

**State of North Carolina
Bipartisan Infrastructure Law
(BIL) / Infrastructure Investment
and Jobs Act (IIJA)
Weatherization Assistance Plan**



United States Department of Energy

N.C. Department of Environmental Quality, State Energy Office
1613 Mail Service Center,
217 West Jones Street, Raleigh, NC 27699-1613
(919) 707-8700; (877) 623-6748
www.deq.nc.gov

**(NCDEQ SEO IIJA State Plan)
July 1, 2022 – June 30, 2029**

Program Contacts

Julie Woosley
Director, State Energy Office

Pablo Torres
IIJA Weatherization Assistance Program Manager

Helen Hossley
Special Projects Manager

Updated: December 11, 2025
Effective July 1, 2022 – June 30, 2029



TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
INTRODUCTION	6
1 PART I – ANNUAL FILE	6
1.01 OVERALL MAIN BUDGET WITH ALLOCATIONS.....	6
1.02 SUBGRANTEES	9
1.02.1 <i>Temporary Subgrantees and Territories under the IIJA Program</i>	9
1.02.2 <i>Existing Subgrantees and Territories Under the Annual Base Program</i>	12
1.02.3 <i>Subgrantee Communication and Referral Protocols Between the Annual Base Program and IIJA Program</i>	15
1.03 ENERGY SAVINGS	16
1.04 MONITORING ACTIVITIES	16
1.04.1 <i>Introduction</i>	16
1.04.2 <i>NCWAP Monitoring of Subgrantees</i>	16
1.05 TRAINING AND TECHNICAL ASSISTANCE AND WORKFORCE DEVELOPMENT APPROACH	17
1.05.1 <i>Allocation of T&TA Funds</i>	22
1.05.2 <i>Availability of T&TA funds</i>	22
1.05.3 <i>Technical Assistance</i>	23
1.06 LEVERAGING ACTIVITIES	23
1.06.1 <i>Other Funds</i>	23
1.06.2 <i>Funds as Leverage</i>	23
1.07 POLICY ADVISORY COUNCIL	23
1.07.1 <i>Make up and Meetings</i>	23
2 PART II – MASTER FILE	24
2.01 ELIGIBILITY	24
2.01.1 <i>Approach to Determining Building Eligibility</i>	24
2.01.2 <i>Categorical Eligibility</i>	25
2.01.3 <i>Time Period for Income Verification</i>	26
2.01.4 <i>Priorities and Wait List</i>	26
2.01.5 <i>Equity and Racial Justice</i>	27
2.02 CLIMATIC CONDITIONS	28
2.03 WEATHERIZATION WORK	28
2.03.1 <i>Permission to Proceed</i>	28
2.03.2 <i>Re-Weatherization Compliance</i>	29
2.04 ENERGY AUDIT PROCEDURE	29
2.04.1 <i>Prior to Audit</i>	30
2.04.2 <i>Use of US DOE Regional Priority Lists OR the Computerized Audit Tool</i>	30
2.04.3 <i>Coordinator Override</i>	31
2.04.4 <i>Prioritization of Work</i>	31
2.04.5 <i>Audit Tool Training</i>	31
2.05 FINAL INSPECTION	31
2.05.1 <i>Funding Summary Report</i>	33
2.06 ANALYSIS OF EFFECTIVENESS	33
2.07 HEALTH AND SAFETY PLAN	35
2.08 INCIDENTAL REPAIRS	36
2.09 DOCUMENTATION AND CAPITAL EQUIPMENT	37
2.10 PROGRAM MANAGEMENT	37
2.10.1 <i>Overview</i>	37

1	2.10.2	<i>Service Delivery System</i>	37
2	2.10.3	<i>Designated Subgrantee</i>	38
3	2.10.4	<i>Conflict of Interest</i>	39
4	2.10.5	<i>Administrative Expenditure Limits</i>	40
5	2.11	MONITORING – QUALITY ASSURANCE	40
6	2.11.1	<i>Alternative Method - Electronic Storage of Client Files</i>	43
7	2.11.2	<i>Subgrantee Termination</i>	45
8	2.11.3	<i>Exemplary Subgrantee</i>	47
9	2.12	MONITORING – PRODUCTIVITY	49
10	2.13	MULTIFAMILY.....	49
11	2.13.1	<i>Multifamily Eligibility</i>	50
12	2.13.2	<i>Landlord Contribution Clause</i>	51
13	2.14	STANDARD WEATHERIZATION PROCEDURES.....	52
14	2.14.1	<i>Labor</i>	52
15	2.14.2	<i>Davis-Bacon Act (DBA) Compliance</i>	52
16	2.14.3	<i>Build America, Buy America Act</i>	52
17	2.14.4	<i>Authorization</i>	53
18	2.14.5	<i>Operation of the Program</i>	53
19	2.14.6	<i>Expansion of Manufactured Home Definition</i>	54
20	2.14.7	<i>National Environmental Policy Act Information (NEPA)</i>	54
21	2.15	GENERAL ACCOUNTING PRACTICES	55
22	2.15.1	<i>Submit an Annual Audit</i>	55
23	2.15.2	<i>Receive Authorization from DEQ for Purchases or Lease</i>	55
24	2.15.3	<i>Travel Regulations</i>	56
25	2.15.4	<i>Financial Operations Manual</i>	56
26	2.15.5	<i>Use of Weatherization Funds for Renewable Energy Systems</i>	56
27	2.15.6	<i>Prohibited Expenditures</i>	57
28	2.15.7	<i>Discretion of Procurement</i>	57
29	2.15.8	<i>EPA Compliance</i>	57
30	2.16	REPORTING REQUIREMENTS	57
31	2.16.1	<i>Success Story Reports</i>	60
32	2.16.2	<i>Fuel Switching</i>	60
33	2.16.3	<i>Cook Stoves</i>	60
34	2.16.4	<i>Disaster Relief</i>	60
35	2.16.5	<i>Wood Stove Replacement</i>	61
36	2.17	QUALITY CONTROL	61
37	2.17.1	<i>Fire Codes</i>	61
38	2.17.2	<i>Electrical Codes</i>	61
39	2.17.3	<i>Building Codes</i>	61
40	2.17.4	<i>Materials Installed Properly</i>	62
41	2.17.5	<i>Maximum Service – Holistic Approach</i>	62
42		APPENDICES.....	63
43		SUPPLEMENT 1 – SAMPLE CAREER PATHWAYS AND TRAINING COURSES.....	69
44		SUPPLEMENT 2	70

EXECUTIVE SUMMARY

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

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

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

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

The purpose of WAP is to install energy conservation measures in the homes of income-eligible persons, especially homes occupied by the elderly, persons with disabilities, and children. Funds are applied to the most cost-effective conservation measures, which are determined by conducting an on-site energy audit of the dwelling. Energy conservation measures funded through the program may range from air sealing and insulating single-family homes to replacing heating systems, windows, and doors. WAP assistance is eligible in all types of housing units, including both single and multi-family housing, manufactured housing, and group homes. The program is not geographically limited and provides services in each of the state's 100 counties.

The NCSEO implements WAP through a network of local providers with expertise in energy conservation. These subgrantees provide energy conservation services using their own trained crews or by subcontracting work to qualified contractors. To achieve a successful WAP program, NCSEO plans to build a more sustainable WAP workforce, improve and innovate the existing WAP program, and surge the number of weatherized homes.

1 In addition to lowering energy costs and reducing carbon emissions, IIJA funding will
2 significantly expand employment opportunities within weatherization and expand workforce
3 training opportunities in clean energy.

4
5 North Carolina’s plan for the use of IIJA funds is consistent with the policies and strategies of
6 the NCSEO WAP. To address the increase in funding and the need to expend IIJA funds in a
7 manner consistent with the IIJA requirements, NCSEO has revised the annual Weatherization
8 Assistance Program State Plan. NCSEO will:

- 9
10 1. Offer the existing sub-grantee network of weatherization providers the opportunity to
11 expand the production capacity through additional funding and expanded training through
12 an application process.
13 2. Solicit and procure (request for proposal) additional “temporary subgrantees” that will
14 assist with the increased production demands.
15 3. Create comprehensive certified training, pre-apprenticeship, and apprenticeship programs
16 to expand the weatherization workforce.
17 4. Coordinate with existing training and technical assistance providers, and other entities to
18 expand capacity building training for existing subgrantees.
19 5. Expand Grantee staffing to support and implement the IIJA program.
20

21 This plan describes NCSEO WAP’s strategy to successfully administer the weatherization
22 funding made available through IIJA in a manner that meets all federal requirements while
23 leveraging opportunities and achieving the goals of the CEP.
24

25 INTRODUCTION

26
27 The State of North Carolina Weatherization Assistance Program State Plan for United States
28 Department of Energy (USDOE) is based on the rules contained within 10 CFR Part 440; 2 CFR
29 Part 200; and all subsequent guidance contained in the U.S. DOE Weatherization Program Notices
30 (WPNs). It is the responsibility of the Subgrantee to know and be familiar with these rules and
31 guidance. All DOE rules and guidance can be found At
32 <https://www.energy.gov/scep/wap/weatherization-program-notices-and-memorandums>.
33

34 OVERVIEW AND ORGANIZATION

35
36 The North Carolina Weatherization Assistance Program is administered by the North Carolina
37 Department of Environmental Quality Energy Group. The Weatherization Program Manager
38 oversees the work of the Weatherization Assistance Program.
39

40 ***1 PART I – ANNUAL FILE***

41 42 **1.01 Overall Main Budget with Allocations**

43
44 DOE 2022-2029 IIJA Allocations

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

Grantees and Subgrantees are reminded that the WAP 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.²

Average cost per unit must be maintained based on [WPN IIJA-5](#). In North Carolina, the ACPU average between Program Year (PY) 2022 through 2029 will be \$8,484, unless otherwise further revised based on DOE guidance. ACPU = [(DOE Program Operations funds) minus (DOE Health & Safety expenditures)] divided by [DOE completions]. The use of supplemental funding sources, including private funds, does not have a negative impact on the average cost per unit or lead to reduced subgrantee funding/redistribution of funding.

Program Budget

BUDGET AND PRODUCTION PLANNING	
Total Allocation	\$ 89,776,045
T&TA Allocation	\$ 15,686,575
Administration	\$ 11,039,330
Program Operations	\$ 50,440,112
Health and Safety	\$ 12,610,028

For vehicles and other equipment over \$10,000, the State will follow the amortization schedule in WPN 24-6 by utilizing program operations funds.

Funding for the 2022-2029 Program Years

North Carolina State Energy Office (NCSEO) (i.e., Grantee) expects to receive \$89.7 million dollars as awarded by the US Department of Energy (DOE). NCSEO will allocate the funds to Subgrantee allocation, training and technical assistance, and administration costs, defined in detail below.

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

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

² [WPN 12-9 Incidental Repair Measure Guidance](#)

1 factors related to income-eligible population and climate. Temporary Subgrantees will be eligible
2 to apply for an IJJA award based on performance and production criteria. North Carolina assigns
3 a subgrantee to cover a region of the State, to provide weatherization services to the eligible
4 population.

5
6 Each qualified subgrantee will be required to complete an application that contains factors such
7 as: (1) expenditure and capacity building; (2) metrics to create long-term jobs with family-
8 sustaining wages and benefits; (3) methods to evaluate program effectiveness; (4) strategies to
9 prioritize underserved and disadvantaged communities; and (5) proposed service territory.

10
11 NCSEO proposes to retain flexibility to add or change subgrantees to meet the additional
12 obligations created by IJJA. The Subgrantee contract and budget period for IJJA funds will end no
13 later than June 30, 2029.

14
15 Up to \$15.68 million will be retained for Training and Technical Assistance over the grant contract
16 period. Part of those funds will be directed towards a workforce development program that will
17 include a pre-apprentice and apprentice component and significant capacity building for our
18 existing network of subgrantees to successfully expand their capabilities.

19
20 No more than Fifteen percent (15%) of our total IJJA contract will be reserved for administration
21 by both the Subgrantee and Grantees, with up to 7.5% of that to be reserved for the Grantee to
22 support the program buildout, implementation, monitoring, and evaluation over the IJJA contract
23 period.

24
25 Please note, the Grantee will manage Federal Funds in a prudent, effective, and efficient manner
26 to accomplish program objectives and shall take the necessary steps to ensure that funds are
27 expended within the grant project period. Allocations to individual subgrantees will be subject to
28 a review of production and expenditures. Program funding is allocated by a formula which factors
29 in climate (heating and cooling degree days) and the share of low-income households in each
30 region. This allocation methodology is based on the method used by DOE to allocate Program
31 funding to the States.

32
33 Formula for regional IJJA funding allocations:

34
35 The formula to derive the funding allocations in each county is as follows and based on 10 CFR
36 440.10. The funding for each county in the region is then added up to get the total allocated funding
37 for the 8 regions.

38
39 Calculate each County's formula share as follows:

40
41 (i) Divide the number of "Low Income" households in each county by the number of
42 "Low Income" households in the State and multiply by 100.

43
44 (ii) Divide the number of "Heating Degree Days" for each County by the median
45 "Heating Degree Days" for all Counties.

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

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

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

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

(vii) Divide the quotient from paragraph (v) of this section by the quotient from paragraph (vi) of this section.

