Weatherization & LIHEAP

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Review the common purposes

- Work together
- How to communicate and work well to compliment the programs
A LIHEAP Recap: The Mission

LIHEAP helps keep families safe and healthy through infinitives that assist families with energy costs. We provide federally funded assistance in managing costs associated with:

- Home Energy Bills
- Energy Crises
- Weatherization and Energy-related minor home repairs

*What is the nexus between avoiding home energy crises and providing home weatherization services?*
LIHEAP Statute – 42 U.S.C. 8624(b)(4)

It requires grantees to:

coordinate its activities under this subchapter with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program) [42 U.S.C. 9901 et seq.]…
LIHEAP Statute: 42 USC § 8624(c)(1)(D)

LIHEAP Grantees must submit an annual LIHEAP Plan that:

...describe[s]...weatherization and other energy-related home repair the State will provide under subsection (k), including any steps the State will take to address the weatherization and energy-related home repair needs of households that have high home energy burdens, and describe any rules promulgated by the Department of Energy for administration of its Low Income Weatherization Assistance Program which the State...will follow...
Administering a LIHEAP Weatherization Program is an option

- A LIHEAP grantee may allocate up to 15% of total LIHEAP funds to weatherization.
- A LIHEAP grantee may request a written waiver from HHS to increase the allocation up to 25% of total LIHEAP funds.
- HHS can only approve waivers from April 1 – September 30
- LIHEAP weatherization funds can be:
  - Administered directly by the LIHEAP grantee, or
  - Passed to a state agency, which administers the DOE Weatherization Assistance Program.
Percent of LIHEAP funds used for Weatherization in FY 2019

- Idaho: 26.44%
- Wyoming: 26.28%
- California: 24.32%
- Ohio: 22.71%
- West Virginia: 19.98%
- Washington: 16.12%
- New York: 16.12%
- Iowa: 14.92%
- Colorado: 14.92%
- Arkansas: 14.92%
- Utah: 14.10%
- Vermont: 14.10%
- Kentucky: 14.10%
Percentage of LIHEAP Funds Transferred
– Updated Information Provided by ACF February 2021

- Guam
- Northern Mariana Islands
- American Samoa
- Virgin Islands
- Puerto Rico

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Percentage of LIHEAP Funds Transferred:
0%: < 5%
5 – 9%
10-14%
15%
## Leveraged Funds Included in Budget

<table>
<thead>
<tr>
<th>Leveraged Funds Included in Budget</th>
<th>Advantages</th>
<th>Challenges</th>
</tr>
</thead>
</table>
|                                   | By including leveraged funds amount in the budget, those funds are calculated into administration percentages and T&TA allocations, giving the Grantee and Subgrantees additional funds to administer the leveraged resources and train staff.  

*Leveraged funds may include an administrative component, obviating the need for this approach.* | Must follow all DOE rules, regulations and guidelines and any measures installed using these leveraged funds must be justified by the audit/priority list, follow DOE approved procedures, and must be included in the average cost calculation. | As such, the Grantee cannot use the leveraged funds for any measures or activities not justified by the audit or included in Appendix A. |
## Leveraged Funds Not Included in Budget

<table>
<thead>
<tr>
<th></th>
<th>Advantages</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leveraged Funds Not Included in Budget</strong></td>
<td>The funds leveraged do not have to follow all DOE rules. Instead, these funds can be used in parallel to the DOE Program and funds can be allocated for other activities not necessarily justified by the audit or included in Appendix A (e.g., house repairs beyond the allowable incidental repairs, replacing stand-alone freezers, health and safety activities that if not accomplished might result in a deferral, etc.). A percentage of the WAP grant can be used to attract leveraged funds even though the leveraged funds are not included in the DOE Program budget.</td>
<td>No additional DOE funds above the allowable administrative fund percentage can be used to administer leveraged funds or be allocated for T&amp;TA if the leveraged funds are not included in the DOE budget. Any additional administrative funds must be part of the leveraged funding budget.</td>
</tr>
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</table>
WAP/LIHEAP Office Overlap
– Updated Information Provided by ACF February 2021

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Guam
Hawaii
American Samoa
Virgin Islands
Northern Mariana Islands
American Samoa
Puerto Rico

Not applicable
In same office
In different office
Blended WAP/LIHEAP Funds In a House Can Pay For...

