

State of North Carolina Weatherization Assistance Plan Program Year 2027



[DRAFT FOR REVIEW](#)

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**(NCDEQ SEO PY27 State Plan)
July 1, 2026 – June 30, 2027**

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Effective Period of Performance July 1, 2026 – June 30, 2027

Note: The North Carolina Weatherization Assistance Program Annual Program for Program Year 2027 (PY27) was revised to follow the Annual and Master File in the Application Process in Performance and Accountability for Grants in Energy (PAGE) website.

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Annual File

IV.1 Subgrantees

North Carolina's Weatherization Assistance Program network of service providers is comprised of Community Action Agencies; public entities; and non-profits.

The following is a list of North Carolina's SPY25 weatherization Subgrantees.

Weatherization Agency	Action Pathways, Inc
Address	4525 Campground Road Fayetteville, NC 28314 PO Box 25759
Congressional District	2, 4, 6, 7, & 8
County Served	Anson, Bladen, Brunswick, Columbus, Cumberland, Hoke, Montgomery, Moore, Pender, Robeson, & Sampson, Scotland, Richmond
Executive Director	Lonnie Ballard
Contact	P: (910) 485-6131
Email	Lonnie.ballard@actionpathways.ngo
Weatherization Agency	Blue Ridge Community Action, Inc.
Weatherization Agency	Albemarle Commission Council of Government
Address	512 S Church Street Hertford, NC 27944
Congressional District	1 & 3
County Served	Camden, Chowan, Dare, Gates, Hyde, Pasquotank, Perquimans, Tyrrell, & Washington
Executive Director	David Whitmer
Contact	252-404-7094
Email	Dwhitmer@accog.org
Weatherization Agency	Blue Ridge Community Action, Inc.
Address	800 North Green Street Morganton NC 28655
Congressional District	5, 8, 9, 10, 11, & 12
County Served	Alexander, Burke, Cabarrus, Caldwell, Catawba, Gaston, Mecklenburg, Stanly, & Union,
Executive Director	Stephanie Ashley
Contact	P: (828) 438-6255
Email	sashley@brcainc.org
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	Central Pines Regional Council
Address	4307 Emperor Blvd. Ste 110. Durham, NC 27703
Congressional District	4, & 9
County Served	Chatham, Orange, Person
Executive Director	Lee Worsley (Exec. Dir) or Jenny Halsey (Asst. Exec. Dir.)
Contact	919-558-9395 or 919-558-9343
Email	lworsley@centralpinesnc.gov or jhalsey@centralpinesnc.gov
Weatherization Agency	<i>Choanoke Area Development Association, Inc. TBD</i>
Address	<i>120 Sessoms Drive Rich Square, NC 27869 PO Box 530</i>
Congressional District	1, 3, & 13
County Served	Bertie, Edgecombe, Halifax, Hertford, Martin, & Northampton
Executive Director	<i>Christopher S Moody</i>
Contact	<i>P: (252) 539-4155 F: (252) 539-2048</i>
Email	<i>emoody@nc-cada.org</i>
Weatherization Agency	Coastal Community Action, Inc.
Address	303 McQueen Avenue Newport, NC 28570 PO Box 729
Congressional District	1, 3, & 7
County Served	Beaufort, Carteret, Craven, Duplin, Jones, New Hanover, Onslow, & Pamlico,
Executive Director	Catissa Head
Contact	P: (252) 223-1630
Email	catissa.head@coastalca.org
Weatherization Agency	Community Action Opportunities, Inc.
Address	25 Gaston Street Asheville, NC 28801
Congressional District	10 & 11
County Served	Buncombe, Cleveland, Henderson, Madison, McDowell, Polk, Rutherford, & Transylvania
Executive Director	Vicki Heidinger
Contact	P: (828) 252-2495 F: (828)-251-2215
Email	Vicki.heidinger@communityactionopportunities.org
Weatherization Agency	<i>Economic Improvement Council, Inc.</i>
Address	<i>712 Virginia Road Edenton, NC 27932 PO Box 549</i>
Congressional District	<i>1 & 3</i>
County Served	<i>Camden, Chowan, Dare, Gates, Hyde, Pasquotank, Perquimans, Tyrrell, & Washington</i>
Executive Director	<i>Dr. Landon B Mason, Sr.</i>
Contact	<i>P: (252) 482-4495</i>
Email	<i>dr.tandon.mason@eicca.org</i>
Weatherization Agency	Four Square Community Action, Inc
Address	61 Milton Mashburn Drive Andrews, NC 28901 PO Box 2290

Congressional District	11
County Served	Cherokee, Clay Graham, & Swain
Executive Director	Sue Lynn Ledford
Contact	P: (828) 321-4475 F: (828) 321-3457
Email	sue.ledford@foursq.org
Weatherization Agency	Franklin-Vance-Warren Opportunity, Inc
Address	180 S Beckford Drive Henderson, NC 27536 PO Box 1453
Congressional District	2, 6, & 13
County Served	Franklin, Granville, Nash, Vance, & Warren
Executive Director	Abdul Sm Rasheed & Felicia Gregory
Contact	P: (252) 492-0161 F: (252) 492-6250
Email	abdulsmrasheed@fwopp.com feliciacoleman@fwopp.com
Weatherization Agency	Habitat for Humanity of the NC Sandhills, Inc.
Address	2268 NC 5 Hwy, Aberdeen, NC 28315
Congressional District	8
County Served	Richmond
Executive Director	Amie N. Fratey
Contact	910-639-4016 option 5
Email	afratey@sandhillshabitat.org
Weatherization Agency	I-Care, Inc.
Address	1415 Shelton Avenue Statesville, NC 28677 PO Box 7049
Congressional District	5 & 10
County Served	Iredell & Lincoln
Executive Director	Bryan Duncan
Contact	P: (704) 872-8141 F: (704) 871-1299
Email	bryan.duncan@icare-inc.org
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	Harnett, Johnston, & Lee
Executive Director	E. Marie Watson
Contact	P: (919) 934-2145 F: (919) 934-6231
Email	jlhca@jlhcommunityaction.org
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@maconnnc.org

