State of North Carolina Bipartisan Infrastructure Law Weatherization Assistance Plan

United States Department of Energy

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(NCDEQ SEO BIL State Plan)
July 1, 2022 – June 30, 2027
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Effective July 1, 2022 – June 30, 2027
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EXECUTIVE SUMMARY

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

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

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

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

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

A NCSEO Disadvantaged Communities (DACs) map will be created to identify the NC areas that are defined as disadvantaged by both federal and North Carolina definitions that also have
low rates of weatherized houses per capita. This tool will be used to identify and target census tracts that are of the topmost priority for weatherization work. Subgrantees are expected to prioritize and align property selection within the states’ top-priority, overlapping places to weatherize (TOP-W), providing at least 40% of WAP benefits within DAC census tracts per the Justice40 initiative.

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

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

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

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

INTRODUCTION

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

OVERVIEW AND ORGANIZATION

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

1 PART I – ANNUAL FILE

1.01 Overall Main Budget with Allocations

DOE 2022-2027 BIL Allocations

BIL funds can be used and should be used, in conjunction with other funding sources including private funds as necessary to complete projects; however, USDOE BIL 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 BIL.1

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

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

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

Average cost per unit must be maintained. $ACPU = \text{DOE Program funds minus DOE H&S expenditures divided by DOE completions.}$ 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.

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

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

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3 WPN 12-9 Incidental Repair Measure Guidance
Funding for the 2023-2027 Program Year

NCSEO expects to receive $89.7 million dollars over five years 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 factors related to income-eligible population and climate. Temporary Subgrantees will be eligible to apply for a BIL award based on performance and production criteria. The maximum available award will not exceed the funding-based allocation for Weatherization Program Year 2022. North Carolina assigns a subgrantee to cover a region of the State, to provide weatherization services to the eligible population.

The application process will permit each qualified subgrantee to receive a maximum up to their annual allocation for regularly allocated Weatherization Assistance Program (WAP) funds as stated in the WAP State Plan, thus potentially doubling their annual allocation. In addition, each qualified subgrantee will be required to complete an application that contains factors such as: (1) expenditure and capacity building; (2) metrics to create long-term jobs with family-sustaining wages and benefits; (3) methods to evaluate program effectiveness; (4) strategies to prioritize underserved and disadvantaged communities; and (5) proposed service territory. NCSEO is developing a tool that will assist with identifying underserved and disadvantaged communities across North Carolina.

North Carolina State Energy Office (NCSEO) will provide funds to existing subgrantees based upon their compliance with all State and Federal requirements and the successful completion of their previous program year production goals. Many subgrantees could receive BIL allocations that will double their annual DOE allocation. Additionally, NCSEO proposes to retain flexibility to add or change subgrantees to meet the additional obligations created by BIL. The Subgrantee contract and budget period for BIL funds will begin no later than July 1, 2023, and end no later than June 30, 2027. This will allow NCSEO as the Grantee, to prepare and establish additional

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

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

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

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

1.02 Existing Subgrantees

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.

