the Payee or paid by
7 the Payor, **are not** considered Sources of Income to be added to the payee income or
8 deducted from the payor income for the purposes of determining applicant eligibility.
9
- 10 o **Payee:** Where an applicant receives Child Support from any state program or
11 individual during an applicable tax year, such assistance **is not** considered income for
12 the purposes of determining eligibility (i.e., where an applicant receives Child
13 Support, he or she **does not** add that amount to his or her calculation of income for
14 purposes of determining eligibility).
 - 15
 - 16 o **Payor:** Where an applicant pays Child Support through a state program and/or to an
17 individual, such assistance **is not** considered a deduction to Income for the purposes
18 of determining eligibility (i.e., where an applicant pays Child Support, he or she **may**
19 **not** deduct said assistance from his or her calculation of Income for the purposes of
20 determining eligibility).
 - 21
- 22 i) **ANNUALIZATION OF INCOME:** Where an applicant only provides income
23 verification for a portion of the applicable tax year, their partial income may be annualized
24 to determine eligibility.
- 25 o *Example:* Applicant A only provides income verification for January, February and
26 March. The method of annualizing income to determine eligibility could be to
27 multiply the verified income by four to determine the amount of income received
28 during the year.
 - 29

30 The method of calculating annualized income is to be determined by the Grantee and must be
31 applied uniformly by all Subgrantees.
32

- 33 j) **RE-CERTIFICATION:** An applicant must be re-certified when eligibility lapses due to
34 the length of time the applicant was waiting to receive Weatherization services. As a
35 reminder, re-certification of eligibility must occur at least every 12 months. The Grantee
36 must outline the method of determining re-certification in their Annual Plan for approval
37 by DOE.

1 **Appendix C – Deferral Criteria and Process**

2
3 Certain conditions may exist which make weatherization of certain dwellings unfeasible. In such
4 cases, work for eligible households shall be deferred until the conditions can be adequately
5 mitigated or corrected entirely. Prior to deferral, agencies shall evaluate utility, state, federal, or
6 other programs for possible means which could help prevent the property from being deferred.
7 When deferral conditions exist and cannot be mitigated, Subgrantees shall notify the clients and
8 attempt to pursue reasonable alternatives on behalf of the client, including making referrals.
9 Deferrals and deferral reasons are tracked in our Client Software.

10
11 Conditions requiring that a dwelling be placed on deferral status shall include but shall not be
12 limited to:

- 13
14 a) The dwelling has been condemned or major dwelling mechanical systems have been "red
15 tagged" by local or state code enforcement officials or utility providers.
- 16
17 b) The dwelling structure or its mechanical systems, including electrical and plumbing, are in
18 such a state of disrepair that failure is imminent, and the conditions cannot be resolved
19 cost-effectively.
- 20
21 c) The primary heating system at the dwelling is non-functioning or is functioning improperly
22 and is deemed unsafe and must be replaced, or major repairs are needed and there are
23 insufficient resources available.
- 24
25 d) Dangerous conditions exist due to high CO levels in combustion appliances which cannot
26 be resolved within weatherization program guidelines.
- 27
28 e) Moisture problems are so severe they cannot be resolved within program guidelines.
- 29
30 f) Unsanitary conditions are present in the dwelling that may endanger the health and safety
31 of dwelling occupants or weatherization personnel should weatherization work be
32 performed. Household members report documented health conditions that prohibit the
33 installation of insulation and other weatherization materials.
- 34
35 g) Household members, guests, or pets maintained at the dwelling are uncooperative, abusive,
36 or threatening to weatherization staff or contractors.
- 37
38 h) The extent and condition of lead- based paint or similar hazards in the dwelling may
39 potentially create health and safety risks if weatherization work is performed.
- 40
41 i) Illegal activities are being conducted in the dwelling unit.
- 42
43 j) De-cluttering is limited to the attic and crawl spaces only. Any de-cluttering that would
44 take more than 12 person hours is an automatic deferral.