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

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

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

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

(4) Calculate each Region’s program allocation as follows:

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

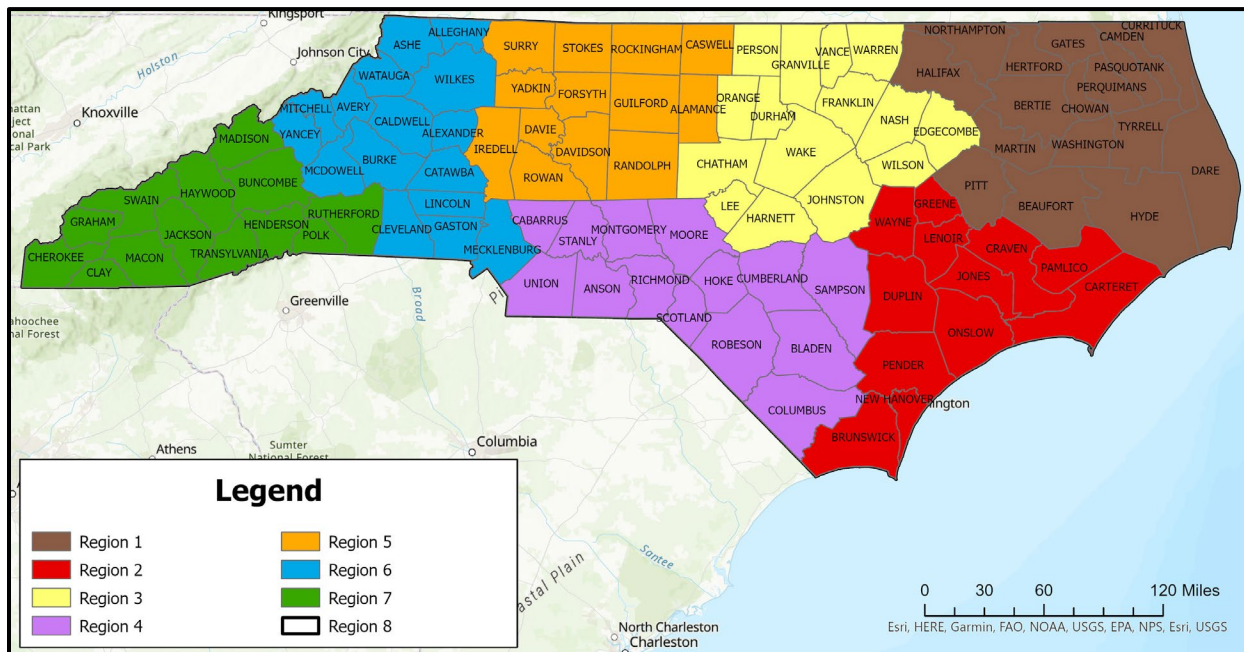
Each of the regions 1-7 identified in Section 1.02.1 will have county-specific goals that need to be met to ensure weatherization work is distributed fairly and that funding cannot be concentrated in one county. Counties will not be competing with each other for funding based on the above formula.

1.02 Subgrantees

1.02.1 Temporary Subgrantees and Territories under the IIJA Program

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

Region	Program Operations	Admin	H&S	Grand Total Allocation	Number of Weatherized Houses
Region 1	\$ 2,132,760	\$ 284,700	\$ 533,190	\$ 2,950,651	251
Region 2	\$ 3,655,809	\$ 488,010	\$ 913,952	\$ 5,057,771	431
Region 3	\$ 7,739,504	\$ 1,033,139	\$ 1,934,876	\$ 10,707,519	912
Region 4	\$ 3,913,039	\$ 522,348	\$ 978,260	\$ 5,413,647	461
Region 5	\$ 11,161,893	\$ 1,489,991	\$ 2,790,473	\$ 15,442,357	1316
Region 6	\$ 7,722,417	\$ 1,030,858	\$ 1,930,604	\$ 10,683,880	910
Region 7	\$ 3,522,266	\$ 470,184	\$ 880,567	\$ 4,873,017	415
Region 8 (Multifamily)	\$ 10,592,424	\$ 1,413,973	\$ 2,648,106	\$ 14,654,502	1249
Grand Total	\$ 50,440,112	\$ 6,733,203	\$ 12,610,028	\$ 69,783,343	5,945



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

Single Family Weatherization

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

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

Multifamily Weatherization

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

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

Number of Awards

The maximum number of awards for single and multifamily will be eight (one per single family weatherization region and one multifamily weatherization service region). However, if prospective entities combine single family weatherization regions or multifamily weatherization into a holistic package, the number of awards may be less than eight.

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

Weatherization Agency

Community Action Opportunities, Inc.

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

The following are agencies selected through a Request for Proposal (RFP) process:

Weatherization Agency

Albemarle Commission Council of Governments

<i>Address</i>	512 S. Church Street, Hertford, NC 27944
<i>Congressional District</i>	1,3
<i>County Served</i>	Bertie, Beaufort, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Hyde, Martin, Northampton, Pasquotank, Perquimans, Pitt, Tyrrell, and Washington.
<i>Executive Director</i>	David Whitmer
<i>Contact</i>	P: (252) 404-7094
<i>Email</i>	dwhitmer@accog.org

Weatherization Agency

Piedmont Triad Regional Council (PTRC)

<i>Address</i>	1398 Carrollton Crossing Drive, Kernersville, NC 27284
<i>Congressional District</i>	5,6,8,9,10,11,12,14
<i>County Served</i>	Alamance, Alexander, Alleghany, Ashe, Avery, Burke, Caldwell, Caswell, Catawba, Cleveland, Davidson, Davie, Forsyth, Gaston, Guilford, Iredell, Lincoln, McDowell, Mecklenburg, Mitchell, Randolph, Rockingham, Rowan, Stokes, Surry, Watauga, Wilkes, Yadkin, and Yancey

Executive Director
Contact
Email

Matthew Dolge
P: (336) 904-0300 | F: (336) 761-2112
mdolge@ptrc.org

1.02.2 Existing Subgrantees and Territories Under the Annual Base Program

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

The following is a list of North Carolina's existing Weatherization Subgrantees

Weatherization Agency

Action Pathways, Inc

Address

4525 Campground Road Fayetteville, NC 28314 | PO Box 25759

Congressional District **County Served**

2, 4, 6, 7, & 8

Anson, Bladen, Brunswick, Columbus, Cumberland, Hoke, Montgomery, Moore, Pender, Robeson, Richmond, Sampson, & Scotland

Executive Director **Contact** **Email**

Lonnie Ballard

P: (910) 485-6131

Lonnie.ballard@actionpathways.ngo

Weatherization Agency

Blue Ridge Community Action, Inc.

Address

800 North Green Street Morganton NC 28655

Congressional District **County Served**

5, 9, 10, 11, & 12

Alexander, Burke, Caldwell, Catawba, Gaston, Mecklenburg, Stanly, & Union,

Executive Director **Contact** **Email**

Stephanie Ashley

P: (828) 438-6255

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 **Contact** **Email**

Dare Stromer

P: (336) 667-7174 | F: (336) 667-5920

brocdis@brocinc.com

Weatherization Agency

Cabarrus County Planning and Development Services Department

Address

65 Church Street S Concord, NC 28025 | PO Box 707

Congressional District

8 & 12

County Served

Cabarrus

Executive Director

Susie Morris

Contact

P: (704) 920-2141 | F: (704) 920-2227

Email

samorris@cabarruscounty.us

1	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
2	Weatherization Agency	Choanoke Area Development Association, Inc.
	Address	120 Sessoms Drive Rich Square, NC 27869 PO Box 530
	Congressional District	1, 3, & 13
	County Served	Bertie, Edgecombe, Halifax, Hertford, Martin, & Northampton
	Executive Director	Christopher S Moody
	Contact	P: (252) 539-4155 F: (252) 539-2048
	Email	cmoody@nc-cada.org
3	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
4	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
5	Weatherization Agency	Economic Improvement Council, Inc.
	Address	712 Virginia Road Edenton, NC 27932 PO Box 549
	Congressional District	1 & 3
	County Served	Camden, Chowan, Dare, Gates, Hyde, Pasquotank, Perquimans, Tyrrell, & Washington
	Executive Director	Dr. Landon B Mason, Sr.
	Contact	P: (252) 482-4495
	Email	dr.landon.mason@eicca.org
6	Weatherization Agency	Four Square Community Action, Inc
	Address	61 Milton Mashburn Drive Andrews, NC 28901 PO Box 2290

1	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
2	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@fvwopp.com feliciacoleman@fvwopp.com
3	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
4	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
5	Weatherization Agency	Macon County
	Address	5 West Main Street Franklin, NC 28734
	Congressional District	11
	County Served	Macon
	Executive Director	Derek Roland
	Contact	P: (828) 349-2025
	Email	droland@maconnc.org
5	Weatherization Agency	Mountain Projects, Inc.
	Address	2177 Asheville Road Waynesville, NC 28786
	Congressional District	11
	County Served	Haywood & Jackson
	Executive Director	Patsy Davis
	Contact	P: (828) 452-1447 F: (828) 452-9454
	Email	pdavis@mountainprojects.org

1	Weatherization Agency	Piedmont Triad Regional Council
	Address	1398 Carrollton Crossing Drive Kernersville, NC 27284
	Congressional District	5, 6, 12, & 13
	County Served	Alamance, Caswell, Davidson, Forsyth, Guilford, , Randolph, & Rockingham
	Executive Director	Matthew Dolge
	Contact	P: (336) 904-0300 F: (336) 761-2112
2	Email	mdolge@ptrc.org
	Weatherization Agency	Resources for Seniors, Inc.
	Address	1110 Navaho Drive, Suite 400 Raleigh, NC 27609
	Congressional District	1, 2, 4, 6, & 13
	County Served	Durham & Wake
	Executive Director	Kristen Brannock
3	Contact	P: (919) 872-7933 F: (919) 872-6683
	Email	kristenb@rfsnc.org
	Weatherization Agency	W.A.M.Y. Community Action, Inc.
	Address	225 Birch Street, Suite 2 Boone, NC 28607
	Congressional District	5, 10, & 11
	County Served	Avery, Mitchell, Watauga, & Yancey
4	Executive Director	April Beck & Melissa Soto
	Contact	P: (828) 264-2421 F: (828) 264-0952
	Email	april@wamycommunityaction.org melissa@wamycommunityaction.org
	Weatherization Agency	Wayne Action Group for Economic Solvency, Inc.
	Address	601 E Royall Avenue Goldsboro, NC 27534
	Congressional District	1, 3, 7, & 13
5	County Served	Greene, Lenoir, Pitt, Wayne, & Wilson
	Executive Director	Patricia Beier
	Contact	P: (919) 734-1178 F: (919) 736-4268
	Email	pbeier@wagesnc.org
	Weatherization Agency	Yadkin Valley Economic Development District, Inc.
	Address	533 N. Carolina Avenue, Highway 601 N Boonville, NC 27011 PO Box 309
6	Congressional District	5 & 13
	County Served	Davie, Rowan, Stokes, Surry, & Yadkin
	Executive Director	Kathy Payne
	Contact	P: (336) 367-7251 F: (336) 367-3637
	Email	kpayne@yveddi.com

1.02.3 Subgrantee Communication and Referral Protocols Between the Annual Base Program and IIJA Program

A Memorandum of Understanding (MOU) may be required to be implemented between Subgrantees with common service areas under the annual base program and IIJA program. At a minimum, the MOU would establish client referral and communication protocols between programs that: (1) reduce or eliminate waitlist backlogs in a timely manner; (2) streamline

eligibility determination processes; (3) effectively prioritize clients based on the WAP's priority score; (4) target underserved communities identified by the WAP; and (5) provide methods of transparent communication to clients for intake processes. Overall, these procedures are intended to ensure efficiencies are maintained between programs for client intake, referral, and weatherization activities.

1.03 Energy Savings

The IIJA program will utilize the DOE 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.

1.04 Monitoring Activities

1.04.1 Introduction

Monitoring is the principal method by which NCWAP can identify areas within the Subgrantee's program operation and administration where assistance may be required. Approximately 25% of administrative funds may be utilized for monitoring activities. NCWAP ensures that each Subgrantee is monitored during the current grant year. The monitoring visit will consist of all areas under item **1.05.3 c. On-Site Review** of this section. The results of these reviews and individual Subgrantee requirements will determine the need for Training and Technical Assistance (T&TA) and/or additional monitoring.

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*).

1.04.2 NCWAP Monitoring of Subgrantees

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

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

45 **1.05 Training and Technical Assistance and Workforce Development**

46 **Approach**

1
2 Many of our subgrantees are understaffed and the challenges of retaining and expanding a well-
3 trained workforce prevents production expansion.
4

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

10 a) Focus Area 1 Boosting Programmatic Effectiveness

11 o Objectives

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

20 b) Focus Area 2 Training, Certification and Professional Development

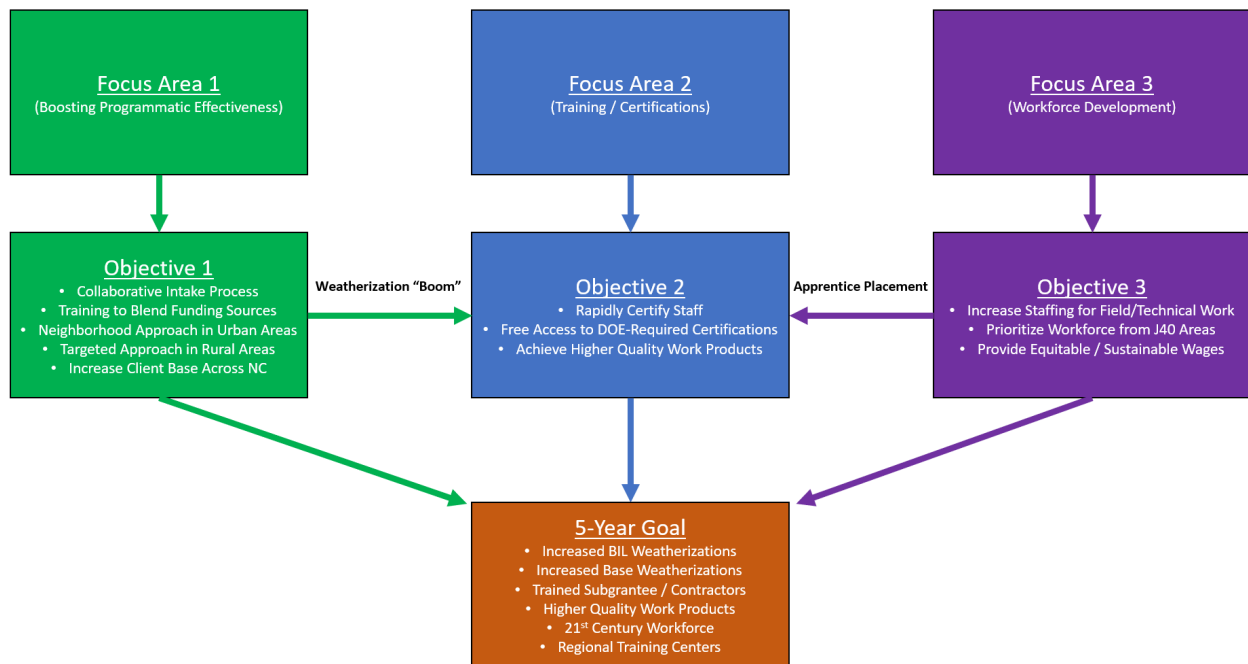
21 o Objectives

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

27 c) Focus Area 3 Workforce Development

28 o Objectives

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



Focus Area 1 Boosting Programmatic Effectiveness

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

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

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

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

Focus Area 2 Training, Certification and Professional Development

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

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

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

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

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

1
2 All training and certifications are required to follow state and federal requirements for
3 weatherization activities. (Supplement 1 – Sample Training and Certification Schedule)
4

5 Focus Area 3 Workforce Development 6

7 North Carolina is committed to equitable workforce expansion, transitioning to a clean energy
8 economy, reducing the energy burden for low-income households, and enhancing the resilience of
9 the electric grid. While transitioning, the State will focus on efforts that will attract, train, and
10 retain the appropriately skilled workforce while concurrently funneling workers to subgrantees to
11 rapidly increase the number of completed units by 2029. As part of the workforce development
12 program, North Carolina will continue to create long-term jobs in the weatherization industry with
13 family-sustaining wages and benefits for low-income communities and displaced workers as
14 recommended in the NC Clean Energy Plan.
15

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

28 **Weatherization Pre-Apprenticeship Pathway**

29 The IIJA program will support a Weatherization Pre-Apprenticeship Pathway as a standalone,
30 entry-level workforce development program that prepares individuals for employment in
31 weatherization, energy efficiency, and related construction trades. The pathway will prioritize
32 participants from disadvantaged communities and displaced workers, with the goal of expanding
33 the pool of job-ready candidates for WAP subgrantees and other weatherization employers.