<table>
<thead>
<tr>
<th>Weatherization Agency</th>
<th>Action Pathways, Inc</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
<td>**4525 Campground Road Fayetteville, NC 28314</td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td><strong>2, 4, 6, 7, &amp; 8</strong></td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td><strong>Cumberland, Scotland, Montgomery, Columbus, Brunswick, Hoke, Pender, Robeson, Moore, Bladen, &amp; Sampson</strong></td>
</tr>
<tr>
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<thead>
<tr>
<th>Weatherization Agency</th>
<th>Blue Ridge Community Action, Inc.</th>
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<tbody>
<tr>
<td><strong>Address</strong></td>
<td><strong>800 North Green Street Morganton NC 28655</strong></td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td><strong>5, 9, 10, 11, &amp; 12</strong></td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td><strong>Alexander, Burke, Caldwell, Gaston, Mecklenburg, Stanly, Union, &amp; Catawba</strong></td>
</tr>
<tr>
<td><strong>Executive Director</strong></td>
<td>Stephanie Ashley</td>
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<thead>
<tr>
<th>Weatherization Agency</th>
<th>Blue Ridge Opportunity Commission, Inc.</th>
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<tbody>
<tr>
<td><strong>Address</strong></td>
<td>710 Veterans Drive North Wilkesboro, NC 28659</td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td>Alleghany, Ashe, &amp; Wilkes</td>
</tr>
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<tr>
<th>Weatherization Agency</th>
<th>Cabarrus County Planning and Development Services Department</th>
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<tbody>
<tr>
<td><strong>Address</strong></td>
<td>65 Church Street S Concord, NC 28025</td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td>8 &amp; 12</td>
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<tr>
<td><strong>County Served</strong></td>
<td>Cabarrus</td>
</tr>
<tr>
<td><strong>Executive Director</strong></td>
<td>Susie Morris</td>
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<thead>
<tr>
<th>Weatherization Agency</th>
<th>Central Piedmont Community Action, Inc.</th>
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<tr>
<td><strong>Address</strong></td>
<td>1401 Ross Avenue Siler City, NC 27344</td>
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<td><strong>Congressional District</strong></td>
<td>2, 4, 8, &amp; 9</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td>Chatham, Orange, Anson, &amp; Richmond</td>
</tr>
<tr>
<td><strong>Executive Director</strong></td>
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<tr>
<th>Weatherization Agency</th>
<th>Choanoke Area Development Association, Inc.</th>
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<tr>
<td><strong>Address</strong></td>
<td>120 Sessoms Drive Rich Square, NC 27869</td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td>1, 3, &amp; 13</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td>Bertie, Edgecombe, Halifax, Hertford, Martin, &amp; Northampton</td>
</tr>
<tr>
<td><strong>Executive Director</strong></td>
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<tbody>
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<td><strong>Address</strong></td>
<td>303 McQueen Avenue Newport, NC 28570</td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td>1, 3, &amp; 7</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td>Carteret, Craven, Duplin, Jones, New Hanover, Onslow, Pamlico, &amp; Beaufort</td>
</tr>
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<td>Weatherization Agency</td>
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<td><strong>Address</strong></td>
<td>25 Gaston Street Asheville, NC 28801</td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td>10 &amp; 11</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td>Buncombe, Cleveland, Henderson, Madison, McDowell, Polk, Rutherford, &amp; Transylvania</td>
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<tr>
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<td><strong>Address</strong></td>
<td>712 Virginia Road Edenton, NC 27932</td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td>1 &amp; 3</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td>Currituck, Washington, Hyde, Camden, Gates, Pasquotank, Perquimans, Tyrrell, Chowan, &amp; Dare</td>
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<tr>
<td><strong>Congressional District</strong></td>
<td>11</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
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<tr>
<td><strong>Congressional District</strong></td>
<td>2, 6, &amp; 13</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td>Franklin, Vance, Warren, Nash, &amp; Granville</td>
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<td><strong>Email</strong></td>
<td><a href="mailto:abdulsmrasheed@fvwopp.com">abdulsmrasheed@fvwopp.com</a></td>
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</table>