<i>Weatherization Agency</i>	<i>Mountain Projects, Inc.</i>
<i>Address</i>	2177 Asheville Road Waynesville, NC 28786
<i>Congressional District</i>	11
<i>County Served</i>	Haywood & Jackson
<i>Executive Director</i>	Patsy Davis
<i>Contact</i>	P: (828) 452-1447 F: (828) 452-9454
<i>Email</i>	pdavis@mountainprojects.org
<i>Weatherization Agency</i>	<i>Piedmont Triad Regional Council</i>
<i>Address</i>	1398 Carrollton Crossing Drive Kernersville, NC 27284
<i>Congressional District</i>	5, 6, 12, & 13
<i>County Served</i>	Alamance, Caswell, Davidson, Forsyth, Guilford, , Randolph, & Rockingham
<i>Executive Director</i>	Matthew Dolge
<i>Contact</i>	P: (336) 904-0300 F: (336) 761-2112
<i>Email</i>	mdolge@ptrc.org
<i>Weatherization Agency</i>	<i>Resources for Seniors, Inc.</i>
<i>Address</i>	1110 Navaho Drive, Suite 400 Raleigh, NC 27609
<i>Congressional District</i>	1, 2, 4, 6, & 13
<i>County Served</i>	Durham & Wake
<i>Executive Director</i>	Kristen Brannock
<i>Contact</i>	P: (919) 872-7933 F: (919) 872-6683
<i>Email</i>	kristenb@rfsnc.org
<i>Weatherization Agency</i>	<i>W.A.M.Y. Community Action, Inc.</i>
<i>Address</i>	225 Birch Street, Suite 2 Boone, NC 28607
<i>Congressional District</i>	5, 10, & 11
<i>County Served</i>	Avery, Mitchell, Watauga, & Yancey
<i>Executive Director</i>	April Beck & Melissa Soto
<i>Contact</i>	P: (828) 264-2421 F: (828) 264-0952
<i>Email</i>	april@wamycommunityaction.org melissa@wamycommunityaction.org
<i>Weatherization Agency</i>	<i>Wayne Action Group for Economic Solvency, Inc.</i>
<i>Address</i>	601 E Royall Avenue Goldsboro, NC 27534
<i>Congressional District</i>	1, 3, 7, & 13
<i>County Served</i>	Greene, Lenoir, Pitt, Wayne, & Wilson
<i>Executive Director</i>	Patricia Beier
<i>Contact</i>	P: (919) 734-1178 F: (919) 736-4268
<i>Email</i>	pbeier@wagesnc.org
<i>Weatherization Agency</i>	<i>Yadkin Valley Economic Development District, Inc.</i>
<i>Address</i>	533 N. Carolina Avenue, Highway 601 N Boonville, NC 27011 PO Box 309
<i>Congressional District</i>	5 & 13
<i>County Served</i>	Davie, Rowan, Stokes, Surry, & Yadkin
<i>Executive Director</i>	Kathy Payne

Contact
Email

P: (336) 367-7251 | F: (336) 367-3637
kpayne@yveddi.com

IV.2 WAP Production Schedule

Weatherization Plans		Units
Total Units (excluding re-weatherized)		393 438
Re-weatherized Units		0
Average Unit Costs, Units subject to DOE Project Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$0.00
B	Total Units Weatherized	393 438
C	Total Units Re-weatherized	0
D	Total Dwelling Units to be Weatherized and Re-weatherized (B + C)	393 438
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$0.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	\$3,329,067.00 \$2,459,591
G	Total Dwelling Units to be Weatherized and Re-weatherized (from line D)	393 438
H	Average Program Operations Costs per Unit (F divided by G)	\$8,470.91 \$8,813
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$0.00
J	Total Average Cost per Dwelling (H plus I)	\$8,470.91 \$8,813

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IV.3. Energy Savings

- The Grantee will utilize the USDOE energy saving algorithm as per [WPN 23-6](#) and [Memo 113](#). In addition, the Grantee will evaluate environmental, and energy benefits based on the goals outlined in the North Carolina Clean Energy Plan and North Carolina House Bill 951.
- The energy saving calculations methodology estimates annual savings of 29.3 MBtu. This estimated according to funding allocation and adjusted average expenditure limit per unit allowed to weatherize a home.

IV.4. DOE – Funded Leveraging Activities

- No DOE funds have been budgeted separately for leveraging activities at the State level.

IV.5. Policy Advisory Council Members

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

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	Gary Smith NC Interfaith Power & Light At-Risk Category: Consumer Advocacy Group smithgk1000@gmail.com , smithgk@mindpspring.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 Meech Carter North Carolina League of Conservation Voters At-Risk Category: Consumer Advocacy Group meech@nclcv.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
Drew Corbett Community Development Supervisor At-Risk Category: EE and Weatherization Expert Piedmont Triad Regional Council dcrobbett@ptrc.org	Ricardo Saines Johnson Lee Harnett Community Action At-Risk Category: EE and Weatherization Expert ricardo.saines@jlhcommunityaction.org

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IV.6. State Plan Hearings Public Hearing to be held on August 17, 2026

IV.7. Miscellaneous

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There are no known outliers for subgrantee production and funding allocations since the funding allocations are based on production and low-income Census data (51% of the allocation and 49% low-income population density based on 2022 ACS data (200% FPL)).

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Master File

V.1 Eligibility

As of the 2023 Census, approximately 670,823 North Carolina households and 3,195,199 individuals are at or below 200% of the federal poverty level.^{1,2} Subgrantees are responsible for determining if a household is eligible for NCWAP assistance. Every dwelling weatherized must meet both the client eligibility **and** building eligibility requirements.

V.1.1. Approach to Determining Client Eligibility

- Provide a description of the definition of income used to determine eligibility

¹<https://data.census.gov/table/ACSST5Y2022.S1702?q=S1702:%20POVERTY%20STATUS%20IN%20THE%20PAST%2012%20MONTHS%20OF%20FAMILIES&t=Income%20and%20Poverty&g=040XX00US37&y=2023>

²<https://data.census.gov/table/ACSST5Y2023.S1701?q=S1701:%20POVERTY%20STATUS%20IN%20THE%20PAST%2012%20MONTHS&t=Income%20and%20Poverty&g=040XX00US37&y=2023>

DEFINITION OF INCOME

a) **INCOME:** Income means Cash Receipts earned and/or received by all household members over the age of 18 before taxes during applicable tax year(s) **but not** the Income Exclusions listed below in **Section C**. Gross Income is to be used, not Net Income.

b) **CASH RECEIPTS:** Cash Receipts include the following:

- Money, wages and salaries before any deductions;
- Net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses);
- Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, training stipends, alimony, and military family allotments;
- Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments;
- Dividends and/or interest;
- Net rental income and net royalties;
- Periodic receipts from estates or trusts; and
- Net gambling or lottery winnings.

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

- Capital gains;
- Any assets drawn down as withdrawals from a bank;
- Money received from the sale of a property, house, or car;
- One-time payments from a welfare agency to a family or person who is in temporary financial difficulty;
- Tax refunds;

- Gifts, loans, or lump-sum inheritances;
- College scholarships;
- One-time insurance payments, or compensation for injury;
- Non-cash benefits, such as the employer-paid or union-paid portion of health insurance;
- Employee fringe benefits, food or housing received in lieu of wages;
- The value of food and fuel produced and consumed on farms;
- The imputed value of rent from owner-occupied non-farm or farm housing;
- Depreciation for farm or business assets;
- Federal non-cash benefit programs such as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance;
- Combat zone pay to the military;
- Child support,
- Reverse mortgages; and
- Payments for care of Foster Children.

- **Describe what household eligibility basis will be used in the Program**

Determining Eligibility Levels

INCORPORATION BY REFERENCE:

Determining Eligibility Levels incorporates WPN 25-3 by reference and includes any subsequent amendments or editions. All subsequent amendments or editions shall become effective immediately upon publication on the DOE's "*Weatherization Program Notices and Memorandums*" website:

<https://www.energy.gov/scep/wap/weatherization-program-notices-and-memorandums>

DETERMINING ELIGIBILITY LEVELS:

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

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

- **Describe the process for ensuring persons eligible for benefits are eligible for weatherization benefits.**

- Grantees are directed to review guidance provided by HHS under Low-Income Home Energy Assistance Program (LIHEAP). This Guidance can be found at: <http://aspe.hhs.gov/hsp/immigration/restrictions-sum.shtml>.