- Whole-House Energy Audit
- Measures installed to Standard Work Specifications (SWS)
- Final Inspection/Quality Control Inspection (QCI)
- Administrative Costs
- Training
LIHEAP Funds ONLY In a House Can Pay For…

Health & Safety measures not allowed in Weatherization Program Notice 17-7, such as cookstove replacements.

Scopes of work that do not meet DOE guidelines, for example, weatherization without meeting ASHRAE ventilation standards.

However, LIHEAP grantees must still have written policies and procedures adequate to demonstrate that the state used the LIHEAP funds properly.
LIHEAP and Vehicles

Question:

Can LIHEAP funds be used to purchase vehicles and equipment for use in WAP? Does HHS have rules in addition to 2 CFR 200 related to purchasing and disposal?
LIHEAP and Vehicles

Answer:

LIHEAP grantees are required by HHS to follow each one’s own state rules for purchasing vehicles. These are the same rules that govern what is allowable with state funding. Meaning, the state must treat the federal LIHEAP funding in the same manner on this issue as it would treat its own state funding.

Therefore, if the purchase is reasonable, is allowable under statewide accounting rules, and the state tracks/accounts for it properly, sure!
If a LIHEAP grantee includes weatherization in the LIHEAP Plan, it’s important to ensure those funds are correctly “obligated”:

- LIHEAP grantees are responsible under OMB 2 CFR Part 200 to monitor their sub-recipients regardless of an interagency agreement or Memorandum of Understanding.
LIHEAP: Fact, Fiction, or Fuzzy

What we hear in the field:

LIHEAP is a block grant that we can spend however we want.
LIHEAP: Fact, Fiction or Fuzzy?

HHS says: FICTION

There are federal expectations for LIHEAP rules.

HHS requires LIHEAP grantees to have a written Plan on file with HHS which the grantee obtain public participation on (including a public hearing). The LIHEAP funds must be expended in accordance to the plan.

Grantees can choose:

- Entirely DOE rules
- Entirely LIHEAP rules
- Mostly LIHEAP rules
- Mostly DOE rules
LIHEAP Weatherization Options

There are three options for LIHEAP to adopt DOE Weatherization Assistance Program (WAP)

✓ Exclusively DOE WAP Rules

OR

✓ Exclusively LIHEAP Weatherization Rules

OR

✓ Combination of DOE and LIHEAP Weatherization Rules

If your program uses some or all of the DOE rules, 42 USC § 8624(c)(1)(d) requires you to describe in your model plan to what degree you are going to adopt those rules and exactly which rules you intend to use.
# LIHEAP Weatherization Rule Sources

<table>
<thead>
<tr>
<th>Rule Source Applied in FY 2020</th>
<th>Percent of States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entirely under DOE WAP rules</td>
<td>4.44%</td>
</tr>
<tr>
<td>Mosty under DOE WAP rules and partly under LIHEAP rules</td>
<td>75.56%</td>
</tr>
<tr>
<td>Entirely under LIHEAP rules (as defined by grantee)</td>
<td>0.00%</td>
</tr>
<tr>
<td>Mostly under LIHEAP rules and partly under DOE WAP rules</td>
<td>20.00%</td>
</tr>
</tbody>
</table>
LIHEAP: Fact, Fiction, or Fuzzy

What we hear in the field:

With LIHEAP funds, we can take 15% for weatherization.
LIHEAP: Fact, Fiction or Fuzzy?

HHS says:  FICTION

LIHEAP funding is the decision of the state LIHEAP agency.

For FFY2021, 48 states, DC, Puerto Rico and America Samoa intend to transfer some percentage of funds to LIHEAP.