<table>
<thead>
<tr>
<th>Weatherization Agency</th>
<th>I-Care, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
<td>1415 Shelton Avenue Statesville, NC 28677</td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td>5 &amp; 10</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td>Iredell &amp; Lincoln</td>
</tr>
<tr>
<td><strong>Executive Director</strong></td>
<td>Bryan Duncan</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>P: (704) 872-8141</td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td><a href="mailto:bryan.duncan@icare-inc.org">bryan.duncan@icare-inc.org</a></td>
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<table>
<thead>
<tr>
<th>Weatherization Agency</th>
<th>Johnston-Lee-Harnett Community Action, Inc.</th>
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<tbody>
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<tr>
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<td></td>
</tr>
<tr>
<td><strong>Executive Director</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Contact</strong></td>
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<tr>
<td>Weatherization Agency</td>
<td>Address</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------</td>
</tr>
<tr>
<td>1 Weatherization Agency</td>
<td>1102 Massey Street Smithfield, NC 27577</td>
</tr>
<tr>
<td>2 Weatherization Agency</td>
<td>5 West Main Street Franklin, NC 28734</td>
</tr>
<tr>
<td>3 Weatherization Agency</td>
<td>2177 Asheville Road Waynesville, NC 28786</td>
</tr>
<tr>
<td>4 Weatherization Agency</td>
<td>1398 Carrollton Crossing Drive Kernersville, NC 27284</td>
</tr>
<tr>
<td>5 Weatherization Agency</td>
<td>1110 Navaho Drive, Suite 400 Raleigh, NC 27609</td>
</tr>
<tr>
<td>6 Weatherization Agency</td>
<td>225 Birch Street, Suite 2 Boone, NC 28607</td>
</tr>
<tr>
<td>Weatherization Agency</td>
<td>Wayne Action Group for Economic Solvency, Inc.</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------------------------------------------</td>
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<tr>
<td><strong>Address</strong></td>
<td>601 E Royall Avenue Goldsboro, NC 27534</td>
</tr>
<tr>
<td><strong>Congressional District</strong></td>
<td>1, 3, 7, &amp; 13</td>
</tr>
<tr>
<td><strong>County Served</strong></td>
<td>Wayne, Greene, Pitt, Wilson, &amp; Lenoir</td>
</tr>
<tr>
<td><strong>Executive Director</strong></td>
<td>Patricia Beier</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>P: (919) 734-1178</td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td><a href="mailto:pbeier@wagesnc.org">pbeier@wagesnc.org</a></td>
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<table>
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<th>Weatherization Agency</th>
<th>Yadkin Valley Economic Development District, Inc.</th>
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</thead>
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<tr>
<td><strong>Address</strong></td>
<td>533 N. Carolina Avenue, Highway 601 N Boonville, NC 27011</td>
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<td><strong>Congressional District</strong></td>
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<tr>
<td><strong>County Served</strong></td>
<td>Davie, Rowan, Stokes, Surry, &amp; Yadkin</td>
</tr>
<tr>
<td><strong>Executive Director</strong></td>
<td>Kathy Payne</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>P: (336) 367-7251</td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td><a href="mailto:kpayne@yveddi.com">kpayne@yveddi.com</a></td>
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## 1.03 Estimated Production

<table>
<thead>
<tr>
<th>Quarterly Performance Period</th>
<th>Number of Planned Units</th>
<th>Planned Program Operations Budget ((units * ACPU) - vehicles))</th>
<th>Planned H&amp;S Budget</th>
<th>NCWAP Quality Control/monitoring Inspections</th>
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<td>$-</td>
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<td>Q3</td>
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<td>Year 3 Subtotal</td>
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## 1.04 Energy Savings

The BIL program will utilize the DOE energy saving algorithm as per WPN 22-1 p. 25. 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.

## 1.05 Monitoring Activities

### 1.05.1 Introduction

_Rough Draft - State of North Carolina - USDOE BIL State Plan_
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 50-60% of administrative funds will 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.

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

1.05.2  Peer Exchange

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

a) Training needs of Subgrantees will be identified and remedied through Peer Exchange and NCWAP.

b) Agencies will follow the Peer Exchange Protocol (See Appendix A).

1.05.3  NCWAP Monitoring of Subgrantees

a) Audit - An annual monitoring visit, as required by contract agreement, shall be conducted by NC Weatherization Assistance Program (WAP) 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 review.

c) On-Site Review - NCWAP may conduct an on-site review on an annual basis and when required in item b above. The on-site review shall consist of staff from NCWAP and qualified technicians as necessary under the direction of NCWAP. The following items shall be reviewed at a minimum.

   o Financial Records - Including but not limited to general ledger, bank statements, checks, audit reports, financial statements and other records necessary for the review of the financial records.
   o Inventory System - Including but not limited to purchasing system, controls, perpetual inventory, financial records and other records deemed necessary by the reviewer.
Client Files - For accuracy, completeness, demographic information, and documentation of work needed, work completed, client eligibility and inspection of work.