NC WAP does not require Subgrantees to verify citizenship or legal status. This is in accordance with the United States Department of Justice's Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 as applied to nonprofit agencies. Assumptions on citizenship or legal status based solely on race, creed, color, ancestry, or national origin are strictly prohibited.

V.1.2. Approach to Determining Building Eligibility

- **Procedures to determine that units weatherized have eligibility documentation**

- Subgrantees must establish that dwellings are occupied by clients that are eligible to receive services and that proper authorization has been given to conduct work on the dwelling.

- Ownership of dwellings must be established by Subgrantees through the review and retention of real estate property tax records (*in the case of site-built dwellings*) or personal property tax records or title (*in the case of manufactured homes*).
- No client-occupied dwelling shall be weatherized if it is being offered for sale.
- No renter occupied dwelling shall be weatherized if it is being offered for sale unless it can be demonstrated that the residence will continue to be occupied by eligible tenants.
- No dwelling shall be weatherized if it is currently in foreclosure or if it is included in the bankruptcy of a client (*bankruptcy does not always include loss of the dwelling*).
- Subgrantees may also weatherize shelters. For the purpose of determining how many dwelling units exist in a shelter, 800 square feet of the shelter or each floor of the shelter will be counted as one unit. Prior to weatherizing a shelter, the Subgrantee is required to submit information to NCWAP for review and written approval by the Program Manager.
- Multifamily units do not comprise 20% or more of the total units reported annually under the annual “Program Year” funds. With the annual “Program Year” funds, any multifamily projects will be submitted to USDOE for approval.
- Weatherization of non-stationary campers and trailers that do not have a mailing address associated with the eligible applicants shall not be allowed. The use of a post office box for non-stationary campers or trailers does not meet this requirement.
- **Describe Re-weatherization compliance**
 - NCWAP client database determines if home has been previously weatherized within 15 years and the date. Subgrantees check the database to see if client address has been previously weatherized within 15 years. The database gives the address and the date.
 - In accordance with 42 U.S. Code §6865(c)(2), housing units that were weatherized using USDOE or other federal funds may not be “re-weatherized” until the date that is 15 years after the completion date of the previous weatherization. Subgrantees shall add a question to their weatherization applications asking if the home has been weatherized in the last 15 years. Other federal funds include sources such as LIHEAP, HUD, or USDA weatherization activities. Subgrantee

must examine all submitted paperwork by the clients to determine if they have received weatherization services in the past and they must cross check the NCWAP client database. If so, the Subgrantee can determine if the work falls under the definition of weatherization. If the client did receive Federally funded weatherization services during that time frame, they shall be denied weatherization utilizing US DOE during the 15-year period.

Upon written approval by the Program Manager, it is acceptable for subgrantees to reopen closed client jobs to perform warranty repairs and/or services.

- **Describe what structures are eligible for weatherization**
 - Owner occupied and/or rental residential dwellings including single family homes, manufactured homes, multifamily homes and shelters are eligible to receive services.
- **Describe how Rental Units/Multifamily Buildings will be addressed**

Multi-Family

Multifamily buildings are those containing five dwelling units or more. For multifamily buildings containing less than 25 units with units that are individually heated or cooled, NCWAP plans to apply to use the Multifamily Priority List and/or the USDOE approved energy audit such as Weatherization Assistant web-based (WAweb), TREAT, or REM to determine the proper work scope.

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

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

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

- a) 50% of a duplex,
- b) 66% of a triplex, or
- c) 50% of a quadplex.

Additionally, Subgrantees may only count vacant units towards the 50% or 66% threshold when the building has been assisted by a state or federal program that restricts occupancy to households with incomes that qualify for the Program and where there is a

reasonable expectation that the unit will be occupied by such a household within 180 days following completion of the project.

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

The Grantee will follow the following procedures for multifamily:

- a) If reported multi-family dwellings containing five or more units make up **less than** 20% of the Grantee's weatherized units, then the projects must be submitted for review and approval by USDOE prior to commencing work on the units; or
- b) If reported multi-family dwellings containing five or more units make up **more than** 20% of the Grantee's weatherized units, then the projects must be evaluated by a USDOE-approved energy audit tool (*i.e.*, *WAweb*, *TREAT*, *REM*, *etc....*) prior to commencing work on the units. NCWAP will be requesting approval of alternative, USDOE approved computer modeling software for use by Subgrantees.

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

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

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

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

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

The NC WAP Program Manager must provide prior written approval for weatherization services on any property within the subgrantee weatherization network which is owned or rented by a subgrantee board member, staff member, or family member thereof.

Multi-Family 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. Focus Area 1 of the IJA program should bolster efforts for this client eligibility determination criteria.

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.

- a) Privately owned buildings receiving tenant-based assistance. Subgrantee must verify residents that hold Section 8 Housing Choice Vouchers through the property owners or residents themselves. Percentage of eligibility is determined by the ratio of these vouchers to total units.
- b) Public Housing Authority (PHA) operated buildings are 100% income eligible. [WPN 22-5](#) procedures must be followed to certify buildings.
- c) Privately owned buildings receiving project-based assistance in North Carolina. [WPN 22-5](#) procedures must be followed to certify buildings.
- d) Tenant by tenant income verification by obtaining necessary documents from each individual tenant.

- **Describe the deferral Process**

Certain conditions may exist which make weatherization of certain dwellings unfeasible. In such cases, work for eligible households shall be deferred until the conditions can be adequately mitigated or corrected entirely. Prior to deferral, agencies shall evaluate utility, state, federal, or other programs for possible means which could help prevent the property from being deferred. When deferral conditions exist and cannot be mitigated, subgrantees shall notify the clients and attempt to pursue reasonable alternatives on

behalf of the client, including making referrals. Deferrals and deferral reasons are tracked in NCWAP's client database.

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

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

Once a dwelling is placed on the deferred list, the subgrantee must have a policy in place that informs the applicant of the deferral appeal process.

V.1.3. Definition of Children

North Carolina's definition of children is a person age 6 or younger.

V.1.4. Approach to Tribal Organizations

- NC tribal organizations are treated as local applicants. Tribal Organizations Assistance is made available to all low income residents of the State without regard to tribal organization status, to the extent that funding is available.

V.2. Selection of Areas to be Served

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North Carolina's low-income weatherization network is made up of subgrantees, each with their own service area. In selecting subgrantees, NCSEO implemented an competitive application process to ensure low-income residents:

- 1) Have access to subgrantees that consistently meet program objectives, deliver high-quality work products, and exhibit excellent customer service.
- 2) Benefit from competition among potential subgrantees, ensuring the most effective entities are awarded to serve local communities.
- 3) Are served by subgrantees that value programmatic accountability, integrity, and stewardship of federal funds.
- 4) Receive services that will include single-family and multi-family dwellings.