34 Pre-apprenticeship programs will:

- 35 • Provide foundational technical training,
- 36 • Build work readiness and employability skills,
- 37 • Offer contextualized basic skills support,
- 38 • Include structured exposure to the work environment, and
- 39 • Incorporate wrap-around services.

Pre-apprenticeships program structures, length, and delivery models may vary by region and partner organization and may be adjusted over time based on evaluation findings, employer feedback, and available funding.

During the 2024–2027 period, the IJJA program will pilot and scale Weatherization Pre-Apprenticeship cohorts in priority regions of the State. Through partnerships with workforce development boards, community colleges, community-based organizations, and WAP subgrantees, IJJA-supported cohort partners will provide short-term, entry-level training and structured exposure to weatherization work, with the intention of connecting pre-apprenticeship completers to job opportunities with WAP subgrantees and other weatherization employers.

The number of cohorts, delivery schedules, and host locations will be determined by regional needs, partner capacity, and available funding. IJJA will regularly review participation data, employer demand, and program outcomes to refine the pre-apprenticeship pathway over time, including adjustments to curriculum, delivery models, and supportive services as needed.

Incentives for employers and community colleges

Through a potential Weatherization Registered Apprenticeship program with ApprenticeshipNC, employers will provide apprentices with a competitive wage that complies with applicable state and federal laws and the standards of ApprenticeshipNC. ApprenticeshipNC may offer financial incentives up to \$2,000 per participant—such as partial wage reimbursements, support for supervisory time, or other employer support—subject to available funding and applicable program requirements.

Employers will be encouraged to integrate apprentices into a meaningful share of weatherization work so that apprentices gain hands-on experience and contribute to program production, consistent with business needs and safety considerations.

Participating community colleges and training providers may be eligible for per-participant support from non-WAP funding sources to help offset tuition, educational supplies, and other allowable costs associated with delivering related technical instruction. Specific incentive amounts, eligibility criteria, and cost-sharing expectations will be defined in separate program guidance and agreements and may be adjusted over time based on funding availability and program evaluation.

1.05.1 Allocation of T&TA Funds

NCSEO will allocate most T&TA funds under IJJA towards Focus Areas 1, 2, and 3 to improve WAP’s programmatic effectiveness and meet the training and technical assistance needs of all Subgrantees. Subgrantees should refer to the WAP Billing Allowables guidelines created and shared by NCSEO for expensing costs associated with training and technical assistance.

1.05.2 Availability of T&TA funds

T&TA will largely be channeled to the WAP network through one or more competitively

selected subcontractors. NCSEO will retain a portion of T&TA funds for its own training needs and/or to directly train and assist subgrantees.

1.05.3 Technical Assistance

NCWAP staff will provide technical assistance on DOE 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 (*i.e., Build America, Buy America Act compliance*).
- 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.

1.06 Leveraging Activities

1.06.1 Other Funds

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

1.06.2 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 or the ACPU.

1.07 Policy Advisory Council

1.07.1 Make up and Meetings

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

North Carolina's Policy Advisory Council (PAC) Members

<p>Angie Jaco Energy Programs Coordinator, Four Square Community Action, Inc. At-Risk Category: EE and Weatherization Expert angie.jaco@foursq.org</p>	<p>Gary Smith NC Interfaith Power & Light At-Risk Category: Consumer Advocacy Group smithgk@mindpsring.com</p>
<p>Kristen Brannock President at Resource for Seniors At-Risk Category: EE and Weatherization Expert kristenb@rfsnc.org</p>	<p>Michael Blair Community Development Director, PTRC At-Risk Category: EE and Weatherization Expert mblair@ptrc.org</p>
<p>Robert Parrish Raleigh Mayor's Committee for Persons with Disabilities, Committee Member: Housing At-Risk Category: Consumer Advocacy Group Robertparrish7@gmail.com</p>	<p>Tara Bolen Duke Energy At-Risk Category: EE and Weatherization Expert Tara.bolen@duke-energy.com</p>

At Risk Categories:

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

2 PART II – MASTER FILE

2.01 Eligibility

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

2.01.1 Approach to Determining Building Eligibility

- Residential dwellings including single family homes, manufactured homes, multifamily homes and shelters are eligible to receive services.
- Subgrantees must establish that dwellings are occupied by clients that are eligible to

⁶<https://data.census.gov/table?q=S1702:+POVERTY+STATUS+IN+THE+PAST+12+MONTHS+OF+FAMILIES&t=Income+and+Poverty&g=0400000US37&tid=ACST5Y2021.S1702>

1 receive services and that proper authorization has been given to conduct work on the
2 dwelling.

- 3 • Ownership of dwellings must be established by Subgrantees through the review and
4 retention of real estate property tax records (*in the case of site-built dwellings*) or personal
5 property tax records or title (*in the case of manufactured homes*).
- 6 • NCWAP client database determines if home has been previously weatherized and the
7 date. Subgrantees check the database to see if client address has been previously
8 weatherized and the database gives the address and the date.
- 9 • No client-occupied dwelling shall be weatherized if it is being offered for sale.
- 10 • No renter occupied dwelling shall be weatherized if it is being offered for sale unless it
11 can be demonstrated that the residence will continue to be occupied by eligible tenants.
- 12 • No dwelling shall be weatherized if it is currently in foreclosure or if it is included in a
13 bankruptcy of a client (*bankruptcy does not always include loss of the dwelling*).
- 14 • Subgrantees may also weatherize shelters. For the purpose of determining how many
15 dwelling units exist in a shelter, 800 square feet of the shelter or each floor of the shelter
16 will be counted as one unit. Prior to weatherizing a shelter, the Subgrantee is required to
17 submit information to NCWAP for review and written approval by the Program Manager.
- 18 • Multifamily units will comprise 20% or more of the total units reported annually under
19 the IJA program. With the IJA funds, multifamily projects will be evaluated by the
20 subgrantee based on DOE-approved multifamily priority lists and energy audit tools such
21 as TREAT.
- 22 • Weatherization of non-stationary campers and trailers that do not have a mailing address
23 associated with the eligible applicants shall not be allowed. The use of a post office box
24 for non-stationary campers or trailers does not meet this requirement.

25 26 **2.01.2 Categorical Eligibility**

27
28 Income eligibility has been expanded to categorically include HUD means-tested programs at or
29 below 80% of Area Median Income (*AMI*) to better facilitate referral services for low-income
30 households, reducing the burden on both the intake agencies and households trying to obtain
31 services. (*Examples of HUD program but not limited to Community Development Block Grants*
32 (*CDBG*), *HOME Investment Partnerships Program (HOME)*, *Lead Hazard Control & Healthy*
33 *Homes Program (OLHCHH)*, *Section 8, etc.*) This initiative will also be bolstered by Focus Area
34 1 of the IJA program.

35
36 The effort explored the overlap in incomes of the different households served through the various
37 programs. The overlap is sufficient to consider “*categorical income eligibility*”, defined across
38 programs as automatically granting program eligibility to applicants who have already met the
39 eligibility requirements of another agency’s identified program.

40
41 Subgrantees may certify that applicants have met the income requirements of HUD means-tested
42 programs through mechanisms including, but not limited to, applicant documentation, interagency
43 lists of recipients, shared system databases, etc. Method of verification of eligibility must be
44 included in the client file.

45
46 Applicants must receive written notification of their eligibility/ineligibility status within thirty days

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

a) What is Income

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

b) What Is Not Considered Income

Please refer [Appendix A](#) for the definition of what is not considered income.

c) Eligible Buildings

Please refer to [Appendix A](#) for the definition of eligible buildings.

2.01.3 Time Period for Income Verification

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

In **multi-family buildings, subgrantees** must make every effort to obtain an application for each household. If it is not possible to obtain applications for all households, then documentation must be included in the file as to why the application(s) could not be obtained. A minimum of 66% of the units in the multi-family building must meet income guidelines in order to qualify for assistance unless the requirements of section 2.13 are met.

Applications older than one (1) year must have the household income reverified within 10 business days. **Subgrantees are not required to re-verify income eligibility once the project is started. The project start is defined as the date the energy audit is completed.**

Subgrantees are strongly encouraged to coordinate with HUD means-tested programs to obtain lists of income eligible clients under the categorical eligibility clause of this plan (*see Section 2.01.2*). Once the lists are received, subgrantees are also encouraged to contact clients to render services.

2.01.4 Priorities and Wait List

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

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

- 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 a statewide priority rating tool that assigns a greater number of points to households containing priority populations. 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.

The subgrantee will be required conduct the following at least **semi-annually**: (1) review and verify the accuracy of priority list data for each applicant; and (2) ensure that the household income for each applicant has been verified within the past 12 calendar months. If data is found to be missing or outdated, the subgrantee shall contact the affected client within 10 business days of completing the semi-annual review to obtain updated information.

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

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

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

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

2.01.5 Equity and Racial Justice

The former Justice40 Initiative entailed that 40% of the overall benefits of certain Federal climate, clean energy, affordable and sustainable housing, and other investments be directed towards disadvantaged communities faced with underinvestment and over pollution. Types of investments made by the Justice40 Initiative included benefits to disadvantaged communities under the following areas: climate change, clean energy and energy efficiency, clean transit, affordable and sustainable housing, training and workforce development, remediation and reduction of legacy pollution, and the development of critical clean water and wastewater infrastructure.

Nondiscrimination

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

2.02 Climatic Conditions

Grantee uses heating degree day information and references:

<https://www.eia.gov/energyexplained/units-and-calculators/degree-days.php> EIA Degree Days Calculations document attached to SF424 in PAGE. NCWAP will transition to the Weatherization Assistant web-based software that has assumptions that split 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/>

2.03 Weatherization Work

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

2.03.1 Permission to Proceed

Prior to any work conducted on a dwelling (including baseload measures), and prior to a

subcontractor visiting the dwelling for purposes of evaluating job costs, the Subgrantee **must** have a signed statement from the owner or their agent that permission has been granted to perform weatherization and baseload measures on and at the dwelling. At a minimum, the statement **must** include:

- a) A list of possible measures that may be installed.
- b) If walls are to be blown with insulation, it must indicate the owner or their agent has seen pictures of what a wall blown with insulation includes, and how the dwelling will look when completed.
- c) Written permission to release 12 months of utility data prior to weatherization activities; and 12 months of utility data post-weatherization activities.
- d) If a refrigerator(s) is to be installed, the statement **must** clearly indicate who owns the refrigerator. A copy of this statement with owner's (**and** owner's agent) signature, printed/typed name of each signatory, and date signed, **must** be clearly visible in the job file. A second copy of the signed refrigerator owner statement **must** be given to the tenant; and the original signed statement must be given to the owner (or owner's agent). **Neither stand-alone freezers nor through the door ice/water dispensers are allowed when utilizing DOE funding.** *Note: Subgrantees must have an NCSEO approved refrigerator replacement plan prior to replacing refrigerators.*
- e) The residence is not currently for sale by owner of property, nor is it designated for acquisition or clearance (foreclosure) by federal, state, or local programs.
- f) Only one signature from a person listed on the title deed is required. If a person's name is on the deed and they do not live in the home, their income information should not be included.

2.03.2 Re-Weatherization Compliance

In accordance with 42 U.S. Code §6865(c)(2), housing units that were weatherized using DOE 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 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.

2.04 Energy Audit Procedure

Single Family

In accordance with [WAP Memo 113](#) and [WPN 23-6](#), NCWAP will require the use of the Weatherization Assistant web-based (WAweb) platform for single family energy audits on or after

July 1, 2024 -OR- once approved, the US DOE “Climate Region 2” approved priority list identified in Section 2.04.2. These tools were created by US DOE for single family homes, mobile homes, and small multifamily dwellings. Throughout this process, NCWAP will keep the network informed of updates, resources, and training opportunities via email or memorandum.

Computer modeling dwelling criteria

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

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

Multifamily

Large multifamily dwelling criteria will follow the guidelines according to [WPN 22-12](#) and any subsequent amendments or editions. Energy Auditors and QCI inspectors will be required to have proper certification for multifamily buildings including training on multifamily auditing software and the BPI multifamily QCI certification.

NC WAP plans to adopt the option to utilize the TREAT computer energy audit -OR- the US DOE “Climate Region 2” priority list for low-rise multifamily buildings (see Section 2.04.2). Computer energy audits require a physical inspection of the home, specific diagnostic tests, and proper data input into the software program. An energy profile of the existing home is compared to a set of improvements recommended for installation. Each measure is then evaluated, and a report is generated with the cost-effectiveness of each measure listed by Savings to Investment Ratio (SIR).

Subgrantees are required to have certified Energy Auditors or Quality Control Inspectors conduct residential energy modeling software. If a modeling analysis is completed by a non-certified user, it must be reviewed by a certified user.

2.04.1 Prior to Audit

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

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

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

These optional regional Priority Lists are not exhaustive and do not include every measure that may be cost effective on a site-specific basis. If a dwelling unit needs measure(s) that are not

1 included within the PL, or if the unit does not meet the basic requirements of the PL, then a site-
2 specific energy audit will be required to be run utilizing DOE approved software (*i.e.*,
3 *Weatherization Assistant for the Web (WAweb)*) and according to the dwelling type audit protocol.
4 It is important to note that only one tool can be used at each dwelling unit (*i.e.*, *not combining*
5 *factors/elements between the PL and computerized audit tool*). Eligibility must be determined
6 prior to utilizing the PLs and have requirements for Health and Safety measures installed according
7 to the Health and Safety Plan.