Work Completed - Homes shall be reviewed to determine quality of work, completeness of work, conservation measures installed based on a computerized audit or DOE approved regional priority list to determine cost effectiveness, geographic distribution, proper documentation in client files, client satisfaction and other information deemed necessary by the NCWAP monitor.

d) Subgrantee Post-Installation Inspection - Each weatherized unit must be inspected by the Subgrantee to ensure that the work is in compliance with required specifications before the unit is reported to NCWAP as completed. A complete inspection form, legibly signed by the Subgrantee’s inspector shall be placed in each job file. In addition, Subgrantees and their subcontractors must certify all weatherization work and materials including base load measures for a period of one year from the time of completion. Certification includes the repair and replacement of defective measures resulting from improper installation or material defect.

e) Subgrantee Review - If deficiencies in agency program operations indicate non-compliance with Low Income Weatherization Program Implementation, Master Grant and/or federal rules and regulations, NCWAP will respond by working with the Subgrantee to correct deficiencies.

f) Provide Training and Technical Assistance - T&TA activities are intended to maintain or increase the efficiency, quality, and effectiveness of the Weatherization Assistance Program at all levels. Such activities should be designed to maximize energy savings, minimize production cost, improve program management, and/or reduce the potential for waste, fraud and abuse.

1.06 Training and Technical Assistance and Workforce Development Approach

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

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

a) Focus Area 1 Boosting Programmatic Effectiveness
   o Objectives
      ▪ Collaborative intake process,
      ▪ Training to blend all funding sources, including available private funds,
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.

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

Focus Area 3 Workforce Development

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

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

March - June 2023

a) Notification of Funding (NOF) and Request for Qualifications (RFQ) [i.e., application], sent,

b) Review of RFQ and organizations selected,

c) Organizations submit work plans for reaching T&TA goals,

d) Contracts written, agreed upon and signed.

June - October 2023

The three organizations begin to implement their workplans.

2023-2027:

Through a partnership with the workforce development organization enrolled students will be placed with 10-week paid apprenticeship with a matching subgrantee partner beginning in the fall of 2023. Upon completion of the first wave of apprentices, program will work to conduct an evaluation of the plan to identify lessons learned prior to launching the next cohort. NCSEO anticipates three ten-week apprenticeships every calendar year with approximately 100 students per session. The cadence of the apprenticeship placement is:

a) 10 weeks in fall
b) 10 weeks in spring
c) 10 weeks in summer

Incentives for employers and community colleges

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

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

1.06.1 Allocation of T&TA Funds

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

In place of BIL T&TA funds, Subgrantees must spend annual base “Program Year” USDOE appropriations for the following activities:
a) Registration costs for conferences, meetings, workshops and other related energy functions.

b) Travel, lodging, meals and parking to attend activities identified above.

c) Salary and fringe costs for direct agency staff while attending approved training functions.

d) Subscriptions to magazines, newsletters, and memberships.

e) Other energy related functions, activities or events not mentioned in 1.06.1 a. - d. above.

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

1.06.2 Availability of T&TA funds

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

1.06.3 Technical Assistance

NCSEO 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 agencies to assure continued improvements in the effectiveness of weatherization projects.

Rough Draft - State of North Carolina - USDOE BIL State Plan
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h) NCSEO shall address deficiencies that are identified by program review, audit, reports, regional or national reviewer or other sources.

1.07 Leveraging Activities

1.07.1 Other Funds

NCSEO 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.