All applications were reviewed by an Evaluation Committee who assessed each application on its demonstrated strengths and weaknesses. Based on federal regulations, applicants who possess a successful track record in administering a weatherization program received preference based on historical data, excluding the COVID FY20-21 and FY24-25 years.

While the WAP Bipartisan Infrastructure Law (IIJA) program remains in effect, subgrantees participating in the annual formula WAP program are required to engage in coordination and collaboration with IIJA subgrantees.

V.3. Priorities PY 265

Categorical Eligibility

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.

DOE Funds as Leverage

Subgrantees are encouraged to use all available funding to perform energy audits, client home upgrades, HVAC repairs/replacements, and related activities on homes that will be weatherized. For instance, utility weatherization programs that provide client information based on lists provided by the North Carolina Department of Health and Human Services or other HUD-means tested programs are categorically eligible (see Section 2.01.2). Weatherization projects involving utility funds with income eligible clients are considered complementary to NCWAP since they maximize programmatic impacts. Leveraging activities do not adversely affect funding subgrantee funding allocations from NCWAP or the overall ACPU.

Priorities and Wait List

In accordance with 10 CFR 440.16, subgrantees are required to give priority for weatherization services for persons meeting certain criteria. Priority is given to weatherizing dwelling units that contain a family unit which includes one or more of the following:

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

A priority waiting list of households to be served is required to be maintained by each subgrantee using an automated statewide priority rating tool that assigns a greater number of points to households containing priority populations. This system assigns points to eligible clients based on criteria outlined in 10 CFR 440.16, in addition to other site-specific energy-related factors and the client’s duration on the waitlist. Each subgrantee is required

to report priority considerations through the client database, which provides the Grantee with information necessary to complete DOE's quarterly reporting.

V.4. Climatic Conditions

Grantee uses heating degree day info and references:

<https://www.eia.gov/energyexplained/units-and-calculators/degree-days.php> EIA Degree Days Calculations document attached to SF424 in PAGE. Once approved by DOE, NCWAP will transition to the Weatherization Assistant web-based software that has assumptions that splits NC into climactic regions that determine the impacts to eligible weatherization units.

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

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

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

V.5. Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

NCWAP staff will provide technical assistance on USDOE related matters to all weatherization programs. Technical assistance shall include but not be limited to the following:

- a) Provide guidance in use of regulations.
- b) Advise and assist in use of a computerized audit tool and/or USDOE-approved priority list for determining the cost effectiveness of weatherization measures.
- c) Provide information obtained from local programs on innovative and successful program methods that are readily adaptable to other projects.
- d) Provide monitoring of local projects to assure improvement in quality and services.
- e) Identify specific problem-solving techniques in areas of labor, transportation,

administration, management, and financial control.

- f) Provide information on new materials, procedures, and processes for weatherization work.
- g) Coordinate efforts among federal, state, local and private entities to assure continued improvements in the effectiveness of weatherization projects.
- h) NCWAP shall address deficiencies that are identified by program review, audit, reports, regional or national reviewer or other sources.

During the contract process, subgrantees are required to attest in writing that they have received technical guides/materials (e.g. field guides, monitoring plan), have read them and distributed to subcontractors.

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Field guide types approval dates

Single-Family	07/11/2022
Manufactured Housing	07/11/2022
Multi-Family	

V.5.2 Energy Audit Procedures – Audit Procedures and Dates Most Recently approved by DOE

Audit Procedures and Dates Most Recently Approved by DOE



Edit

Audit Procedure	Single-Family
Audit Name	WaWebNEAT
Approval Date	

Audit Procedure	Manufactured Housing
Audit Name	MHEAWaWeb
Approval Date	

Audit Procedure	Multi-Family
Audit Name	N/A
Approval Date	

- Comments: NC WAP ~~plans to adopt~~adopted the USDOE Region 2 priority list in a separate action for single family, manufactured, and multifamily dwellings to be used as an option.

V.5.3 Final Inspection

By signing the NCWAP Contract, the Subgrantee agrees that all NCWAP work including audits/testing, installation of energy conservation measures, health and safety measures, incidental repair measures, and final inspections must be performed in compliance with the NCWAP standards.

NCWAP shall require that certified QCI's be identified by the Subgrantee at the start of the grant period before work is performed. This certification shall be verified on the Building Performance Institute [Website](#).

Grantee monitoring shall confirm that only certified QCI's are performing final inspections prior to all DOE and LIHEAP closures. If monitoring reveals that the QCI is not adhering to the alignment with the Standard Work Specification (SWS) or maintaining updated required certifications, a technical finding shall be issued to the Subgrantee which will require a Corrective Action Workplan. Additionally, training will be identified to remedy the deficiency with the QCI in question and additional Grantee monitoring will be required to a rate of 10% in subsequent fiscal years. (See *Quality Assurance Plan* below).

Prior to closure of DOE or LIHEAP jobs, a final inspection of the installed measures must be conducted by a Quality Control Inspector. Subgrantees may use an external third-party QCI if one of the following criteria are met:

- (a) a certified QCI is not on staff;
- (b) a certified QCI is on staff but is on extended leave for a period of four or more consecutive weeks; or
- (c) all field staff have expired QCI licenses and provide NCWAP documentation that they are actively working to renew the licenses.

A Subgrantee may not contract their own QCIs to other subgrantees unless **each** of the following criteria are met:

- (i) The subgrantee provides a written justification to the NCWAP Program Manager containing the proposed business need, scope of work, timeframe, and the total compensation.
- (ii) The subgrantee meets or exceeding quarterly expectations for program expenditures and completed units.
- (iii) The NCWAP Program Manager provides written approval of the request.

If a subgrantee is not adhering to this requirement, the NCWAP shall issue disciplinary action(s) as outlines in *NC WAP Standard Operating Procedures Manual*.

Each QCI is required to have an Energy Auditor Certification. North Carolina's subgrantees typically have QCI final inspectors on staff that are different from the initial auditor.

- a) QCI's shall possess the knowledge, skills and abilities in the National Renewable Energy Laboratory (*NREL*) Job Task Analysis for Quality Control Inspectors. All QCI's must be certified as a Home Energy Professional Quality Control Inspector.
- b) Subgrantees shall require new final inspectors to have QCI certification within one year of hire.
- c) Prior to "close out" of weatherization activities for a completed unit (i.e. DOE and/or LIHEAP), [WPN 22-4 \(Section 2\)](#) requires the following to be transcribed on the final inspection form for the QCI:
 - Printed Name
 - Signature
 - Certification Number
 - Certification Date

When a dwelling unit has undergone both a final subgrantee inspection and Grantee monitoring, the client file must contain two certified QCI inspection reports. Each report, one for the subgrantee's inspection and one for the grantee's inspection, must include the QCI's printed name, signature, certification number, and certification date.

In addition, all activities associated with "close out" are required to be reported in the NCWAP's client database within the timeframes specified in other sections of this plan.