8
9 Subgrantees may not utilize the PL for USDOE units until the NCWAP Program Manager provides
10 official notification to the network via memorandum.

11 12 **2.04.3 Coordinator Override**

13
14 Coordinator Override is not allowed under the DOE State Plan. If a measure is deemed as “not
15 cost effective” using an approved computerized audit, (*i.e.*, *WAweb*), it must be omitted or
16 purchased through non-DOE funds. Such activities must be documented and included in the client
17 file.

18 19 **2.04.4 Prioritization of Work**

20
21 When using the computerized audit tool, work will be prioritized and completed in descending
22 order with measures receiving the highest cost effectiveness (SIR) to lowest cost effectiveness.
23 **The average cost per unit (ACPU) for overall program expenditure is limited to the average**
24 **of the annual inflation adjustment as established by DOE through Weatherization Program**
25 **Notices for PY22-29 (see WPN IIJA-5).**

26 27 **2.04.5 Audit Tool Training**

28
29 NCWAP has implemented the minimum two-week Energy Auditor Certification requirement for
30 all Energy Auditors to cross-reference the schedule identified in "Supplement 1". As of July 1,
31 2024, all subgrantees are required to utilize WAweb for energy audits.

32 33 **2.05 Final Inspection**

34
35 By signing the WAP contract, the Subgrantee agrees that all WAP work including audits/testing,
36 installation of energy conservation measures, health and safety measures, incidental repair
37 measures, and final inspections will be performed in compliance with the NCWAP standards.

38
39 NCWAP shall require that certified QCI are identified in the Subgrantee annual application, and
40 this certification shall be verified on the Building Performance Institute Website.

41
42 Grantee monitoring shall confirm that only certified QCI's are performing final inspections prior
43 to all DOE closures. If monitoring reveals that the QCI is not adhering to the alignment with the
44 Standard Work Specification (SWS) or maintaining updated required certifications, a technical
45 finding shall be issued to the Subgrantee which will require a Corrective Action Plan (CAP).
46 Additionally, training will be identified to remedy the deficiency with the QCI in question and
47 additional Grantee monitoring will be required to a rate of 10% in subsequent fiscal years. (*See*

1 *Quality Assurance Plan below).*

2
3 Prior to closure of DOE jobs, a final inspection of the installed measures must be conducted by
4 Quality Control Inspector (QCI). Subgrantees may use an external third-party QCI if one of the
5 following criteria are met:

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

11
12 A Subgrantee may not contract their own QCIs to other subgrantees unless **each** of the following
13 criteria are met:

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

20
21 Each QCI is required to have an Energy Auditor Certification. North Carolina's subgrantees
22 typically have QCI final inspectors on staff that are different from the initial auditor.

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

32 33 **Final inspections:**

- 34
35 a) All DOE units require post installation inspection completed by a certified Quality Control
36 Inspector. This must be performed by someone other than the person who installed the
37 primary weatherization measures. The Quality Control Inspector is encouraged not to also
38 serve as the Energy Auditor for the same dwelling. If this is not possible, the Subgrantee
39 shall be subjected to additional monitoring by the Grantee at a rate of 10% of completed
40 units.
- 41 b) Shall be aligned with the Standard Work Specifications (SWS) and the Subgrantee
42 contracts and subcontractor agreements cite that work must align with the SWS.
- 43 c) Must include the certification that any mechanical work performed, and that installed
44 weatherization work has been completed in a workmanlike manner and in accordance with
45 the priority determined by the audit procedures required by 10 CFR 440.21.
- 46 d) To ensure all planned measures were performed and completed, the original energy audit,

work order (and subsequent change orders), and all invoices previously submitted to the Subgrantee must be available during the final inspection.

- e) All invoices must be reconciled with the work orders and must be paid by the Subgrantee before the job can be submitted for reimbursement.
- f) The Grantee reserves the right to require a subgrantee to produce all invoices/receipts at final inspection if providing invoices/receipts has been problematic for that Subgrantee.

NCWAP has implemented a Quality Assurance Plan, a 3-Strike Removal Rule for QCIs 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 NCWAP.

NCWAP also reserves the right to reject work from Energy Auditors or subcontractors that have repeat findings.

2.05.1 Funding 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.

2.06 Analysis of Effectiveness

Annually, Subgrantees are individually assessed for risk before weatherization contracts are awarded. These risk assessments are performed to gauge each Subgrantee’s effectiveness in the

1 areas including but not limited to:

- 2 a) the extent to which the past or current program achieved or is achieving weatherization
- 3 goals in a timely fashion (i.e., spending, completed units, ACPU, etc....);
- 4 b) the quality of work performed by the subgrantee (*i.e., field and desktop monitoring*
- 5 *results*);
- 6 c) the number, qualifications, and experience of the staff members of the subgrantee.
- 7 d) turnover rates for key executive staff;
- 8 e) the ability of the subgrantee to secure volunteers, training participants, public service
- 9 employment workers, and other federal or state training programs;
- 10 f) compliance with monthly financial reporting under Section 2.16 of this Plan;
- 11 g) professional conduct towards external stakeholders (*i.e., NCWAP, clients, subcontractors,*
- 12 *etc.*);
- 13

14 Any Subgrantee deemed to be medium or high risk based on the NCWAP's assessment template
15 must complete a CAP. At a minimum, the CAP must address: the root cause of the deficiencies;
16 the organizational sponsor; key supporting organizations (*if applicable*); descriptions of core
17 components of each corrective measure; impediments/challenges to success; accomplishments to
18 date; remaining near term actions; and specific, measurable, achievable, realistic, and timebound
19 goals that will be taken to ensure improvement.

20
21 Once the NCWAP Program Manager reviews the submittal and provides written approval, the
22 NCWAP will provide continuous follow-up on any issues during monitoring or compliance
23 meetings. Subgrantee effectiveness is evaluated through monitoring. As noted above, any noted
24 deficiencies are addressed with findings and corrective actions.

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

30
31 As part of the energy efficiency risk assessment, Subgrantees are required, when possible, to obtain
32 twelve months' prior energy usage of metered energy sources for each dwelling to be weatherized
33 for accurate energy savings calculations. NCWAP may contract with a third party (via T&TA
34 funds) to measure and verify at least 12 months of post-installation energy savings data based
35 actual billing data.

36
37 In addition, measured percentages in home air infiltration reduction (measured by a blower door)
38 are used to ascertain the amount of energy efficiency-based savings. Risk is assessed for all
39 Subgrantees whose blower door numbers reflect home air infiltration reductions averaging under
40 30%. For Subgrantees who average less than 30% reduction, other factors are examined to
41 determine if adequate reduction has taken place.

42
43 Any Subgrantee deemed to be medium or high risk must complete a CAP. The CAP must address
44 the root cause of the deficiency and the specific steps that shall be taken to ensure improvement.
45 These steps may include but are not limited to:

- 46 a) additional oversight by subgrantee management,

- b) additional training, or
- c) staff reorganization.

The NCWAP Program Manager approves the CAP and NCWAP staff follow up on any issues during monitoring. Subgrantee effectiveness is evaluated through monitoring. Any noted deficiencies are addressed with findings and corrective actions.

Production and Program Monitoring

All subgrantees' production is tracked monthly using the client database and monthly financial reporting requirements. Those not meeting expectations are contacted and receive additional guidance to assist them in meeting production goals.

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

Financial

All subgrantee financial performance is tracked and compared monthly as a part of the monthly reimbursement process. Those not meeting expectations are contacted and receive additional guidance to assist them in meeting goals. NCWAP uses these interactions and monthly financial monitoring via reimbursement procedures outlined in Section 2.16 to assist in determining and prioritizing training needs for the individual Subgrantees as well as the network. Any noted deficiencies are addressed with findings/corrective actions.

2.07 Health and Safety Plan

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 health and safety (*H&S*) measures. Often, subgrantee utilization of these funds are in conjunction with leveraged funds from other organizations. Management of these H&S funds are evaluated and tracked monthly via the financial reporting requirements in Section 2.16. These funds are used for measures that help provide, maintain, or mitigate deleterious elements to promote healthy living in weatherized homes. Health and safety measures include actions to improve indoor air quality and control environmental pollutants. The mitigation of items such as mold, radon, gases from combustion appliances, and contaminants from forced-air HVAC systems are the emphasis of H&S measures. Measures performed in these areas should align with the North Carolina Standard Work Specifications (*SWS*) and provide protection for weatherization workers and clients.

The primary goal of the NCWAP is equitable access to energy efficiency and provide a just transition to a clean energy economy. However, USDOE allows funds to be set-aside and used for "*health and safety*" risk mitigation thus no longer requiring these costs to be within the per-home ACPU. DOE does require that subgrantees denote any H&S measures and cost percentages associated with DOE funds. The cost percentages associated with DOE funds should not reflect a lower number as a result of supplemental funding including private funds. Additionally, they

1 require that Grantees develop a Health & Safety Plan. NCWAP considers the H&S Plan a
2 meaningful guidance tool for subgrantees, subcontractors, and weatherization crew members.

3
4 NCWAP requires subgrantees to collect health information from clients to identify high-risk
5 clients or H&S concerns. NCWAP deems clients as “*at-risk*” if they are: (1) over 65 years of
6 age;(2) have disabilities; or (3) have pre-existing health conditions. Additionally, NCWAP
7 requires that subgrantees educate clients on potential H&S risks associated with lead-based paints
8 and materials, asbestos, radon, carbon monoxide, mold, and off gassing products such as spray
9 foam sealants and adhesives. Subgrantee weatherization staff and auditors are trained specifically
10 on the H&S guidelines that are located within the Standard Work Specifications (SWS) and
11 provided by other various weatherization trainings by qualified providers outlines in the “*Training
12 and Technical Assistance Plan*”. These training providers are local, state, regional, network-based,
13 conference-based, and/or web-based. Under this IJA program, Focus Area 2 will provide regional
14 training centers in North Carolina to assist with the training and technical assistance needs of the
15 network. This will assist with achieving higher-quality work products and capacity building across
16 the State.

17
18 Any renovation, repair, or painting (RRP) project in a pre-1978 home or building can easily create
19 harmful lead particulates. NCWAP requires that RRP projects that disturb lead-based paint in
20 home, childcare facilities and preschools built before 1978 be performed by lead-safe certified
21 contractors to minimize exposure to clients and crews.

22
23 In the event that a home falls outside typical H&S measures listed above or in the H&SP, the
24 subgrantee must submit a written request and receive written approval by NCWAP in order to
25 properly evaluate and make determinations on a case-by-case basis. NC WAP will use staff
26 expertise in areas such as construction, building science, physics, and engineering judgement to
27 make these written determinations based on USDOE regulations and guidance.

28
29 Potential contaminates sourced from HVAC systems can be evaluated and mitigated using H&S
30 funding. As part of the heating system evaluations, subgrantees assign qualified HVAC
31 subcontractors to perform Evaluate, Clean and Tune (ECT) measures. These subcontractors
32 professionally evaluate heating systems to determine if they require cleaning or tuning. The
33 economic practicality of performing ECTs on non-functioning units or systems needing major
34 repairs is also evaluated at the initial system inspection. ECTs or repairs costing greater than 25%
35 of the equivalent system replacement cost shall be replaced without any original system cleaning.

36 37 **2.08 Incidental Repairs**

38
39 NCWAP allows subgrantees to spend fund to perform Incidental Repair Measures (*IRMs*). These
40 IRMs are considered minor repairs and are limited to weatherization and HARRP-based measures
41 that are necessary for the effective performance or preservation of weatherization and heating
42 materials. Proper utilization of materials, methods, and payments associated with IRMs are
43 evaluated during monthly financial reporting in Section 2.16 and through programmatic
44 monitoring of sample client files. Any noted deficiencies with IRM utilization are addressed with
45 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. However, a computerized audit is not required where the total cost of the IRMs does not exceed \$200 and are well documented in the client file. 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.

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

2.09 Documentation and Capital Equipment

All documentation and capital equipment paid for by NCWAP funds shall remain the property of NC WAP. In the event of program closure, contractual revocation, or any other activity where NCWAP needs access to programmatic documentation or capital equipment, such items shall revert to NC WAP.

2.10 Program Management

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

2.10.1 Overview

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

2.10.2 Service Delivery System

In selecting subgrantees, NCSEO plans to utilize, to the extent possible, the existing network of service provider agencies including Community Action Agencies (CAAs); Community Based Organizations (CBOs); Area Agencies on Aging (AAAs); and Special Population Organizations (SPOs). For the purpose of this plan, there will not be a distinction as to type of agency, but rather all agencies shall be identified as “*subgrantees*.”

2.10.3 Designated Subgrantee

The IIJA funds are separate from, and in addition to, the current Subgrantee base WAP appropriation.

Temporary Subgrantee Selection

Existing Subgrantees who apply for the IIJA funding are considered “Temporary Subgrantees” for the IIJA period of performance.

By 10 CFR 440.15, existing Subgrantees will be given preference to participate in IIJA funds through an application process. The application will be evaluated and Subgrantees will be selected based upon geographic need, census data, Subgrantee capacity, weatherization experience, past performance, and efficacy of the organization, among other criteria.

Additional Temporary Subgrantees will be identified through state issued Notice of Funding Availability (NOFA). Selection of a **new** Temporary Subgrantee will be based on a proposal submitted to NCSEO Weatherization Program in response to the NOFA, which will be evaluated by program and fiscal staff, as well as testimony offered at a public hearing in accordance with 10 CFR Part 440.15(d). In accordance with these minimum guidelines, a potential **new** Temporary Subgrantee must:

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

In making awards, NCSEO will give priority to Temporary Subgrantees who serve Disadvantage

Communities (DAC).

Participating in the apprentice program and placing apprentices within their organization will likely be a requirement of joining the subgrantee network. More guidance will be provided via memo once technical requirements of the workforce program are developed.

NCSEO intends to add up to eight (8) Temporary Subgrantees.

Subgrantees will receive a contract through June 30, 2029. NCSEO will review funds and performance of Temporary Subgrantees on a quarterly basis to properly and effectively manage the program. Failure by the Temporary Subgrantees to correct deficiencies found in monitoring may warrant increased training and technical assistance, further increased levels of monitoring, corrective action plans, or in the most severe cases a formal warning notice that may lead to termination. When serious compliance and production concerns arise, NCSEO will follow the guidance outlined in Section 2.11 of this IJA plan.