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

1.07.2 DOE Funds as Leverage

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

1.08.1 Make up and Meetings

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

North Carolina’s Policy Advisory Council (PAC) Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angie Jaco</td>
<td>Energy Programs Coordinator, Four Square Community Action, Inc.</td>
<td><a href="mailto:angie.jaco@foursq.org">angie.jaco@foursq.org</a></td>
</tr>
<tr>
<td>Gary Smith</td>
<td>NC Interfaith Power &amp; Light</td>
<td><a href="mailto:smithk@mindpsring.com">smithk@mindpsring.com</a></td>
</tr>
<tr>
<td>Kristen Brannock</td>
<td>President at Resource for Seniors</td>
<td><a href="mailto:kristenb@rfsnc.org">kristenb@rfsnc.org</a></td>
</tr>
<tr>
<td>Robert Parrish</td>
<td>Raleigh Mayor’s Committee for Persons with Disabilities, Committee Member: Housing</td>
<td><a href="mailto:Robertparrish7@gmail.com">Robertparrish7@gmail.com</a></td>
</tr>
<tr>
<td>Felicia Coleman</td>
<td>Executive Director, Franklin-Vance-Warren Opportunity, Inc.</td>
<td><a href="mailto:feliciacooley@fvwopp.com">feliciacooley@fvwopp.com</a></td>
</tr>
<tr>
<td>Kathy Payne</td>
<td>Executive Director, Yadkin Valley Economic Development District Inc</td>
<td><a href="mailto:kpayne@yveddi.com">kpayne@yveddi.com</a></td>
</tr>
<tr>
<td>Michael Blair</td>
<td>Community Development Director, PTRC</td>
<td><a href="mailto:mblair@ptrc.org">mblair@ptrc.org</a></td>
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<tr>
<td>Tara Bolen</td>
<td>Duke Energy</td>
<td><a href="mailto:Tara.bolen@duke-energy.com">Tara.bolen@duke-energy.com</a></td>
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</tbody>
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At Risk Categories:
- Energy Efficiency (EE) and Weatherization Expert
- Consumer Advocacy Group

1.09 Public Hearing

NCSEO will hold a hybrid Public Hearing on Monday, March 27, 2023, at 3:30 p.m. EST. Contact Matthew Davis at (919) 397-9788.
PART II – MASTER FILE

Eligibility

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

2.01.1 Categorical Eligibility

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

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

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

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

a) What is Income

Please refer Appendix B for the definition of what is income.

b) What Is Not Considered Income


https://data.census.gov/table?q=S1701:POVERTY+STATUS+IN+THE+PAST+12+MONTHS&t=Income+and+Poverty&g=0400000US37&tid=ACSST1Y2021_S1701
Please refer Appendix B for the definition of what is not considered income.

2.01.2 Time Period for Income Verification

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

In multi-family buildings agencies 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 households in the multi-family building must meet income guidelines in order to qualify for assistance unless the requirements of section 2.18.2 are met.

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

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 the local Low Income Home Energy Assistance Program provider to obtain eligible LIHEAP/DOE applicants who have requested weatherization.

2.01.3 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 (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 to complete DOE’s quarterly reporting.
The Subgrantee will be required to review and prioritize applicants to be served at least quarterly. Given that all applicants are required to re-verify for the program annually and thus the applications are no older than one year. The first consideration must be by priority category. Afterwards, Subgrantees may choose to use oldest application certification date for positioning applicants within the same allowable priority category. Applicants are not required to reapply annually for Weatherization; however, Subgrantees are required to re-verify applicant information annually to ensure program compliance.

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.

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.

### 2.01.4 Equity and Racial Justice

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

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

### 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.
2.02 Climatic Conditions

Grantee uses heating degree day info and references:

https://www.eia.gov/energyexplained/units-and-calculators/degree-days.php  EIA Degree Days
Calculations document attached to SF424 in PAGE. We use Weatherization Assistant software
Weather File that has NC split into 6 regions that determine the effect of climate on weatherization
eligible 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 in includes, and how the dwelling will look
when completed.

c) 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).

d) 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.

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.