Dwelling Units Final inspections:

- a) All DOE and LIHEAP units require post installation inspection completed by a certified Quality Control Inspector. This must be performed by someone other than the person who installed the primary weatherization measures. The final Quality Control Inspector is encouraged not to also serve as the initial Energy Auditor for the same dwelling. If this is not possible, the Subgrantee shall be subjected to additional monitoring by the Grantee at a rate of 10% of completed units.
- b) Shall be aligned with the Standard Work Specifications (SWS) and the Subgrantee contracts and contractor agreements cite that work must align with the SWS.

- c) Must include the certification that any mechanical work performed, and that installed weatherization work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by 10 CFR 440.21.
- d) To ensure all planned measures were performed and completed, the original energy audit, work order (*and subsequent change orders*), and all source documentation from the point of sale (i.e., invoices/receipts) previously submitted to the Subgrantee must be available during the final inspection.
- e) All source documents from the point of sale (*i.e., invoices/receipts*) must be reconciled with the work orders and must be paid by the Subgrantee before the job can be submitted for reimbursement to NCWAP.
- f) The Grantee reserves the right to require a subgrantee to produce all source documents from the point of sale (i.e., invoices/receipts) at final inspection if providing these documents has been problematic for that Subgrantee.

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

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

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

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

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

NCWAP also reserves the right to reject work products from Energy Auditors, Quality Control Inspectors or contractors that have repeat findings.

Project Expense Summary Report

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

- a) Actual costs of each measure completed by program and contractual line item (*i.e.*, DOE; Program Operations; \$50.34).
- b) Alternative funding source(s) utilized for each measure along with associated totals.
- c) If a non-cost-effective measure is “*bought down*” using appropriate funding, the amount of the “*buy down*” must be indicated, funding source identified and explained on the funding summary report.
- d) If a non-cost-effective measure is completed and paid for completely using appropriate funding, the funding must be identified and explained on the funding summary report.

V.6. Weatherization Analysis of Effectiveness

Analysis of Effectiveness

Production goals will be evaluated on a monthly basis, and should minimum the production goals not be met in more than 2 months their remaining funding may be reallocated. This could risk some counties not being served.

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Annually, it is required that Subgrantees are individually assessed for risk before weatherization contracts are awarded. The risk assessments are based on the previous year’s production and are performed to gauge each Subgrantee’s effectiveness in the areas including but not limited to:

- (a) the extent to which the past or current program achieved or is achieving weatherization goals in a timely fashion (*i.e.*, spending, completed units, ACPU, etc.);
- (b) the quality of work performed by the subgrantee (*i.e.*, *field and desktop monitoring results*);
- (c) the number, qualifications, and experience of the staff members of the subgrantee.
- (d) turnover rates for key executive staff;
- (e) the ability of the subgrantee to secure volunteers, training participants, public service employment workers, and other federal or state training programs;
- (f) compliance with monthly financial reporting
- (g) professional conduct towards external stakeholders (*i.e.*, *NCWAP, clients, contractors, etc.*);

Any Subgrantee deemed to be medium or high risk based on the NCWAP's assessment template must be evaluated for whether NCWAP should proceed with contracting activities or if another provider should be selected in their place.

Any Subgrantee deemed to be medium or high risk must complete a Corrective Action Plan (CAP) within 30-calendar days of receipt of Risk Assessment Notification Letter. At a minimum, the CAP must address: the root cause of the deficiencies; the organization sponsor; key supporting organizations (*if applicable*); descriptions of core components of each corrective measure; impediments/challenges to success; accomplishments to date; remaining near term actions; and specific, measurable, achievable, realistic, and timebound goals that will be taken to ensure improvement.

Once the NCWAP Program Manager reviews the CAP submittal, if further clarification is needed a follow-up letter will be sent via email to provide the subgrantee with additional feedback. However, if the NCWAP Program Manager reviews and approves the submittal, a written approval will be provided by NCWAP. Subgrantee effectiveness is evaluated through regular monitoring activities of the client database and financial reports containing progress towards project objectives. As noted above, any noted deficiencies are addressed with findings and corrective actions.

V.7. Health and Safety

Background

A major goal in weatherization efforts is to promote and establish a safe and healthy living environment for the clients. A portion of the Weatherization funds allocated to Subgrantees is targeted toward energy-related health and safety (H&S) measures. Each subgrantee is provided with a separate budget category for H&S expenses that is not included in the Average Cost Per Unit (ACPU) calculations nor the Savings to Investment Ratio (SIR) calculations for each project. North Carolina historically allocates up to 25% of its program operations budget to H&S measures, exceeding the USDOE's 2015% goal, to address the state's historically higher-than-average H&S expenses. This increased allocation ensures sufficient funding to mitigate prevalent health and safety hazards in North Carolina's housing stock, protecting low-income residents and maximizing the long-term impact of weatherization investments. North Carolina's increased H&S budget allocation reflects the state's significant need to address prevalent and often costly hazards in homes.

Common issues like improper appliance venting, limited disposal of hazardous materials, and minor mold/moisture repairs, equipment for worker protection (while on site at a client's home), along with the expense of heating system repairs/replacements, drive substantial H&S costs. This higher funding level is essential to ensure that weatherization efforts achieve their intended goals.

Prioritizing these essential H&S measures allows for a holistic approach to weatherization, creating healthier and safer homes and workers while simultaneously improving energy efficiency. Per DOE guidance, NCWAP has developed a Health & Safety Plan (H&SP) and Standard Work Specifications (SWS) guidance tool for subgrantees, contractors, and weatherization crew members. These documents should be utilized for compliance purposes.

Based on 10 CFR 440.18, the purpose of H&S funds are to maintain the physical well-being of both the occupants and weatherization workers where:

- Costs are reasonable and align with the North Carolina Health & Safety Plan (H&SP) and Standard Work Specifications (SWS); or
- The actions must be taken to effectively and safely complete weatherization work or the actions are necessary as a result of weatherization work.

Management and Oversight

Management of these H&S funds are evaluated and tracked monthly via the financial reporting requirements. Often, subgrantee utilization of these funds are in conjunction with leveraged funds from other organizations.

NCWAP requires subgrantees to collect health information from clients to identify high-risk clients or H&S concerns. NCWAP deems clients as “*at-risk*” if they are: (1) over 65 years of age; (2) have disabilities; or (3) have pre-existing health conditions.

The WAP prioritizes client education across all aspects of home improvement, ensuring residents are equipped to maintain a safe and healthy environment. Upon assessment and during work completion, clients will receive training and materials tailored to their specific site. This includes guidance on the safe operation and maintenance of air conditioning and heating systems, including combustion safety, carbon monoxide awareness, and proper ventilation. Where relevant, clients will be informed about potential hazards such as asbestos, lead-based paint, and mold, with clear instructions on mitigation and safe handling, including relevant Environmental Protection Agency resources. Where applicable, educational materials will also cover safe disposal of hazardous materials, electrical safety, indoor air quality, proper use of gas appliances, pest control, radon awareness, and the importance of safety devices like smoke and carbon monoxide detectors. All client education efforts, including the provision of written guidance materials and any signed consent forms, ensuring that clients understand the potential hazards and necessary precautions for a safe and efficient home are located in the client file.