2.10.4 Conflict of Interest

Additional Services Outside the Scope of NCWAP

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

A contractor must keep separate all work that is not considered a Weatherization Assistance Program assignment for a length of time that is agreed upon by the contractor and the subgrantee. In addition, there must be a written contract identifying this agreement and all work that needs to be performed. All NCWAP's grant-funded work must be completed in its entirety, successfully pass the post-installation inspection, and be paid in full, prior to the commencement of any additional work under other funding streams or third-party agreements.

The purpose of this policy is to avoid the appearance of, or the existence of, an actual conflict of interest related to NCWAPs' scope of work.

NCWAP Services for Subgrantee Employees or Relatives

Subgrantees should be aware that providing service to employee(s) or relatives may appear as a conflict of interest. In all cases, subgrantees must obtain written approval from NCWAP Program Manager before rendering service(s) by submitting a signed/dated request by the Executive Director or his/her designee that certifies and provides documentation for the following:

- 1) The subgrantee clearly identified all affected staff member(s), board member(s) and/or associated employee relative(s) that could appear as a conflict of interest.
- 2) The subgrantee will recuse affected staff member(s) or board member(s) from participating, having responsibilities, exercising power, or influence over the client's NCWAP activities.

- 3) The affected client will not be given preferential treatment with respect to assumptions in the energy model, priority score, or position in the waitlist; and
- 4) The subgrantee will provide factors, circumstances, and criteria that show how working with the affected client will be fair, reasonable, and in the subgrantee's best interest.

If written approval is provided by the NCWAP Program Manager, the Grantee must conduct on-site and technical monitoring for the affected client's closed job to ensure a fair and equitable process.

2.10.5 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 DOE administrative cost category is now at 15%.

DOE 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.

Consistent with past practices, DOE 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 DOE's administrative requirements.

2.11 Monitoring – Quality Assurance

The Grantee maintains qualified personnel to monitor the fiscal and programmatic activities of the Subgrantees. A comprehensive monitoring plan (closed and in-progress jobs) will be developed that requires the evaluation of all aspects of the program at the Subgrantee level and allows the Grantee to accurately track Subgrantee performance levels throughout the contract period. This plan allows the Grantee to track subgrantee performance and provides for the tailoring of monitoring activities so that all agencies will receive the level of training and technical assistance appropriate to their level of performance. Grantee provides additional monitoring to Subgrantees with significant deficiencies of a rate of 10% NCWAP may, at its discretion provide training via webinars, , teleconferencing, onsite, and through accredited training facilities.

NCWAP will conduct monthly billing/reimbursement reviews for each Subgrantee via desktop monitoring in accordance with Section 2.16 of this Plan. Subgrantees are required to submit a complete package of documentation to NCWAP for all weatherization expenses incurred within a 30 day period prior to receiving reimbursement of funds. Fiscal monitoring focuses on fiscal and administrative compliance with all applicable federal/state regulations, and laws. The Fiscal Analysts review annual subgrantee financial audits yearly and issue an "*Auditing Financial Findings*" letter if there are relevant findings.

NCWAP's QCIs will conduct desktop and/or onsite monitoring for each Subgrantee throughout the fiscal year based on the Program Manager's approval of the monitoring method. QCIs review

of the client files for completed jobs includes but is not limited to the following documentation:

Client File: Tab 1

- a) NCWAP client file checklist.
- b) The original version of signed/dated client application forms.
- c) Proof of identity and legal US residency status.**
- d) Proof of property ownership or copies of signed/dated rental agreements.
- e) Documentation to substantiate client eligibility/income verification.
- f) Documentation to substantiate assumptions in the priority score.
- g) Subgrantee approval letter(s) to render service.
- h) State Historic Preservation documentation (*if applicable*).

Social Security Numbers**

Below is programmatic guidance for Social Security Numbers (SSN):

- USDOE Programs – Neither a photocopy of the Social Security card nor recording the partial or full Social Security number is required to be included in “*Client File: Tab 1*”.
- LIHEAP and HARRP – A photocopy of the Social Security card is not required to be included in “*Client File: Tab 1*” if the full Social Security number is recorded in the application.

Please note that if LIHEAP or HARRP services are blended into a USDOE house, SSNs must be collected for programmatic compliance.

Qualified Aliens**

For “*qualified aliens*”, subgrantees may utilize alternative documentation to verify citizenship status in lieu of an SSN. Please see “*Attachment 4*” (pp. 61362) of the DOJ Interim Guidance for a description of documentation that Subgrantees may utilize to verify citizenship status as well as other valuable information which may be useful in fulfilling citizenship status requirements. “*Attachment 5*” (pp. 61364) lists the documentation that Subgrantees may accept from “*qualified aliens*.” The guidance is available at: <http://www.gpo.gov/fdsys/pkg/FR-1997-11-17/pdf/97-29851.pdf>

Client File: Tab 2

- a) Signed/dated client consent form(s) to receive service(s) and enter premises based on 2.03.1.
- b) Signed/dated client acknowledgement of receiving energy education.
- c) Signed/dated client acknowledgement of receiving educational materials on lead and mold.
- d) The original version of signed/dated consent forms to release previous 12 months of client utility billing/usage information.
- e) Copies of previous 12 months of utility billing/usage information.

Client File: Tab 3

- a) Signed/dated energy assessment field tools for initial, interim, and final inspections in accordance with [WPN 20-4](#), [WPN 22-4](#), and the NC SWS.
- b) Signed/dated original version of the “*Mold and Moisture Checklist, Notification and Disclaimer Form*”.
- c) Signed/dated “*North Carolina Weatherization Assistance Program Heating, Ventilation, and Air Conditioning System Evaluation Report*”.
- d) The recommended measures report from the latest version of the USDOE-approved energy audit tool such as Weatherization Assistant web-based (*WAweb*) energy model.

Client File: Tab 4

- a) Materials/measures list from the client database.
- b) Official source documents from the point of sale for each expense by program and contractual line item (*i.e., invoices and receipts*) that align with Section 2.05.1.
- c) Signed/dated original version of the “*Weatherization Assistance Program Diagnostic Data Sheet*”.

Client File: Tab 5

- a) Signed/dated original version of the “*NC Weatherization Assistance Program Confined Space Entry Permit*”.
- b) Signed/dated original version of the “*North Carolina Weatherization Assistance Program Final Inspection Report & Certification*”.
- c) Final calculations for ASHRAE 62.2 compliance.

Client File: Tab 6

- d) Initial site photographs prior to beginning weatherization activities.
- e) Interim site photographs while commencing weatherization activities.
- f) Final site photographs upon completion of weatherization activities.

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

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

When observations are made that suggest training or technical assistance is needed, the monitor

1 will recommend appropriate actions that must be taken to assist the Subgrantee in resolving the
2 problem. Assistance will be provided by grantee staff or other training and technical assistance
3 resources. These processes shall also apply to QCI certified personnel if they fail to adequately
4 inspect to the most recently approved DOE field guide.

5
6 Any problems or weaknesses identified in a Subgrantee's program and outlined in a monitoring
7 report will remain in an active status until satisfactorily resolved by the Subgrantee and a written
8 response submitted to the Grantee. A Subgrantee with an active status monitoring report will be
9 subject to additional monitoring visits until problems and weaknesses are resolved.

10
11 The NCWAP Program Manager will immediately report sensitive or significant noncompliance
12 findings to the DOE project officer. Subgrantees unable or unwilling to meet federal and state
13 contracts and performance requirements will be terminated in accordance with federal and state
14 regulations.

15
16 Monitoring results will be analyzed annually, and the results used in planning for training and
17 technical assistance activities, determining the future status of the Subgrantee as an approved
18 service provider and developing a monitoring plan for the subsequent contract year.

19
20 NCWAP employs monitoring activities to ensure the quality of work and the adequate financial
21 management controls at the Subgrantee level.

22
23 NCWAP's Weatherization Technical Monitors schedule monitoring visit(s) to each Subgrantee.
24 During these visits the Monitor reviews subgrantee policy, procedures, client files and field
25 operations.

26 a) NCWAP's Fiscal Monitor schedules an annual compliance review of each Subgrantee.
27 During these reviews, the monitor conducts a comprehensive review of all ledgers, budgets,
28 and accounting systems, related to the weatherization program.

29 b) The NCWAP Program Manager or NCWAP staff may conduct unannounced spot visits of
30 subgrantees at random. During these visits all aspects of the program may be reviewed to
31 determine compliance with federal and state requirements.

32 33 ***2.11.1 Alternative Method - Electronic Storage of Client Files***

34 Subgrantees may seek to retain client files in an electronic format in lieu of paper copies. NCWAP
35 understands that using an electronic system to retain client files saves space, time, and money in
36 recordkeeping and auditing expenses. Many businesses have moved to a paperless environment to
37 store important documents and business records. Electronic storage of client files is convenient for
38 subgrantees, saves physical space, improves tracing efforts, and promotes efficient compliance
39 inspections. Electronically retained client files may be more secure from environmental damage,
40 loss, theft, or destruction and easier to access, sort, and review. For these reasons, NCWAP finds
41 that there is good cause to authorize an alternate method or procedure from storing paper client
42 files under lock and key.

43
44 NCWAP authorizes an alternative method or procedure for the electronic retention of client files
45 if all the following requirements are met:
46

1. Subgrantees provide written notification to the Program Manager at least 30 days prior to implementing an electronic client file retention system that follows the “6-Tab” methodology in Section 2.11.
2. All client files must be retained in an electronic format (*i.e., only electronic, not paper*).
3. Client files for closed jobs must be electronically stored and saved in an unalterable format. The original files may not be deleted, amended, replaced, or otherwise altered. If any errors are found in a client file, corrections may be made to a copy (*electronic or paper*) of the original electronic file and the corrected copy should be electronically attached to the original electronic file and retained as part of the subgrantee’s records.
4. For compliance inspections, NCWAP must be provided:
 - a. Uninterrupted access to the database in which the electronic client files are stored to facilitate a compliance inspection, complete a trace request, or conduct an investigation of a client complaint. NCWAP’s access to the electronic client files must be in a “read only” capacity.
 - b. Access to the database in which the electronic client files are stored with a minimum of one electronic access point or computer terminal for every 100 files executed over the previous 12-month period.
5. The retention system must:
 - a. Allow the client file to be printed and the subgrantee must print any client file upon request by NCWAP.
 - b. Retain the client file in alphabetical, chronological, or numerical order. The retention system must allow for searches or queries to be made by client name, application date, closure date, client database ID, address, date of birth, and funding source.
 - c. Backup the client file upon closure or when a client’s activities are stopped, and the client file retained in the system.
 - d. Have the ability to flag or set aside client files in order to save for further review during inspections.
 - e. Allow or provide sorting of client files during NCWAP compliance inspections.
6. The server for the retention system is located within the United States or its territories, or if a host facility is used, that facility must have a business premises within the United States or its territories and must be subject to U.S. legal processes.
7. Records stored within the electronic retention system must be maintained in a separate/partitioned database that cannot be intermingled with programs that are not sponsored or assisting with NCWAP initiatives.
8. The storage system must:
 - a. Back-up the stored client files on at least a daily basis to protect the data from accidental deletion or system failure.
 - b. Keep client files in an encrypted environment that is consistent with North Carolina Department of Information Technology security standards.
9. Whenever a client file is stopped, put into pending status, or completed, the file must immediately be downloaded and saved to a computer hard drive, server, or similar electronic storage device located at the subgrantee’s premises. If the subgrantee utilizes a contract host facility such as a remote server or cloud storage provider, all client files must also be electronically saved to an onsite electronic storage device that is updated on the day of any change to, or addition of, database record(s) to protect the data from accidental

1 deletion or system failure.

- 2 10. Upon absolute discontinuance of business or when a subgrantee's business is
3 discontinued/terminated, any client files retained in electronic format must be delivered in
4 electronic format to the NCWAP Program Manager in a format suitable for imaging such
5 as a TIFF, JPEG, or PDF. If the forms will be submitted in a PDF or TIFF format, the
6 subgrantee must ensure that Optical Character Recognition and Intelligent Character
7 Recognition are turned on and searchable. The forms, retained alphabetically by name,
8 chronologically by application/closure date, or numerically by client ID must be delivered
9 on a media device such as a USB drive, CD, DVD, etc.
- 10 11. If the subgrantee fails to abide by these conditions, uses any procedure that hinders the
11 effective administration of laws or regulations, or any legal or administrative difficulties
12 arise due to complications from electronic retention, the subgrantee is no longer authorized
13 to utilize electronic retention of client files and must revert to retention of paper forms.

14 15 **2.11.2 Subgrantee Termination**

16
17 NCWAP may terminate subgrantees if they fail to comply with the terms and conditions of the
18 Financial Assistance Agreement or if upon further review, NCWAP determines that termination
19 would be in the best interest of the State.

20
21 Reasons for termination include, but are not limited to, the following:

- 22 a) Work performance fails to adhere to the requirements of the Financial Assistance
23 Agreement, the NC IJA State Plan or its associated attachments,
24 b) Disregard for or failing to follow written guidance, laws, rules, ordinances, or regulations
25 set by NCWAP,
26 c) Misuse of dedicated account funds, including but not limited to:
27 o Failure to pay vendors in full within 30 days of receipt,
28 o Failure to notify NCWAP of fraud or the allegation of fraud,
29 o embezzlement, misappropriation, or abuse of funds,
30 o Billing NCWAP on estimated costs, costs that have not been purchase (still in
31 online 'shopping cart'), purchase orders, etc.
32 o Embezzlement, misappropriation, or abuse of funds
33 d) Refusal to proceed in a professional manner with clients, contractors, subcontractors, DEQ,
34 NCWAP staff, and/or any other external third parties, including but not limited to:
35 o Failure to conduct oneself with responsibility, integrity, accountability, respect, and
36 excellence in all interactions (*e.g., through written and/or verbal communication*).
37 Communication conduct should be a reflection as a credible representation of the
38 subgrantee. Cooperation and a friendly demeanor are expected through written and
39 verbal communication, especially in times of conflict resolution.
40 i. A written warning will be issued if a subgrantee is found in violation of
41 professional conduct before disciplinary action is taken. This written
42 citation will state the nature of the violation and what conduct is expected
43 in future interactions. If termination is pursued, the written correspondence
44 will be attached to the letter of termination.
45 e) Failure to provide certified and timely reporting requirements to NCWAP based on Section
46 2.16 to justify the progress made towards the program objective(s) and all administrative

- and program expenditures.
- f) Refusal to proceed with or complete work (*e.g., client's home, billing reporting requirements, billing revisions, monitoring requests, meeting request with NCWAP, etc.*).
 - g) The Subgrantee is unresponsive to NCWAP requests and deadlines. For example, the agency consistently fails to provide monthly reports or contract closeouts in a timely manner.
 - h) Disregard for competitive bidding, or
 - i) Other cases of conflict of interest.