The federal maximum is 15%, without waiver. If a LIHEAP Grantee wishes to spend more, they can submit a written request to HHS to ask for a waiver for up to 25%.
What we hear in the field:

We use LIHEAP to take care of everything DOE doesn’t allow.
LIHEAP: Fact, Fiction or Fuzzy?

HHS says: FICTION

There are federal restrictions on the use of LIHEAP funded weatherization.

For example, LIHEAP funds CANNOT be used for construction or purchase of land/buildings.

LIHEAP grantees participating in “LIHEAP Weatherization” must determine what measures they will offer and list them in the LIHEAP Plan.

All weatherization measures offered must be:

✓ **low-cost**
✓ **cost-effective**
✓ **residential**
Examples of Allowable Measures

Storm windows
Furnace modifications, replacements, repairs
Cooling system modifications, replacements, repairs
Water conservation measures
Lighting measures
Energy-related roof repair
Major appliance repairs or replacement
Windows/Sliding glass doors
Doors
Water Heaters
Solar screens
Sample unallowable activities

- Commercial Weatherization
- Non-Weatherization Related Home Repairs
- Roof Replacements
- Stand Alone Lead Hazard Control
- Construction and Improvement of Land
- Any activities not allowed under a LIHEAP grantee’s own (state) rules
## LIHEAP Weatherization Measures

<table>
<thead>
<tr>
<th>LIST OF MEASURES</th>
<th>FFY 2018 (# of states)</th>
<th>FFY 2019 (# of states)</th>
<th>FFY 2020 (# of states)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weatherization needs assessments/home energy audits</td>
<td>34</td>
<td>40</td>
<td>44</td>
</tr>
<tr>
<td>Energy related minor roof repairs</td>
<td>23</td>
<td>29</td>
<td>36</td>
</tr>
<tr>
<td>Caulking and insulation</td>
<td>32</td>
<td>38</td>
<td>43</td>
</tr>
<tr>
<td>Major appliance repairs</td>
<td>17</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Storm window replacement</td>
<td>23</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>Major appliance replacement</td>
<td>27</td>
<td>32</td>
<td>35</td>
</tr>
<tr>
<td>Furnace/heating system modifications/repairs</td>
<td>37</td>
<td>41</td>
<td>45</td>
</tr>
<tr>
<td>Windows/sliding glass doors replacement</td>
<td>29</td>
<td>32</td>
<td>36</td>
</tr>
<tr>
<td>Furnace replacement</td>
<td>34</td>
<td>38</td>
<td>43</td>
</tr>
<tr>
<td>Doors replacement</td>
<td>31</td>
<td>35</td>
<td>39</td>
</tr>
<tr>
<td>Cooling system modifications/repairs</td>
<td>26</td>
<td>27</td>
<td>31</td>
</tr>
<tr>
<td>Water Heater repair/replacement</td>
<td>31</td>
<td>36</td>
<td>42</td>
</tr>
<tr>
<td>Water conservation measures</td>
<td>27</td>
<td>32</td>
<td>36</td>
</tr>
<tr>
<td>Cooling system replacement</td>
<td>22</td>
<td>23</td>
<td>28</td>
</tr>
<tr>
<td>Replacement of incandescent light bulbs with compact florescent or other energy efficient light bulbs</td>
<td>29</td>
<td>34</td>
<td>37</td>
</tr>
</tbody>
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LIHEAP and Healthy Homes

Question:

Does HHS allow LIHEAP funds for healthy homes measures such as trip hazards, railings, extra wide doors, etc.?)?
LIHEAP and Healthy Homes

Answer:

No, HHS does not permit the federal LIHEAP funding to be used towards items such as handicap ramps. LIHEAP funding must only be used towards measures that have a relation to home energy.