Subgrantee weatherization staff and auditors are trained specifically on the H&S guidelines that are located in the SWS and could be provided within various weatherization trainings by qualified providers outlined in the “*Training and Technical Assistance Plan*”. These training providers are local, state, regional, network-based, and/or web-based.

In the event that the WAP Bipartisan Infrastructure Law (IIJA) program remains in effect, Focus Area 2, under the 5-Year IIJA program will provide regional training centers in North Carolina to assist with the training and technical assistance needs of the network. This will assist with achieving higher-quality work products and capacity building across the State.

In the event that a home falls outside typical H&S measures listed above or in the H&S Plan, the subgrantee must submit a written request and receive written approval by NCWAP in order to properly evaluate and make determinations on a case-by-case basis. NCWAP will use staff expertise in areas such as building science and engineering judgement to make these written determinations based on USDOE regulations and guidance.

Incidental Repairs for Health and Safety

NCWAP allows subgrantees to spend funds to perform incidental repair measures (IRMs). These IRMs are considered minor repairs that are limited to weatherization and HARRP-based measures necessary for the effective performance or preservation of weatherization and heating materials, but not part of a standard installation. These measures must also be associated with a specific energy conservation measure (ECM) or group of ECMs. Weatherization funds shall not be used to install IRMs solely to protect existing materials in the dwelling.

Proper utilization of materials, methods, and payments associated with IRMs are evaluated during monthly financial reporting. IRMs must also be justified by written and photo documentation in the client file, which would be evaluated during the programmatic monitoring. Any noted deficiencies with IRM utilization are addressed with additional training and findings/corrective actions.

Dwellings that require IRMs must have a site-specific computerized audit in which the cost of the IRMs are added. This is to ensure that the **package of measures** do not reduce the **overall SIR** to less than 1.0. If the projected IRMs drop the total SIR below 1.0 with no other leverageable funds, the dwelling must be deferred, or the measure and incidental repair removed. If the measure and incidental repair is removed, it must be determined if weatherization services can be performed. The following defines minor, limited, and major repairs:

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

Please note that IRM cost for any measures that do not meet the definition set forth in WPN 19-5 are subject to being questioned and potentially disallowed during the billing review process by NCWAP.

Incidental repair costs must be included in the job cost and SIR calculations.

V.8. Program Management

V.8.1 Overview and Organization

The NCWAP is administered by the North Carolina Department of Environmental Quality (NCDEQ) Energy Office. The Weatherization Program Manager oversees the work of the NCWAP.

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 North Carolina Weatherization Assistance Program (NCWAP) aims to reduce these stressors by improving home energy efficiency, thereby fostering a healthier and more affordable life for North Carolina residents.

On ~~April 10, 2024~~ July 9th, 2026, The United States Department of Energy (USDOE) released its funding allocations for FY276 via WPN ~~265~~-2. As such, the NCWAP will receive ~~\$6,699,655~~ \$7,074,956 of US Department of Energy funds for the purpose of enhancing energy efficiency in the homes of low-income families in all 100 counties of North Carolina. The NCWAP energy upgrades provide homeowners relief through energy savings and home improvements that support health and safety for North Carolinians.

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The purpose of NCWAP 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. NCWAP assistance is eligible in many types of housing units, including single and multi-family housing, manufactured housing, and group homes. The program assists both property owners and renters and provides services in each of the state's 100 counties.

The North Carolina State Energy Office (NCSEO) implements NCWAP through subgrantees with expertise in energy conservation. These subgrantees provide energy conservation services using their own trained crews or by contracting work to qualified contractors. To achieve a successful NCWAP, NCSEO plans to build a more sustainable NCWAP workforce, improve and innovate the existing NCWAP, and surge the number of weatherized homes by an competitive application process.

The North Carolina Weatherization Assistance Program State Plan for USDOE is based on the rules contained within 10 CFR Part 440; 2 CFR Part 200; and all subsequent guidance

contained in the USDOE Weatherization Program Notices (WPNs). It is the responsibility of the Subgrantee to know and be familiar with these rules and guidance. All [NCWAP](#) and [USDOE](#) rules and guidance may be found on their respective websites. At the beginning of the fiscal year, NCWAP's guidance documents will be sent to Subgrantees for signature acknowledgement that they have been reviewed by appropriate parties and understand where they may be located. In addition, NCWAP's financial assistance agreements incorporate the State Plan by reference to include all its requirements.

V.8.2. Administrative Expenditure Limits

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

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

~~The LIHEAP administrative cost category is 10% (5% for the Grantee; and 5% for the Subgrantee).~~

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

Overall Main Budget with Allocations

USDOE 202~~65~~-202~~76~~ Allocations

Annual Formula Funds

Annual formula funds can be used and should be used, in conjunction with other funding sources including private funds as necessary to complete projects. Subgrantees are reminded that the NCWAP is not a rehabilitation or general repairs program. Notwithstanding USDOE readiness funds, program policies strictly prohibit roof replacements, structural repairs, or other non-energy related rehabilitation work. Units requiring this type of repair should be referred to a rehabilitation program or the Subgrantee

must use other sources of funds to cover these costs.³ Please note that the NCWAP's core purpose is to serve the low-income community. Therefore, the vast majority of grant funds must be used for direct services and activities that benefit our clients. While reasonable operating costs are permitted, expenses that disproportionately benefit the subgrantee organization rather than the individuals we serve are not allowable.

In accordance with 10 CFR 440, the average cost per unit (ACPU) must be maintained. The ACPU calculation is— USDOE Program [Operation](#) funds minus USDOE H&S expenditures divided by USDOE completions. [Additional budget categories \(Intake/Eligibility, Energy Audit, Final Inspection, Liability Insurance, and Vehicles\) are excluded from the ACPU calculation.](#) The use of supplemental funding sources, readiness funds, or private funds is not taken into consideration when calculating the average cost per unit.

Note: The Weatherization Program Notices (WPNs) and federal regulations incorporated in this State Plan are incorporated by reference and include any subsequent amendments or editions.

Weatherization Readiness Funds

The use of Weatherization Readiness Funds (WRF) must result in a USDOE-funded completion within the subgrantee's contract term. Subgrantees must only use WRF on necessary repairs, cleanup, and remediation needs of the physical dwelling itself that, if left uncorrected, has led, or would lead to a deferral; and if corrected, will lead to a DOE completion.

Subgrantees often complete WRF repairs prior to retrofit work but it is acceptable for subgrantees to complete WRF repairs concurrently with retrofit work. [The maximum cost per unit for Readiness will be \\$15,000, unless the subgrantee receives written approval by the NCWAP Program Manager.](#) Please see “*Supplement 2 – Readiness Plan*” for more information about allowable costs and required reporting.

WRF funds are allowed to be utilized on an annual-formula-funded and IJA-funded weatherization project.