Noncompliance: Step 1

If any staff member of NCWAP uncovers significant problem areas with the work or actions of a subgrantee, including but not limited to items based on Section 2.11.2 (a)-(g), and the concerns have been communicated as an informal warning in writing (*i.e., email*) to such subgrantee, that NCWAP staff member must provide written notification to the NCWAP Program Manager identifying the problem are(s).

Noncompliance: Step 2

When significant problems area(s) are not resolved to the satisfaction of the NCWAP Program manager within thirty (30) days after NCWAP providing written warning communication (*i.e.* email or formal electronic letter) to the subgrantee, the Program Manager will:

- 1) Immediately notify the federal funding project officer of the intent to take appropriate action(s) and issue a letter of non-compliance.
- 2) Transmit a formal letter of non-compliance to the subgrantee's leadership and executive management, such as a board chairperson, weatherization director, or executive director.
 - a. This letter will cite specific section(s) of the Financial Assistance Agreement or State Plan with a requirement that the subgrantee provide a written corrective action plan within five (5) calendar days, and implementation of the plan within ten (10) calendar days of its written approval by the Program Manager.

Noncompliance: Step 3

If a formal written response and written corrective action plan are not received by NCWAP within five (5) calendar days of the issuance of the formal letter of non-compliance; the subgrantee's proposed plan for resolving the alleged noncompliance is deemed unacceptable to NCWAP; or the plan to resolve the alleged noncompliance is not followed, then:

The NCWAP Program Manager will issue a formal notice of default and intention to terminate to the subgrantee's leadership and executive management team. This formal letter is intended to be a final written warning to the subgrantee stating that if the concerns are not resolved to the satisfaction of the NCWAP Program Manager by the assigned due date(s), the subgrantee will be terminated from the program.

Noncompliance: Step 4

Failure on the part of the subgrantee to: (1) respond to the notice of default and intention to terminate within ten (10) calendar days; (2) develop satisfactory corrective action plan revisions; or (3) not follow the corrective action plan or written commitment to resolve the alleged noncompliance in full, the Program Manager will issue a notice of termination. With the notice of

1 termination, a public review will be scheduled to inform the public of the termination of the
2 subgrantee and begin the process to identify a new subgrantee through an RFP process to provide
3 energy program services.

4
5 **NOTE: Notwithstanding the above, NCWAP may suspend or terminate a subgrantee**
6 **without prior written notice upon a finding of substantial noncompliance, fraud/waste/abuse,**
7 **substantial breach of agreement or at the discretion of the NCWAP Program Manager or**
8 **the NCSEO Director.**
9

10 **2.11.3 Exemplary Subgrantee**

11
12 NCSEO will use the following criteria for designating a Subgrantee as an “*Exemplary Subgrantee*”.

13
14 Levels of Subgrantee Performance

15 16 **High Performance or Exemplary Subgrantees:**

17
18 By way of monitoring review, a subgrantee has demonstrated performance standards that meet or
19 exceed that commonly observed in the following areas:

20 **Program Operations:**

- 21 ○ No Health and Safety finding(s) as identified in previous monitoring report(s).
- 22 ○ No procedural finding(s) related to program rules, and policies and procedures.

23 **Fiscal:**

- 24 ○ No annual program specific audit findings.

25 **Technical:**

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

29 **Production:**

- 30 ○ In general, the subgrantee’s production is high relative to funding.

31 **Qualified staff:**

- 32 ○ Subgrantee will receive higher credit for exemplary status if: (1) the staff or contractors
33 are BPI certified; (2) agency staff received appropriate job-related certification(s); and
34 (3) subgrantee staff conducted, or proctored, NCSEO sponsored/endorsed certification
35 trainings.

36 **Risk:**

- 37 ○ No “at-risk” elements are found in major categories for an subgrantee.

38 39 **Typical Subgrantee Performance:**

40 Typically, the frequency of monitoring will be ongoing during the program year by an NCWAP
41 Program Monitor and/or an NCWAP Monitor and Fiscal Monitor. The need for increased visits
42 will be determined by NCWAP Program Manager based on such factors such as past monitoring
43 results, a subgrantee’s program funding and production level, the completeness of the monitoring
44 within the time available, and compliance with federal requirements such as Davis Bacon, Build
45 America Buy America, National Environmental Policy Act, and historic preservation. NCWAP
46 expects every agency to meet these standards of performance:

- a) Well-established systems for program administration and operations, with no finding in the following areas:
 - Compliance with major program requirements, such as, lead-based paint procedures, cost allocation plan/indirect rate, required contractor information.
 - No program specific finding in the annual audit.
 - Staff well trained in performance of specific job duties.
 - Complete and organized client files.
- b) Evidence of prudent decision making as to use of program resources:
 - Complete scopes of work.
 - Fiscal documentation is current and consistent with billing requirements outlined in Section 2.16.
- c) Consistently maintaining updated records in the NC WAP's Client Database
 - Staff proficient in its use.
 - Evidence that client data for waitlist or deferral lists are updated and verified at least annually. Please see [Appendix B](#) for the "deferral" process.
 - Client data is maintained on a monthly basis for those receiving weatherization services (*excluding waitlists and deferral lists as defined in "b"*).
- d) Staff and contractors have demonstrated proficiency in technical applications, including diagnostics.
- e) Subgrantee has a minimal number and severity of procedural findings (*as related to program laws, rules, and policies and procedures*), as well as health and safety findings from previous monitoring report.
- f) Subgrantee complies with Occupational Safety and Health Administration (OSHA)/DHS/NCSEO safety rules, as applicable.
- g) The subgrantee maintains a professional working relationship with NCSEO such as conducting oneself with responsibility, integrity, accountability, respect, and excellence in all interactions.
- h) Past corrections made and reported in a timely manner.
- i) No "at-risk" elements are found in major categories for a subgrantee.

At-Risk Subgrantee Performance:

At-risk subgrantees may be identified as a result of a variety of factors that may include:

- a) There is evidence of significant administrative or program sub-standard performance; for example, repetitive pattern of findings, failure to have copies of permits on file, or lack of compliance with historical preservation rules failure to demonstrate compliance with federal/state laws, rules, and guidance documents.
- b) The subgrantee is not in compliance with three (3) or more program policies, procedures, and specifications.
- c) The subgrantee has three (3) or more health and safety findings.
- d) Subgrantee staff/crew members have been unable to pass certification training.
- e) The subgrantee has deficient scopes of work.
- f) The subgrantee has three (3) or more program specific audit findings.
- g) The subgrantee files are incomplete or disorganized.

- h) The subgrantee staff is unresponsive to NCWAP requests and deadlines. For example, the agency consistently fails to provide monthly reports and contract closeouts in a timely manner.
- i) The subgrantee maintains an unprofessional working relationship with NCSEO such as not conducting oneself with responsibility, integrity, accountability, respect, and excellence in all interactions.
- j) Subgrantee production is substantially low relative to funding.
- k) Other NCSEO programs (*Community Services Block Grant (CSBG), LIHEAP, Food, Homeless, etc.*) have indicated problems with, or concerns about, the subgrantee.

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

2.12 Monitoring – Productivity

NCWAP monitors subgrantee productivity through information provided on monthly fiscal reports, and/or fiscal/program monitoring. If a Subgrantee falls consistently and considerably below their projections based on historical data, NCWAP reserves the right to redistribute their unexpended funds by providing a letter stating that the formal process to move funds will begin in ten business days.

2.13 Multifamily

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, either the Multifamily Priority List or the USDOE approved energy audit such as Weatherization Assistant web-based (WAweb), TREAT, or REM shall be used 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, *and is considered single-family for energy auditing purposes and in reports to USDOE*.

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 percent or 66 percent 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

1 completion of the project.

2
3 Costs on these properties are limited by the percentage of eligible clients multiplied by the
4 maximum cost-per-unit average. Unlike single family homes, the maximum cost-per-unit is a hard
5 limit. The cost limitation excludes health and safety expenditures.

6
7 The Grantee will follow the following procedures for multifamily:

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

16
17 Renters are eligible for the weatherization program. Benefits of weatherization shall accrue
18 primarily to the tenant. No rental dwelling unit shall be weatherized without first obtaining the
19 written permission of the owner. Once the Subgrantee has entered into a Landlord Agreement with
20 the owner, with the tenant as the third-party beneficiary, the Subgrantee may perform
21 weatherization services on the unit.

22
23 The agreement must contain certain restrictions for the owner, such as a negotiable period of not
24 less than two years for raising tenants rent due to weatherization, and not evicting the tenant if they
25 comply with all ongoing obligations to the owner.

26
27 Lease-to-Own properties shall be treated as rental units until the ownership has been transferred.

28
29 Vacant units may be counted as eligible units if the owner agrees, in writing, to rent those units to
30 eligible households upon completion of work, or within 180 days, whichever is sooner.

31
32 For a one-year period after the weatherization work on the unit is completed, rent cannot be
33 increased, unless the increase is not related to weatherization services performed, as noted in
34 10CFR440.22(b)(3)(ii).

35
36 The NCWAP Program Manager must provide prior written approval for weatherization services
37 on any property within the subgrantee weatherization network which is owned or rented by a
38 subgrantee board member, staff member, subcontractor, or family member thereof. Such request
39 to the Program Manager shall include the criteria set forth in Section 2.10.3.

40 41 **2.13.1 Multifamily Eligibility**

42 43 ***Categorical Eligibility***

44
45 Income eligibility has been expanded to categorically include HUD means-tested programs at or
46 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) 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) Tennant by tenant income verification by obtaining necessary documents from each individual tenant.

The WPN 22-5 process for Property Certification is:

- a) The property owner or authorized agent of the property must sign a self-certification form attesting that:
- b) The property owner or authorized agent maintains certified income records for households residing at the property.
- c) The property owner or authorized agent has reviewed its current certified income records.
- d) The property owner or authorized agent has determined that at least 66 % of the units in each building (*or at least 50 %of the units for 2- and 4-unit buildings*) have certified incomes that are at or below 200 % of the current federal poverty level based on household size.
- e) The property owner or authorized agent certifies that all the information provided with the certification request is true and accurate.

2.13.2 Landlord Contribution Clause

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

- a) Additional funds are leveraged from landlords, utilities, or other sources; **AND**
- b) Leveraged funds **must** equal at least 10 percent of the total job cost to be eligible for reduced unit eligibility percentage.

2.14 Standard Weatherization Procedures

2.14.1 Labor

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

2.14.2 Davis-Bacon Act (DBA) Compliance

Any IJJA-funded weatherization work on multifamily buildings with 5 or more units will be required to pay wages to all laborers and mechanics engaged in the construction, alteration, or repair of those multifamily buildings (whether employed by a contractor or subcontractor) wages “at rates not less than those prevailing on similar projects in the locality, as determined by the Secretary of Labor.” As a requirement of the DBA, award recipients will be required to submit weekly, certified payrolls to the USDOE to ensure that employers are in compliance with the law by paying applicable workers the required prevailing wage and benefits. USDOE contracted with [LCPtracker](#), a third-party software application, to make this DBA tracking and submission. Subgrantees must use this system to comply with DBA requirements.

2.14.3 Build America, Buy America Act

Only weatherization on public housing, or on privately-owned buildings that serve a public function are required to comply with the requirements of this section.

Buy American Act (BAA) language was written into the Bipartisan Infrastructure Law (BIL). USDOE issued WAP Memo 104 on February 23, 2024. Until additional guidance is supplied, it is NC WAP’ expectation that when an American-made product of similar quality and utility is available, and costs are not prohibitive, that product will be purchased. Once further guidance is received, NC WAP will provide further guidance via memo.

Agencies must ensure that all applicable programs comply with the “Build America, Buy America Act”.⁵ The Act requires the following:

- a) Iron and Steel Products
 - o All manufacturing processes must occur in the United States.
- b) Manufactured Products
 - o All manufactured products must be produced in the United States; and
 - o 55 % or more of the total cost of components must be mined, produced, or

⁵ <https://www.whitehouse.gov/omb/briefing-room/2022/04/20/how-build-america-buy-america-guidance-strengthens-made-in-america-requirements/>

1 manufactured in the United States.

2 c) Construction Materials

- 3 ○ The term “*Construction materials*” does not include cement and cementitious
4 materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or
5 additives⁸.
6 ○ All manufacturing processes must occur in the United States.
7

8 If necessary, recipients may apply for, and DOE may grant, a waiver from the Buy America
9 Preference requirements. Waivers for the application of the Buy America Preference must be in
10 writing. Waiver requests are subject to public comment periods of no less than 10 days, and may
11 be reviewed by the Office of Management and Budget (OMB)⁸. Subgrantees should be advised
12 that “*best efforts*” to determine that iron, steel, manufactured goods, and/or construction materials
13 are BABA compliant cannot be accepted; recipients should consider contacting an item’s
14 manufacturer, in writing to determine whether that product meets the BAA standard. If the
15 manufacturer is unable or unwilling to certify the product as BAA compliant, resulting in the
16 recipient needing to seek a BAA waiver, those communications will serve as the foundation of a
17 waiver request.
18

19 Request for a waiver must be based on one or more of the following criteria:

- 20 a) Applying the Buy America Preference would be inconsistent with the public interest
21 (*Public Interest*).
22 b) Nonavailability of required materials or quantities necessary.
23 c) Materials produced in the United States will increase the cost of the overall project by
24 more than 25%.
25

26 **2.14.4 Authorization**
27

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

- 31 a) Location of dwelling (physical street address).
32 b) Name of eligible tenant.
33 c) A list of possible work to be completed.
34

35 **2.14.5 Operation of the Program**
36

37 It is the Subgrantee’s responsibility to identify and procure the local resources necessary to operate
38 this program. These would include, but not be limited to local and state funds, donated materials,
39 space, support, and any resources not provided for by U.S. DOE funds. Such resources are to be
40 identified by the Subgrantees in their grant proposals/annual applications to NCWAP.
41 Additionally, the Subgrantee shall insure prior to operating the program that the criteria are met
42 and maintained.
43

44 Contractor Procurement: All Subgrantees that employ private licensed contractors to provide
45 weatherization, repairs, or inspections where the cumulative one-year compensation is \$30,000 or
46 more, must have a written policy in place and use said policy to procure contractors that meets the

requirements outlined by the North Carolina Licensing Board for General Contractors⁶.