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 must add a question to their
weatherization applications asking if the home has been weatherized in the last 15 years by any
agency. Other Federal funds includes 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 NCSEO 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 must be denied weatherization utilizing DOE during the 15-year period.

2.04 Energy Audit Procedure
One energy modeling software platform has been approved by DOE for use in the NCWAP
program. The Weatherization Assistant Version Created by ORNL is approved for single family
homes, mobile homes and small multifamily dwellings. NCWAP will be requesting approval of
alternative, DOE approved computer modeling software for use by subgrantees in addition to the
Weatherization Assistant software.

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)

Large Multi-family 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.

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 staff members certified in the use of 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 US DOE “Climate Region 2” priority lists (PLs) for 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 included within the PL, or if the home does not meet the basic requirements of the PL, then a site-specific energy audit will be required to be run utilizing DOE approved software and according to the dwelling type audit protocol. Eligibility must be determined prior to utilizing the PLs and have requirements for Health and Safety measures installed according to the Health and Safety Plan.

2.04.3 Coordinator Override

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

2.04.4 Prioritization of Work

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

2.04.5 Audit Tool Training
NCWAP has implemented the two-week Energy Auditor Certification requirement for all Energy Auditors to cross-reference the schedule identified in "Supplement 1"

### 2.05 Final Inspection

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

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

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

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

a) QCI’s shall possess the knowledge, skills and abilities in the National Renewable Energy Laboratory (NREL) Job Task Analysis for Quality Control Inspectors. All QCI’s must be certified as a Home Energy Professional Quality Control Inspector.

b) Subgrantees require new final inspectors to have QCI certification within one year of hire.

c) Prior to “close out” of weatherization activities for a completed unit, at least one QCI signature is required to be transcribed on the Grantee’s final inspection form. In addition, all activities associated with “close out” are required to be reported in the Grantee’s client database within the timeframes specified in other sections of this plan.

**Final inspections:**

a) Must be performed by someone other than the person who installed the primary weatherization measures. The Quality Control Inspector is encouraged not to also serve as the Energy Auditor for the same dwelling. If this is not possible, the Subgrantee shall be subjected to additional monitoring by the Grantee.

b) Shall be aligned with the Standard Work Specifications (SWS) and the Subgrantee contracts and subcontractor agreements cite that work must align with the SWS.
c) Must include the certification that any mechanical work performed, and that installed weatherization work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by 10 CFR 440.21.

d) To ensure all planned measures were performed and completed, the original energy audit, work order (and subsequent change orders), and all 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 at final inspection if not doing so has previously been shown to be problematic for that Subgrantee.

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

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

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

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

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

a) Actual costs of each measure completed.

b) Funding source(s) utilized for each measure.
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.

e) Health & Safety (H&S) repair costs: Indicate which funding source(s) were utilized and an explanation of what the H&S repairs included.

f) Incidental repairs costs, funding source(s) utilized and an explanation of what the incidental repairs included.

g) Total of each individual funding source as well a combined total of all funding sources.

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 areas of:

a) energy efficiency,

b) final inspections/quality assurance,

c) program finance, and

d) agency staffing.

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

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

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

Additionally, Subgrantee risk is analyzed by:

a) field and desktop monitoring results,
b) findings,
c) ability to spend funds,
d) cost per unit average (CPU), and
e) Key Staff turnover (Exec. Director, Fiscal Director, Program Manager).

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

a) additional oversight by Subgrantee management,
b) additional training, or
c) staff reorganization.

The Grantee approves the CAP and follows 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 a database program and production number are compared at mid-year. 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 financial monitoring visits 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.