³ WPN 19-5, “WAP Incidental Repair Measure Guidance, Including: Windows, Doors & Roofs”

Program Budget

BUDGET AND PRODUCTION PLANNING	
Grantee Administration	\$576,712
Grantee Training and Tech. Assist.	\$645,753
Subgrantee Administration	\$576,712
Subgrantee Training and Tech. Assist.	\$535,587
Subgrantee Program Operations	\$2,459,591
Subgrantee Health and Safety	\$909,352
Subgrantee Intake/Eligibility	\$508,096
Subgrantee Energy Audit	\$304,098
Subgrantee Final Inspection	\$334,900
Subgrantee Liability Insurance	\$67,938
Subgrantee Vehicles	\$156,215
Total:	7,074,956
Subgrantee Readiness	\$614,541

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[NCSEO has added the following budget categories for Program Year 2027: Intake/Eligibility, Energy Audit, Final Inspection, Liability Insurance, and Vehicles.](#)

Funding for the Program Year 202~~7~~5 (PY2~~7~~5)

NCSEO (i.e., Grantee) expects to receive approximately \$~~6.4~~^{7.6} million dollars for fiscal year (FY) 2~~7~~6 as awarded by the USDOE. NCSEO will allocate the funds to Subgrantee program operations, health and safety, training and technical assistance, and administration costs defined in detail below.

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No more than Fifteen percent (15%) of the total PY2~~6~~5 contract will be reserved for administration by both the Subgrantee and Grantees, with up to 7.5% of that to be reserved for the Grantee to support the program buildout, implementation, monitoring, and evaluation over the contract period. In addition, NCWAP's health and safety allocation was derived from historical business needs and spending habits that are approximately at 25% of the program operations allocation.

Please note, the Grantee will manage Federal Funds in a prudent, effective, and efficient manner to accomplish program objectives and shall take the necessary steps to ensure that funds are expended within the grant project period.

Program funding is allocated by a formula which factors in the share of low-income households in each region based on the most recent Census data. In FY27⁶, NCWAP will allocate funds based on the method used by USDOE to allocate Program funding to the States which includes the most recent census data, equity factors, **and** climate (*heating and cooling degree days*)⁴. The Program Manager will ensure that all counties receive an equitable distribution of funding.

V.8.3 Monitoring Activities

Monitoring is the principal method by which NCWAP can identify areas within the Subgrantee's program operation and administration where assistance may be required. Up to 25% of administrative funds may be utilized by NCWAP for monitoring activities. NCWAP ensures that each Subgrantee is monitored during the current grant year. The results of these reviews and individual Subgrantee requirements will determine the need for Training and Technical Assistance (T&TA), additional monitoring, or future participation in the program.

Below are the key improvements due to increased monitoring:

- 1) Client files have become more complete, and the forms contained within such files are more consistent statewide.
- 2) Work quality and accuracy is continuing to improve.
- 3) Financial transactions are more accurate, transparent, and maximize programmatic accountability.
- 4) Communication channels have increased to ensure programmatic requirements are known by subrecipients (*i.e., holding 1-on-1 training sessions, conducting statewide meetings, and providing technical assistance upon request*).

Monitoring – Quality Assurance

The NCWAP is dedicated to maintaining the highest standards of quality and compliance among its subgrantees. To this end, NCWAP employs a robust monitoring program, designed to evaluate both the fiscal and technical performance of each subgrantee. This comprehensive program ensures thorough evaluation of all program aspects at the subgrantee level, enabling NCWAP to accurately track performance throughout the contract period and tailor monitoring activities to provide appropriate training and technical assistance. [A written report for the monitoring assessment \(identifying findings, concerns,](#)

⁴ [10 CFR 440.10 Allocation of Funds](#)

[recommendations, and best practices\) is to be provided to the Subgrantee within 30 calendar days after the monitoring visit.](#)

Fiscal Monitoring:

In the realm of fiscal oversight, NCWAP diligently monitors subgrantee financial and administrative compliance [following the *NC SEO WAP Subrecipient Monitoring Plan*](#). Additionally, ~~M~~monthly, NCWAP conducts desktop reviews of subgrantee billing and reimbursement requests outlined in the *NC WAP Standard Operating Procedures Manual*. Subgrantees are required to submit complete and accurate documentation for all weatherization expenses that is reviewed in full by NCWAP and approved by NCWAP prior to receiving reimbursement, ensuring transparent and accountable financial practices. Annually, Fiscal Analysts review subgrantee financial audits, issuing “Auditing Financial Findings” letters when necessary to address any relevant findings. Additionally, NCWAP’s Fiscal Monitor schedules annual compliance reviews, conducting in-depth examinations of ledgers, budgets, accounting systems, and inventory lists related to the weatherization program. These fiscal monitoring efforts focus on ensuring that all expenditures are allowable and allocable, adhering to stringent financial regulations.

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Technical Monitoring:

Complementing fiscal oversight, NCWAP’s technical monitoring ensures the delivery of high-quality weatherization services based on the state plan, H&SP, T&TA plan, and SWS. Quality Control Inspectors (QCIs) conduct both desktop and onsite monitoring of completed dwelling units throughout the fiscal year, with the monitoring method approved by the Program Manager.

V.8.4. Training and Technical Assistance Approach and Activities

The purpose of T&TA funding within the NCWAP is to drive continuous improvement in efficiency, quality, and effectiveness by supporting activities that yield measurable results. Subgrantees are expected to prioritize T&TA investments in activities that directly contribute to tangible WAP improvements, such as maximizing energy savings, minimizing production costs, strengthening program management practices, obtaining necessary certifications (federal/state), and mitigating the risk of waste, fraud, and abuse. While WAP-specific conferences could be part of professional development, T&TA funds should primarily support activities that offer focused, sustained engagement and demonstrable impacts on program performance, including targeted training programs, on-site technical assistance, peer-to-peer learning exchanges, and the development of customized tools and resources.

Subgrantees should provide a plan of action to how they will utilize T&TA funds for outreach and training activities within the fiscal year as part of the annual application process. The need for structured training is the largest barrier to programmatic advancements. However, through the 5-Year Bipartisan Infrastructure Law Program (IIJA), NCWAP addressed capacity building and training for a Professional Development Career Path within our subgrantee network (~~See Supplement 1 for Sample Training and Certification Schedule~~). In the IIJA program, regional training centers will be developed to provide a structured career advancement schedule and informational center to address technical questions. This will enhance programmatic efficiencies and final work products across the state.

In the event that the WAP Bipartisan Infrastructure Law (IIJA) program remains in effect, the NC WAP 5 Year IIJA Plan states that there will be free access to all WAP subgrantees for state and DOE-required certifications. Annual T&TA money would cover the cost of travel, lodging, meals, and parking to attend the certification training under the 5-Year IIJA program. Subgrantees may use an alternate IREC-accredited training provider. However, please note that training costs with any third-party providers must be paid directly out of the Subgrantee's T&TA budgets.

Weatherization Training has two categories: 1) Tier 1 Training—Comprehensive, occupation specific training that follows a curriculum aligned with the Job Task Analysis (JTA) for that position and is re-certified every three years. Tier 1 training must be administered by, or in cooperation with a training program that is accredited by a DOE-approved accreditation organization for the JTA; and 2) Tier 2 Training—Single-issue, short-term, training to address acute deficiencies in the field such as training conferences, monitor training, peer-to-peer training, and others.