We encourage our grantees to identify state, local, or private funds to install these non-home energy related, often necessary items.
LIHEAP: Fact, Fiction, or Fuzzy

What we hear in the field:

We need to spend LIHEAP dollars first because those are subject to re-allotment requirements the DOE dollars don’t have.
LIHEAP: Fact, Fiction or Fuzzy?

HHS says: Fuzzy

This depends on what obligation period the state LIHEAP agency places on the LIHEAP funded weatherization. LIHEAP dollars that are not obligated by the state in the federal fiscal year (FFY) in which they are granted by HHS are counted towards the state’s 10% LIHEAP carryover limit.

Any unused LIHEAP funding above the 10% cap are subject to LIHEAP reallocation by HHS.

That also includes any funding the state fails to obligate of the 10% carryover in the very next FFY.
What is an acceptable grantee obligation of LIHEAP funds for weatherization?

A LIHEAP grantee indicates in their LIHEAP Plan (grant application) that

NO

A LIHEAP grantee in their internal budget allocates 15% of the funds for weatherization.

NO

Signs an Intergovernmental agreement with another state agency and transfers funds.

Generally NO

Signs IGA, allocates funds to the LIHEAP weatherization agency and then the weatherization agency executes contracts with subgrantees.

YES
Key Federal Rules & Guidance

Question 1:

What are the federal rules around the timing of the use of LIHEAP funds?
Key Federal Rules & Guidance

Answer 1:

Usually the state LIHEAP grantee drives that. A grantee must 90% in the first FFY and then may carry over the remaining 10% for obligation in the next FFY.
Question 2:

What are the HHS regulations regarding providing LIHEAP recipient data with respective WAP providers?
Key Federal Rules & Guidance

Answer 2:

Providers need to obtain a client release and may share the eligibility information with another program. You can include this in the application.

HHS perspective:

✓ Federal LIHEAP data reporting requirements re: LIHEAP wx
✓ defer to the state privacy laws.
<table>
<thead>
<tr>
<th>What we hear in the field:</th>
</tr>
</thead>
<tbody>
<tr>
<td>We can use LIHEAP to replace heating systems without having to contend with DOE’s Health &amp; Safety guidelines.</td>
</tr>
</tbody>
</table>
LIHEAP: Fact, Fiction or Fuzzy?

HHS says: FACT

Yes, but the state must mention in its LIHEAP Plan that you are using these funds to replace heating systems.
LIHEAP and Solar

Question:

What are the HHS rules regarding use of LIHEAP funds for solar? We are interested in blending LIHEAP and DOE for solar PV.
LIHEAP and Solar

Answer:

The federal LIHEAP statute allows that a state “may purchase of renewable fuels, including biomass.” (42 USC 8630)

If a state indicated in its LIHEAP Plan it uses all or mostly WAP rules (without noting any exception re: solar), then the state must use the LIHEAP funding for solar consistent with DOE WAP’s solar rules.

If the state indicated it is using all LIHEAP rules (or an exception to WAP re: solar), then the state must have written policies and procedures that ensure the solar project is low cost, residential, and for a particular household that has been determined eligible.

Remember, LIHEAP’s primary mission is to help low-income households pay for their home energy costs, primarily in meeting their immediate home energy needs.
<table>
<thead>
<tr>
<th>Strengths</th>
<th>Opportunities</th>
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<tbody>
<tr>
<td>Funding Amount</td>
<td>Coordination</td>
</tr>
<tr>
<td>Technical Knowledge-base</td>
<td>Handling of Crisis Situation</td>
</tr>
<tr>
<td>Well developed DOE Rules</td>
<td>Monitoring</td>
</tr>
<tr>
<td>Outreach</td>
<td>Priority System</td>
</tr>
<tr>
<td>Partnership</td>
<td>Delays in Fund Disbursements</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>Budget Clarification (administrative costs)</td>
</tr>
</tbody>
</table>
LIHEAP Resources

Statute and Regulations

Disaster Management Flexibilities

Guidance on Option Use of DOE Rules

Lead Paint Hazard Control and Weatherization

Grantee Contact Map
HHS Contact Information

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