2.14.6 Expansion of Manufactured Home Definition

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

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

2.14.7 National Environmental Policy Act Information (NEPA)

The following activities are categorically excluded from further NEPA review, absent extraordinary circumstances, cumulative impacts, or connected actions that may lead to significant impacts on the environment, or any inconsistency with “integral elements” (as contained in 10 CFR Part 1021, Appendix B) as they relate to a particular project and adhere to the applicable State’s programmatic agreement with the cognizant State Historic Preservation Office (*SHPO*).

- a) Administrative activities associated with management of the designated Weatherization Office and management of programs and strategies in support of weatherization activities.
- b) Development and implementation of training programs and strategies for weatherization effort, including initial home audits, final inspections and client education.
- c) Purchase of vehicles and equipment needed for weatherization audits.
- d) Weatherization activities provided that projects apply the restrictions of each state’s programmatic agreement with SHPO.

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

<https://nc.maps.arcgis.com/apps/webappviewer/index.html?id=79ea671ebdcc45639f0860257d5f5ed7>

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

- a) If any of the following measures are to be implemented (based on a *Subgrantee’s completed work order*):
 - anything requiring holes in the unit’s weatherboard (siding),
 - replacing wood windows,
 - replacing a wood front door,
 - solar thermal applications (not a typical WAP measure).
- b) If any of these measures are applicable, and the dwelling is determined to be historic, then

⁶ <https://nclbnc.org/license-applicants/> (See the document titled, “NCAC Title 21 Chapter 12A”).

1 proceed as follows:

- 2 ○ forward an electronic version of the work order form or a scanned Subgrantee client
- 3 database work order and pictures of the home from all four elevations (if possible)
- 4 to NCSEO for review.
- 5 ○ the North Carolina State Historic Preservation Office will provide
- 6 guidance/assistance regarding compliance and proper implementation for
- 7 weatherization.
- 8 c) If any of the listed measures are not applicable, then proceed with the weatherization
- 9 process.

11 **2.15 General Accounting Practices**

12
13 Weatherization Assistance Programmatic cost are on a reimbursement basis only based on Section
14 2.16 of this Plan. To that end, to insure accurate reporting, proper documentation, and compliance
15 with federal and state guidelines for fiscal procedures, all Subgrantees must at a minimum:

17 ***2.15.1 Submit an Annual Audit***

18
19 Submit an annual audit of weatherization funds, which shall be conducted by a Certified Public
20 Accountant, using the audit standards contained in 2 CFR 200 – Subpart F.

22 ***2.15.2 Receive Authorization from DEQ for Purchases or Lease***

23
24 Receive authorization from US DOE for purchases or lease of acquisitions in excess of **\$10,000**.
25 All capital property and vehicle purchases **must** be forwarded to the U.S. DOE Regional Support
26 Office for final approval. However, NC WAP plans to utilize the provisions of WPN 24-6 to obtain
27 approval for large purchases as part of the plan revision cycle.

28
29 Please note that additional approval **must** be forwarded to the U.S. Department of Health & Human
30 Services (*USDHHS*) if being cost-shared with the Low-Income Home Energy Assistance Program.

31
32 DEQ will provide all Subgrantees with access to the “*Vehicle Request Form*” within NCWAP’s
33 ShareFile. For approval of Vehicle & Capital Equipment Purchases, the minimum information
34 needed by NCWAP is:

- 36 a) Whether the vehicle is “*For Lease*” or “*For Purchase*”.
- 37 b) Name of requesting local subgrantee.
- 38 c) Complete description of vehicle (*e.g., new/used, make, model, year, type, and current*
- 39 *mileage*).
- 40 d) Total cost of requested vehicle.
- 41 e) What the funding source(s) will be (*e.g., DOE; Program Operations funds*). **Subgrantee**
- 42 **T&TA funds are not an allowable option.**
- 43 f) Anticipated annual mileage by funding source(s).
- 44 g) Where the vehicle will be used and how it will be used – Specify, full or part time use in
- 45 the Weatherization Assistance Program and/or the Low-Income Home Energy Assistance

1 Program.

- 2 h) Statement of whether this is a replacement or an expansion for ramp-up. If this is a
3 replacement, describe how the trade-in is being addressed.
- 4 i) Brief description of how the procurement will be done, and confirmation that the
5 Subgrantee maintains policies and procedures for property management that comply with
6 all requirements of the applicable Code of Federal Regulations (*CFR*), 2 CFR Subtitle B
7 with guidance at 2 CFR Part 200.
- 8 j) Copies of bid specs (*vehicle description with options requested*) and bids received.
- 9 k) Copies of independent mechanical evaluations (*for used vehicles only*). Please specify if
10 not applicable.
- 11 l) Statement that lowest bid will be selected; or sufficient justification of the “*best value*
12 *selection*” if lowest bid is not recommended for USDOE/USDHHS approval.
- 13

14 **2.15.3 Travel Regulations**

15

16 Each Subgrantee must have in place travel regulations that include travel authorization,
17 reimbursement, advancements, and per diem rates that do not exceed the State of North Carolina’s
18 maximum amount for meals, hotels, and other costs while traveling. For more information, please
19 refer to Section 1.06.1 (a) – (f).

20

21 **2.15.4 Financial Operations Manual**

22

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

25

26 **2.15.5 Use of Weatherization Funds for Renewable Energy Systems**

27

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

30

31 10 CFR §440.18 (*Allowable Expenditures*) incorporates the renewable energy system provisions
32 and specifies an initial ceiling of \$3,000 per dwelling for labor, weatherization materials, and
33 related matters. Therefore, the FY25 adjusted average is \$4,169 for renewable energy system
34 measures with a Savings to Investment Ratio (*SIR*) greater than 1.

35

36 To help facilitate the integration of solar photovoltaic (PV) across the WAP network, DOE has
37 released WAP Memorandum 23-6. This memo allows for the submission of pilot solar PV projects
38 to DOE for approval that meet the requirements in WAP Memorandum 23-6: Attachments 4 and
39 6. North Carolina will be allowing Solar PV on a case-by-case basis with approval from DOE.
40 Solar PV projects must meet *SIR* requirements and are limited to the adjusted average limit.

41

42 With respect to community solar, USDOE specifies that community solar would be
43 more appropriate for competitive awards under stimulus programs created by the Bipartisan
44 Infrastructure Law and/or Inflation Reduction Act (*i.e., Solar for All; Climate Pollution Reduction*
45 *Grant; etc.*).

46

47 **Note: The adjusted average for renewable energy measures is not a separate average, but a**

1 part of the overall adjusted average expenditure limit for the ACPU.
2

3 **2.15.6 Prohibited Expenditures** 4

5 Funds shall not be expended for the items or services other than those listed in 10 CFR 440.18.
6 T&TA funds cannot be used to purchase equipment used in the day-to-day installation of
7 weatherization measures. Where a need exists to purchase tools and equipment Subgrantees should
8 use “program operations” funds.
9

10 **2.15.7 Discretion of Procurement** 11

12 DEQ gives Subgrantees discretion in the procurement of materials. All supplies, equipment,
13 materials, and services must be procured in accordance with applicable state law and procedures
14 and 2 CFR Subtitle B with guidance at 2 CFR Part 200.
15

16 **2.15.8 EPA Compliance** 17

18 Subgrantees shall comply with the Environmental Protection Agency (EPA) regulations as set
19 forth in 40 CFR Part 247 - Guidelines for Procurement of Recovered Materials, which encourages
20 the use of recyclable materials.⁷ Subgrantees shall use recyclable materials whenever possible.
21 Compliance with EPA regulations also applies to the decommissioning of replaced baseload
22 appliances whether subcontracted out or not.
23

24 **2.16 Reporting Requirements** 25

26 Contingent on use of IIJA funding, any selected entities will be mandated to follow the most up-
27 to-date DOE and NC WAP program and reporting requirements. All grant awards made under this
28 Program shall comply with applicable law and regulations including, but not limited to, the NC
29 WAP regulations contained in 10 CFR 440, the Uniform Guidance at 2 CFR Part 200 as adopted
30 by DOE at 2 CFR Part 910, and the Infrastructure Investment and Jobs Act, Public Law 117-58.
31 This will include, but may not be limited to:

- 32 • The reporting and audit requirements of 2 CFR Part 200, including submission of an annual
33 audit of weatherization funds conducted in accordance with 2 CFR Part 200, Subpart D &
34 F.
- 35 • Travel regulations that include travel authorization, reimbursement, advancements, and per
36 diem rates that do not exceed the State of North Carolina’s maximum amount.
- 37 • Funding requirements. Funds shall not be expended for the items or services other than
38 those listed in 10 CFR 440.18. *Subgrantees must abide by the allowables guidance*
39 *document provided by the NC DEQ State Energy Office.*
- 40 • Subgrantees shall comply with the Environmental Protection Agency (EPA) regulations as
41 set forth in 40 CFR Part 247 - Guidelines for Procurement of Recovered Materials, which
42 encourages the use of recyclable materials. Subgrantees shall use recyclable materials
43 whenever possible. Compliance with EPA regulations also applies to the decommissioning

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

of replaced baseload appliances whether subcontracted out or not.

- **Adjusted Average Cost Per Dwelling Unit (ACPU):** the NC ACPU expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters cannot exceed \$8,484, unless otherwise further revised based on DOE guidance. This average includes units computed in a multifamily building of 5 units or greater. $ACPU = [(DOE \text{ Program Operations funds}) \text{ minus } (DOE \text{ Health \& Safety expenditures})] \text{ divided by } [DOE \text{ completions}]$. Refer to 10 CFR §440.18 and [WPN IIJA-7](#).

Weatherization Assistance Programmatic costs are on a reimbursement basis and must be submitted to NC DEQ within 30-days of receiving an invoice/receipt. To that end, each subgrantee must submit certified and timely reports to NC DEQ detailing the progress made towards the program objective(s) and all administrative and program expenditures. The report must agree with the subgrantee's accounting records, client database, and be certified by the subgrantee's Chief Executive Officer (CEO) / Executive Director (ED) and the Finance Director via handwritten or certified electronic signature. Timely reimbursements are based on the "Monthly Billing Submittal Calendar" provided by NC DEQ.

a) Required reporting documents for a complete monthly billing package include:

- **Invoice** [using provided IIJA template]
 - Each Subgrantee should submit one invoice each month on our templates for total costs by contractual budget line item (i.e. personnel, fringe, travel, equipment, etc.) and budget category (Program Operations, Health and Safety, and Administration). This template is not intended to affect the subgrantee's internal invoicing systems.
 - The official document should be a PDF signed and dated by the CEO/ED and Finance Director.
- **Project Expense Summary** [using provided IIJA template]
 - Should include an inventory of all expenses from the point of sale that quantify the totals listed on the NC WAP's invoice.
- **Payroll Report** [Subgrantee provides]
 - To ensure NC DEQ is able to quantify the total amounts billed for payroll items by contractual budget line item and budget categories, subgrantees are required to provide one of the following options:
 - **Payroll Report & Summary Option 1**
 - a. Subgrantee provides a monthly export from their timekeeping system to validate subgrantee staff time charged by budget category (Program Operations, Health & Safety, Administration). Time can be logged using outputs from tools such as:
 - i. Third-Party Timekeeping Software
 - ii. Payroll Report/System
 - b. Subgrantee provides a simple summary table/attachment to the "Payroll Report" to assist with the quantification (i.e., highlighting or clearly identifying the charges being made to NC WAP). An acceptable summary that would be an attachment to the Payroll Report is below:

Payroll Summary Report – [Subgrantee Name]

Billing Period – [Month XXXX – Month XXXX]		
Budget Category	Description	Value
Program Ops	Salary + Fringe	\$XXX
Administration	Indirect Costs	\$XXX
Health and Safety	Equipment	\$XXX

• **Payroll Report & Summary Option 2:**

Subgrantee provides a Payroll Report that is a combination of detailing staff time and the amount charged by budget category. An acceptable summary would be:

Payroll Summary Report – [Subgrantee Name]					
Billing Period – [Month XXXX – Month XXXX]					
Program	Budget Category	Employee Name	Hours	Rate	Total
IIJA	Program Operations	James Blue	15	\$26.30	\$394.50
IIJA	Administration	Barbara Green	8	\$25.40	\$203.20

The Subgrantee's Payroll Report/Summary will need to be signed and dated by the CEO/ED and Finance Director.

○ **Official Invoices/Receipts and Supporting Documentation**

- *The subgrantee is required to provide original source documents from the point of sale (i.e., invoices/receipts) along with proof of payment for any charge at or over \$50.00 to NC DEQ as listed in the Project Expense Summary within 30-days of receipt. Subrecipients are still required to maintain documentation for every expense invoiced to NC DEQ for reimbursement.*

- b) Reporting Format – DEQ has provided all Subgrantees with online access to software (i.e., ShareFile and/or client database) for the purpose of reporting weatherization activities. All weatherization Subgrantees are required to use program software for reporting purposes.
- c) Additional Guidance – NC DEQ shall provide all Subgrantees with access to training videos concerning the billing submittal process. In the instance Subgrantees need additional guidance, NC DEQ will provide case-by-case virtual training to discuss the billing process upon request.

Expenses will only be reimbursed by providing all items as described above on a monthly basis. Upon review of the Subgrantee submittal, NC DEQ will communicate any needed revisions, clarifications, and associated due date(s) for resubmittals. Subgrantees must review, clarify, revise, and/or submit all items needed to correct the incomplete billing package within the due date(s) listed in the email.

Please note that any clarifying updates will be sent from the NC DEQ State Energy Office.

2.16.1 *Success Story Reports*

Subgrantees receiving positive correspondence from or about people whose homes were weatherized, should submit selected letters to NCWAP upon receipt. Letters will then be forwarded to DOE to bolster efforts to promote weatherization and give a human face to people receiving weatherization assistance.