Tier 1 Training and ensures that all Weatherization field staff receive ongoing training over a defined period of time, which can span multiple Program Years. Tier 2 training will be provided on an as-needed basis annually. New staff members undergoing training will be supervised by certified team members until they achieve certifications.

NCWAP Training Plan

Tier 1 Training: See WAP Training Plan and 5-Year Plan in SF 424 attachment.

Tier 2 Training below:

- MULTI-FAMILY TRAINING
- RESIDENTIAL ENERGY ASSESSMENT TOOL (On Electronic Tablet)
- WEATHERIZATION ASSISTANT TRAINING and PRIORITY LIST TRAINING (when new/online versions are released)
- ADMINISTRATIVE TRAINING (Weatherization 101 to contain fiscal and programmatic items)
- DAVIS BACON (How to fulfill requirements)
- BUILD AMERICA, BUY AMERICA (How to fulfill requirements)
- READINESS PLAN (How to fulfill requirements)

- MONTHLY FINANCIAL REPORTING (How to fulfill requirements)
- CLIENT DATABASE (How to fulfill requirements).

V.9 Energy Crisis and Disaster Plan

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

The purchase, delivery, and installation of weatherization materials and,

The cost of incidental repairs to an eligible dwelling unit if such repairs are necessary to make the installation of weatherization materials effective and,

The cost of eliminating health and safety hazards, elimination of which is necessary before the installation of weatherization materials.

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

In a declared federal or state disaster, subgrantees may return to a unit previously reported as a completion to the Department of Energy that has been “damaged by fire, flood or act of God and repair of the damage to weatherization materials is not paid for by insurance”, per 10 CFR 440.18(f)(2)(ii).

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

North Carolina will also follow the provisions of its Energy Security Plan to assist with preventing prolonged outages or disruptions of essential utilities.⁵ In addition, it will follow the provisions of its “Climate Risk Assessment and Resilience Plan” to bolster efforts that build resilient infrastructure and communities.⁶

⁵ <https://deq.nc.gov/media/21186/download>

⁶ <https://files.nc.gov/ncdeq/climate-change/resilience-plan/2020-Climate-Risk-Assessment-and-Resilience-Plan.pdf>

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

V.10 Dispute Resolution Process

Step 1: How the Dispute Resolution Process works:

The Subgrantee is expected to remedy any issues brought to the Subgrantee's attention by Customers/Applicants. The Subgrantee documents when a customer expresses concern, complaints, or disputes. The Subgrantee is expected to address the situation within a reasonable amount of time (approximately five business days). If not resolved, the Subgrantee escalates the NC DEQ SEO WAP Program Manager.

Step 2: Internal Discussion and Documentation

- **Subgrantee Initiates a meeting with WAP Program Manager**
 - Address the issue directly to seek an informal resolution.
 - Encourage open, respectful communication to clarify misunderstandings and explore potential compromises.
- **Document the Issue**
 - Prepare a written summary that includes:
 - A clear description of the conflict or issue
 - Dates and context of relevant events
 - Individuals involved
 - Actions taken to resolve the issue at this level
 - Keep the documentation factual and neutral in tone.
 - If resolution is not achieved with the HOMES & HEAR Program Manager informs the SEO Director (Step 3) and will seek resolution and determination with the Department of Energy Project Officer (Step 4).

Step 3: Escalate to Director of the State Energy Office

- **Request a Meeting with the Director**
 - Provide the documented summary of the conflict in step 1 and describe why resolution was not achieved at the previous step.
- **Director's Review**
 - The Director reviews the issue, may meet with all parties involved, and seeks a fair resolution.
 - Additional documentation may be required at this stage.

Step 4: Involve US Department of Energy (DOE) for resolution and determination.

- **Assessment and Mediation**

- The DOE Project Officer assesses the implications, consults relevant regulations or policies, and facilitates resolution discussions.
- Ensure that all communications and outcomes are documented formally.

Key Principles Throughout the Process

- Maintain professionalism and respect in all communications.
- Document all meetings, decisions, and outcomes clearly.
- Seek resolution at the lowest level possible before escalating.
- Protect confidentiality and act in good faith.

V.11 Investigating Allegations of Fraud, Waste and Abuse

Procedures for Investigating Allegations of Fraud, Waste, and Abuse

1. Intake and Logging of Allegations

- Consumers report allegations through the established feedback channels.
- The Subgrantee records each allegation in the internal case-tracking system, including date, source, nature of allegation, and any initial evidence provided.
- A unique case identifier is assigned for tracking and documentation.

2. Initial Screening

- The Subgrantee conducts a preliminary review to determine whether the allegation appears credible or requires immediate action.
- If the allegation appears valid or cannot be dismissed through initial checks, the case proceeds to formal investigation.

3. Formal Investigation

- The Subgrantee gathers relevant data such as contractor invoices, consumer applications, payment records, and prior interactions.
- Cross-verification is conducted to identify potential duplicate application submissions, inflated cost claims, or evidence of false statements.
- Contractors or consumers involved may be asked to provide clarifying documentation or responses.
- NCDEQ is notified when cases involve significant financial discrepancies.

repeated offenses, or potential regulatory violations.

- Findings are documented in a report.

4. Analysis and Determination

- The Subgrantee evaluates all collected documentation against program rules, market cost data, and eligibility criteria.
- The Subgrantee and NCDEQ confer when needed to determine whether the allegation is substantiated, unsubstantiated, or requires additional monitoring.

5. Corrective Actions

- If fraud, waste, or abuse is substantiated, actions may include:
 - Issuing a warning to the contractor or consumer or subgrantee.
 - Instituting a probationary period with heightened monitoring.
 - Suspension from program participation.
 - De-listing the contractor from eligible program participation.
 - Program processes are reviewed to determine whether adjustments or safeguards can prevent similar issues in the future.

6. Documentation and Reporting

- All investigative steps, findings, and actions are recorded and retained per applicable program recordkeeping requirements.
- NCDEQ receives regular updates on investigation outcomes and trends.
- Insights from investigations are used to update the fraud scheme repository and strengthen staff training.

Roles and Responsibilities

Subgrantee

- Establishes and maintains fraud prevention systems aligned with the WAP program guidance.
- Oversees intake, logging, screening, and investigation of all allegations.
- Performs data verification, cross-checks, and document reviews.
- Maintains the fraud scheme repository and integrates it into staff training and procedures.
- Issues corrective actions such as warnings, probation, suspension, and de-listing for contractors.
- Communicates investigation outcomes and risk trends to NCDEQ.

NCDEQ SEO

- Provides oversight and support for investigations involving major violations, repeated offenses, or regulatory implications.
- Collaborates with the Subgrantee on determinations and corrective actions when

needed.

- Helps maintain and update the fraud scheme repository.
- Ensures overall program compliance and integrity with DOE requirements.

Contractors

- Comply with program rules, provide truthful documentation, and cooperate with investigations.
- Participate in training and fraud-prevention education led by the Subgrantee.
- Correct identified issues promptly to avoid disciplinary actions.

Consumers

- Submit accurate information when applying for weatherization assistance.
- Report suspected fraud, waste, or abuse through designated channels.
- Cooperate with requests for clarification or documentation during investigations.

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