1 **Supplement 1 – Sample Training and Certification Schedule (Focus Area 2)**

2

Single Family Retrofit Installer			
Classes	Timeline	Course Method	Duration
Weatherization for Absolute Beginners	Any time after hiring. Only specified for employees unfamiliar with WX	In person	2 days
Fundamentals of Building Science	1 month after hiring	In person	4.5 days
CAZ and Combustion Appliances	4 months after hiring	In person	3 days
NC SWS Specific Crew Best Practices	2 months after hiring	In person	4.5 days
Manufactured Housing Weatherization	2 months after hiring	In person	4.5 days
Audit and Work Scope Utilization and Protocol	6 months after hiring	In person	3 days
ASHRAE 62.2	6 months after hiring	In person	3 days
BPI Infiltration and Duct Leakage	7 months after hiring	In person	3.5 days
BPI Building Analyst Technical	1 year after hiring	In person	4.5 days
IR Basics and Field Applications	2 months after hiring	In person	2 days

3

4

5

Single Family Crew Leader			
Classes	Timeline	Course Method	Duration
HVAC And Mechanical Systems	2 months after hiring	In person	3 days
Fundamentals of Building Science	1 month after hiring	In person	4.5 days
CAZ and Combustion Appliances	4 months after hiring	In person	3 days
NC SWS Specific Crew Best Practices	2 months after hiring	In person	4.5 days
Manufactured Housing Weatherization	2 months after hiring	In person	4.5 days

Single Family Crew Leader (cont.)			
Classes	Timeline	Course Method	Duration
Audit and Work Scope Utilization and Protocol	6 months after hiring	In person	3 days
ASHRAE 62.2	6 months after hiring	In person	3 days
Building Science Math	2 Months after hiring	In person	3.5 days
Advanced CAZ and Combustion	1 year after hiring	In person	3 days
Modifiable Zonal Testing	1 year after hiring	In person	4 days
The Metrics of Moisture	4 months after hiring	In person	2 days
BPI Infiltration and Duct Leakage	7 months after hiring	In person	3.5 days
BPI Building Analyst Technical	1 year after hiring	In person	4.5 days
IR Basics and Field Applications	2 months after hiring	In person	2 days

1

2

Single Family Energy Auditor			
Classes	Timeline	Course Method	Duration
Weatherization for Absolute Beginners	Any time after hiring. Only specified for employees unfamiliar with WX	In person	2 days
Fundamentals of Building Science	1 month after hiring	In person	4.5 days
CAZ and Combustion Appliances	1 month after hiring	In person	3 days
Best Practices for Audit and Work Scope Development	2 months after hiring	In person	4.5 days
NEAT and MHEA	3 months after hiring	In person	4.5 days
Building Science Math	2 months after hiring	In person	3.5 days
Manufactured Housing Weatherization	4 months after hiring	In person	4.5 days

Single Family Energy Auditor (cont.)			
Classes	Timeline	Course Method	Duration
The Metrics of Moisture	4 months after hiring	In person	2 days
ASHRAE 62.2	6 months after hiring	In person	3 days
BPI Infiltration and Duct Leakage	7 months after hiring	In person	3.5 days
BPI Building Analyst Technical	1 year after hiring	In person	4.5 days
BPI Building Analyst Professional	1 year after hiring	In person	3 days
Modifiable Zonal Testing	6 months after hiring	In person	4 days
IR Basics and Field Applications	2 months after hiring	In person	2 days
Energy Auditor Review and Testing	Based on experience	In person	4 days
Quality Control Inspector Review and Testing	Based on experience	In person	2 days

1

Single Family State Monitor Quality Control Inspector			
Classes	Timeline	Course Method	Duration
Weatherization for Absolute Beginners	Any time after hiring. Only specified for employees unfamiliar with WX	In person	2 days
Fundamentals of Building Science	1 month after hiring	In person	4.5 days
CAZ and Combustion Appliances	1 month after hiring	In person	3 days
Best Practices for Audit and Work Scope Development	2 months after hiring	In person	4.5 days
NEAT and MHEA	3 months after hiring	In person	4.5 days
Building Science Math	2 months after hiring	In person	3.5 days
Manufactured Housing Weatherization	4 months after hiring	In person	4.5 days
The Metrics of Moisture	4 months after hiring	In person	2 days

Single Family State Monitor Quality Control Inspector (cont.)			
Classes	Timeline	Course Method	Duration
ASHRAE 62.2	6 months after hiring	In person	3 days
BPI Infiltration and Duct Leakage	7 months after hiring	In person	3.5 days
BPI Building Analyst Technical	1 year after hiring	In person	4.5 days
BPI Building Analyst Professional	1 year after hiring	In person	3 days
Modifiable Zonal Testing	6 months after hiring	In person	4 days
IR Basics and Field Applications	2 months after hiring	In person	2 days
Energy Auditor Review and Testing	Based on experience	In person	4 days
Quality Control Inspector Review and Testing	Based on experience	In person	2 days

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