2.16.2 *Fuel Switching*

Until NCWAP receives approval by DOE to administer case-by-case fuel switching authorizations under WAweb, NCWAP must submit the following to its Project Officer for DOE approval:

1. A description of the proposed fuel-switch as an ECM and/or H&S and the reason for doing so.
2. A complete site-specific energy audit with all supporting documentation that either: a. Demonstrates fuel-switching is cost-effective when interacted with all other appropriate energy conservation measures for the building, or b. Properly supports the proposed switch as a H&S measure.
3. Supporting documentation must include the initial site assessment, all available photos, proposed equipment details (*type, capacity, efficiency, etc.*), the entire cost of the installation including ancillary equipment necessary for the fuel-switch (*e.g., new natural gas lines and additional or upgraded electrical equipment*), fuel costs used in the energy audit, the energy audit's input record (*all costs must be modeled in the ECM evaluation*), and selected measures report

2.16.3 *Cook Stoves*

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

2.16.4 *Disaster Relief*

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 Weatherization Assistance Program (WAP) are limited to include the following:

- a) The purchase, delivery, and installation of weatherization materials and,
- b) The cost of incidental repairs to an eligible dwelling unit if such repairs are necessary to make the installation of weatherization materials effective and,
- c) 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

1 would be allowable. For example, debris removal at a dwelling unit so that the unit can be
2 weatherized would be an allowable cost. Debris removal from a dwelling unit that is not to be
3 weatherized would not be an allowable cost.

4
5 In a declared federal or state disaster, sub grantees may return to a unit previously reported as a
6 completion to the Department of Energy that has been “damaged by fire, flood or act of God and
7 repair of the damage to weatherization materials is not paid for by insurance”, per 10 CFR
8 440.18(f)(2)(ii).

9
10 Local authorities must deem the dwelling unit salvageable as well as habitable and the damage to
11 the materials must not be covered by insurance or other form of compensation. In these cases, the
12 work can be addressed without prior approval or any special reporting.

13
14 North Carolina will also follow the provisions of its Energy Security Plan to assist with preventing
15 prolonged outages or disruptions of essential utilities.⁸ In addition, it will follow the provisions of
16 its “Climate Risk Assessment and Resilience Plan” to bolster efforts that build resilient
17 infrastructure and communities.⁹

18
19 Please note that the ACPU limit and other budgetary maximums continue to apply during disaster
20 or disruptive events.

21 22 **2.16.5 Wood Stove Replacement**

23
24 Replacement of wood stoves is allowed if it meets federal emissions standards. New factory-sealed
25 purchases of wood stoves will meet these standards.

26 27 **2.17 Quality Control**

28
29 It shall be the responsibility of the Subgrantee to establish measures to ensure the quality of work
30 completed and address the following areas:

31 32 **2.17.1 Fire Codes**

33
34 Each Subgrantee is responsible for contacting the fire code officials in their service delivery area
35 to verify that work done and materials used meet local fire codes. The sole purpose for this
36 requirement is to protect the client and limit the liability of the Subgrantee.

37 38 **2.17.2 Electrical Codes**

39
40 Each Subgrantee is responsible for assuring that all work meets local and state electrical codes.
41 Any and all electrical work **must** be performed by a licensed electrical contractor.

42 43 **2.17.3 Building Codes**

44

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

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

1 Subgrantees *shall not* undertake structural modifications without first consulting the appropriate
2 building codes and contacting local officials.

3 4 **2.17.4 Materials Installed Properly**

5
6 It is the Subgrantee's responsibility to ensure all materials are installed to required specifications
7 to achieve maximum benefit from the materials. **All units require post installation inspection**
8 **completed by a certified Quality Control Inspector.** Inspections of weatherized units **must** be
9 completed by someone other than the installer(s).

10 11 **2.17.5 Maximum Service – Holistic Approach**

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

APPENDICES

Appendix A - Determining Eligibility Levels

Appendix B - Deferral Criteria and Process

Appendix A – Determining Eligibility Levels

INCORPORATION BY REFERENCE

This Appendix incorporates [WPN 24-3](#) 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.

QUALIFIED ALIENS RECEIVING 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>. **In North Carolina, all qualified aliens are eligible for weatherization services.**

ELIGIBLE RENTAL WEATHERIZATION: A dwelling unit is eligible for weatherization assistance if it is occupied by a family unit that meets the income guidelines set forth within this WPN and meets the building eligibility guidelines detailed in [10 CFR 440.22](#). A Subgrantee may weatherize a multifamily rental building containing a sufficient percentage of eligible rental dwelling units, a single-family building, or a manufactured home provided written permission from the owner or the owner’s agent. See [10 CFR 440.22\(b\)](#) and [WPN 22-13, Weatherization of Rental Units](#).

WEATHERIZING HUD PROPERTIES: [WPN 22-5](#) extends categorical income eligibility to HUD means-tested programs. WAP Grantees and 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. See [WPN 22-5](#) for more

1 details.

3 **BUILDING ELIGIBILITY**

- 4 • Residential dwellings including single family homes, manufactured homes, and
- 5 multifamily homes are eligible to receive services.
- 6 • Subgrantees may also weatherize shelters. For the purpose of determining how many
- 7 dwelling units exist in a shelter, 800 square feet of the shelter or each floor of the shelter
- 8 will be counted as one unit. Prior to weatherizing a shelter, the Subgrantee is required to
- 9 submit information to the grantee for review and written approval.
- 10 • Multifamily units do not comprise 20% or more of the total units reported annually in the
- 11 annual appropriations. Multifamily projects under the “annual program” will be
- 12 submitted to DOE for approval.
- 13 • Weatherization of non-stationary campers and trailers that do not have a mailing address
- 14 associated with the eligible applicants shall not be allowed. The use of a post office box
- 15 for non-stationary campers or trailers does not meet this requirement.
- 16 • We use a client database to determine if home has been previously weatherized and the
- 17 date. All homes weatherized after 15-years from the date of prior closure are eligible for
- 18 weatherization services.

20 **DEFINITION OF INCOME**

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

23 during applicable tax year(s) **but not** the Income Exclusions listed below in **Section C**. Gross

24 Income is to be used, not Net Income.

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

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

40 c) **INCOME EXCLUSIONS:** The following Cash Receipts **are not** considered sources of

41 Income for the purposes of determining applicant eligibility:

- 42 • Capital gains;
- 43 • Any assets drawn down as withdrawals from a bank;
- 44 • Money received from the sale of a property, house, or car;
- 45 • 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, as defined below in **Section E**;
- Reverse mortgages; and
- Payments for care of Foster Children.

- d) **PROOF OF ELIGIBILITY:** Grantees and Subgrantees are reminded that proof of income eligibility must be clearly identified in the client file.
- **Availability of Supporting Documentation:** For purposes of review and audit, each client file must contain an application from the client that contains the required demographics and income for the entire family living in the residence. Do not count, or enter, earned income or unemployment compensation for minors under the age of 18 (or full-time high school students) at the time of the application. The client file must also contain evidence provided by the Subgrantee that the client is eligible to receive Weatherization Assistance Program (WAP) services. This evidence may include, but is not limited to, a memorandum from a third-party certification office stipulating the income levels of the family or source documentation for each income source listed on the application. These documents can be stored electronically or retained in hard copy for each client.
 - **Eligibility Determined by Outside Agency/Program:** If income eligibility is determined by an outside agency or program, i.e., Low-Income Home Energy Assistance Program (LIHEAP) or the U.S. Department of Housing and Urban Development (HUD), any document used to determine eligibility, such as a copy of LIHEAP eligibility or a copy of the HUD eligibility (e.g., Section 8 or Public Housing eligibility) will suffice as evidence of client eligibility. This document and any related documents must be retained in the client file.
- e) **Self-Certification:** After all other avenues of documenting income eligibility are exhausted, self-certification is allowable. However, evidence of the various attempts at proving eligibility must be contained in the client file, **including** a notarized statement signed by the potential applicant indicating that the applicant has no other proof of income.
- f) **CHILD SUPPORT:** Child Support payments, whether received by the Payee or paid by the Payor, **are not** considered Sources of Income to be added to the payee income or deducted from the payor income for the purposes of determining applicant eligibility.

- **Payee:** Where an applicant receives Child Support from any state program or individual during an applicable tax year, such assistance is not considered income for the purposes of determining eligibility (i.e., where an applicant receives Child Support, he or she does not add that amount to his or her calculation of income for purposes of determining eligibility).
- **Payor:** Where an applicant pays Child Support through a state program and/or to an individual, such assistance is not considered a deduction to Income for the purposes of determining eligibility (i.e., where an applicant pays Child Support, he or she may not deduct said assistance from his or her calculation of Income for the purposes of determining eligibility).

g) **ANNUALIZATION OF INCOME:** Where an applicant only provides income verification for a portion of the applicable tax year, their partial income may be annualized to determine eligibility.

- *Example:* Applicant A only provides income verification for January, February and March. The method of annualizing income to determine eligibility could be to multiply the verified income by four to determine the amount of income received during the year. The method of calculating annualized income is to be determined by the Grantee and must be applied uniformly by all Subgrantees.

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

Appendix B – Deferral Criteria and 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 our 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.

Supplement 1 – Sample Career Pathways and Training Courses

Retrofit Installer Technician	Crew Leader	Energy Auditor	Quality Control Inspector	Weatherization Program Management
Weatherization 101 BPI Building Science Principles Introduction to ASHRAE 62.2 Asbestos Awareness BPI Infiltration & Duct Leakage Retrofit Installer Technician/Crew Leader EPA RRP Lead Safe Certified Renovator - Initial OSHA 10 Customer Service	All training required under Retrofit Installer Technician BPI Building Analyst Technician BPI Building Analyst Professional Crew Leader EPA RRP Lead Safe Certified Renovator - Refresher OSHA 30	All training required under Crew Leader HEP Energy Auditor Multifamily Building Analyst Weatherization Assistant v10 (WAweb)	All training required under Energy Auditor HEP Quality Control Inspector	Weatherization 101 BPI Building Science Principles Customer Service Weatherization Assistant v10 (WAweb)

Source: Everblue, [NC Weatherization Training](https://everbluetraining.com/get/north-carolina-weatherization-training/).

Course descriptions, CEU credits, and some training schedules available at <https://everbluetraining.com/get/north-carolina-weatherization-training/>.

Supplement 2

READINESS PLAN: Weatherization Readiness Funds (WRF) are intended to reduce the frequency of deferred homes that require third-party services, outside the scope of weatherization, before the weatherization measures can be installed. Please see the following plan for expending WRF.

DISTRIBUTION OF FUNDS: Funds will be distributed among the subgrantees based on the provisions outlined in the annual state plan.

MAXIMUM COST PER UNIT: The maximum cost per unit for Readiness will be \$15,000, unless the subgrantee receives written approval by the NCWAP Program Manager.

MONITORING OF UNITS: Subgrantees will conduct 100% QCI inspections on readiness units. NCWAP will monitor at least 5% of these units as part of its regular field monitoring. NCWAP plans to add a section to the QCI checklist regarding whether readiness funds were used on a client's home.

REPORTING: Currently, subgrantees have access to a list of deferred clients in the client database. Until the client database contains reports that track the key "reporting categories" of readiness units, NCWAP will require that subgrantees use DOE tools such as the "*Deferral Classification Guide and Tracker*" Excel document to track this initiative. This Excel document will be required to be submitted to NCWAP via ShareFile quarterly (*i.e., by September 30th, December 31st, March 31st, and June 30th*). Once received quarterly, NCWAP plans to compile an ongoing list of the most common materials, measures, and associated costs so the state can target other funding opportunities under IIJA and IRA that assist with reducing deferrals.

Any changes to the reporting medium (*i.e., transitioning to the client database for readiness tracking*) will be reported to the DOE project officer and subsequently sent via memo to the subgrantee network.

REPORTING CATEGORIES:

Since affected clients will be qualified through the regular intake processes, any separate reporting of readiness funds will only include readiness-specific data until the client database is updated to include the following into its reporting features. Based on this, the following are required to be reported for each readiness unit (*instructions for the fields are included in the tool*):

Date Information:

WAP/HARRP Event #

WAP Intake Date

Date(s) Deferred

Date Weatherization Ready

Date Weatherized

Mailing Information:

Street Address
Apartment Number (if applicable)
City
State/Territory
County
Zip Code

Occupancy Information:

Owner/Renter

Building Information:

Building Type
Year Built
Fuel Type

Deferral Information:

Stage Deferred
Total Deferral Reasons

Deferral Issues (One through Infinity):

Issue or Action Needed
Underlying Problem (if applicable)
Total Remediation Cost
Non-WAP Funding Source Used
Referred to?

MEASURES: NATURE OF REPAIRS NEEDED WHICH PROHIBIT WEATHERIZATION.

Where applicable, the subgrantee will identify multiple repairs or remediation reasons for a single building. These are some of the eligible categories. If a repair or replacement is needed that is not on the list, subgrantees will contact their NCWAP State Technical Monitor in writing with a variance request. The subgrantee may not proceed with items outside this list until the NCWAP State Technical Monitor approves the variance request in writing.

- Roof repair/replacement
- Wall repair/replacement
- Ceiling repair/replacement
- Floor repair/replacement
- Foundation or subspace repair
- Exterior drainage repairs (*gutter/landscaping*)
- Plumbing repair/replacement
- Electrical repair/replacement
- Cleanup and or remediation beyond WAP lead paint/asbestos/mold and moisture/biological/pests/etc.
- Fuel tank removal, repair, or installation major repair to unsafe chimney and stacks
- Water source repair (wells/filtration system, etc.)
- Windows and doors beyond scope of the energy audit.

1 **PROCESS:** WRF can only be used on homes that will receive weatherization services
2 following the deficit correction:

- 3 1. If the subgrantee has a waitlist of deferred homes in a service area, these homes should
4 be considered immediately for WRF to add them in the cue for weatherization
5 services. The client should be contacted and scheduled for assessment.
- 6 2. Deferrals are identified at the time of the weatherization home assessment. If there
7 are serious issues identified that are beyond the scope of eligible WAP conservation
8 and H&S recommendations utilizing the funds available, the home will be categorized
9 as “deferred” until the deficiency is corrected. These clients will be identified
10 following the normal prioritization and wait list process so this should continue to be
11 followed.
- 12 3. To the extent that readiness funds are available for deferrals, the subgrantee would
13 create a scope of work, contract for services or engage with a crew to do the deferral
14 work so that the building would then be eligible for weatherization. Readiness work
15 needs to be identified by measure in the client file.
- 16 4. Once the Readiness work is complete, the client needs to sign off on a detailed list of
17 the measures installed and then should be scheduled as soon as possible for
18 weatherization services. (If this occurs during a transition between program years,
19 that is fine just keep the information from the Readiness work in the client file moving
20 forward.
- 21 5. The subgrantee will then report to NCWAP on a spreadsheet quarterly until we can
22 create a category in our new database system. Client files for each job are expected
23 to contain the intake, measure, cost, and inspection information for Readiness.

24
25 **BRAIDING FUNDS:** NCWAP will encourage the legally-allowable blending, braiding, and
26 bundling of funding sources to augment these Readiness funds. More guidance will be
27 provided via memo.
28
29