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

The NCWAP Energy Efficiency Program will be accessing the post-Weatherization energy savings for three additional Subgrantees in PY23. This program evaluates weatherization work installed by Subgrantees and provides strategies to increase program efficiencies. We will compare productivity and energy savings, and the comparisons will be used to develop training and technical assistance activities to increase those savings.
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 using a computer database. These funds are used for measures that help provide, maintain, or mitigate elements to promote healthy living in weatherized homes. Health and safety measures include actions to improve indoor air quality and control environmental pollutants. The elimination or mitigation of mold, radon, gasses from combustion appliances and spray foam sealants, as well as forced-air HVAC-sourced contaminates are the focus of H&S measures. Measures performed in these areas following state SWS guidelines provide protection for weatherization workers, as well as the weatherized clients.

The primary goal of the US Department of Energy’s (DOE) Weatherization Assistance Program is energy efficiency. However, DOE allows funds to be used for health and safety risk mitigation and no longer requires these costs to be within the per-home expenditure average. 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 require that all grantees develop a Health & Safety Plan (H&SP). NCWAP considers the H&SP a meaningful guidance tool for subgrantees, subcontractors and weatherization crew members. NCWAP periodically reviews and maintains the H&SP and amends when appropriate.

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

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

In the event that a home falls outside typical H&S measures listed above, the subgrantee must receive guidance from NCWAP in order to properly evaluate and make determinations on a case-by-case basis. NC WAP will use staff expertise in areas such as construction, building science, physics, and general logic to make these determinations based on USDOE regulations and guidance.
Potential contaminates sourced from HVAC systems can be evaluated and mitigated using H&S funding. As part of the heating system evaluations, subgrantees assign qualified HVAC subcontractors to perform Evaluate, Clean and Tune (ECT) measures. These subcontractors professionally evaluate heating systems to determine if they require cleaning. The economic practicality of performing ECTs on non-functioning units or systems needing major repairs is also evaluated at the initial system inspection. ECTs or repairs costing greater than one third of the equivalent system replacement cost shall be replaced without any original system cleaning.

2.08 Health and Safety – Incidental Repairs

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

Dwellings that require IRMs must have a site-specific computerized audit in which the cost of the IRMs are added. This is to ensure that the package of measures do not reduce the overall SIR to less than 1.0. 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.

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

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

2.10 Program Management

Under the Energy Conservation in Existing Building 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

NCSEO intends to utilize 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 BIL funds are separate from, and in addition to, the current Subgrantee base WAP appropriation.

Temporary Subgrantee Selection

Existing Subgrantees who apply for the BIL funding are considered “Temporary Subgrantees” for the 5-year period.

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

Scenario #1

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

Scenario #2

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

Additional Temporary Subgrantees will be identified through state issued Notice of Funding Availability (NOFA). In advance the NOFA, the State Energy Office will undertake a statewide outreach campaign to identify potential new Temporary Subgrantees. This will include outreach.
to groups recommended by current subgrantees and specific outreach to Tribes to the greatest extent possible.

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 staffs, 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 a Disadvantage Community (DAC) census tract. **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 will award funds to a Temporary Subgrantee based on subgrantee applications for PY 2023 and geographic need. NCSEO intends to add approximately 5-10 additional Temporary
Subgrantees in various parts of the state, based on geographic need, of which at least 40% of the benefits will be allocated to DAC areas.

Existing Subgrantees will request their allocated funding through an internal WAP application process. Those who request and receive BIL funding will receive a contract for an initial two-year period (2023-2024). NCSEO will review funds and performance of Temporary Subgrantees on a quarterly basis to properly and effectively manage the program. Upon successful delivery and evaluation of the program, the Temporary Subgrantee may renew for an additional two-year (2025-2027) period, with a potential one-year extension possible during the BIL grant period unless the Temporary Subgrantee withdraws, or when monitoring of the Temporary Subgrantee indicates serious or repeated deficiencies. 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 BIL plan.

2.10.4 Conflict of Interest

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 NCSEO-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 an Energy Efficient and Conservation (EEC) program assignment for a length of time that is agreed upon by the contractor and the subgrantee, and there must be a written contract identifying this agreement and all work that needs to be performed. All of NCSEO’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 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 NCSEO Programs’ scope of work.

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

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 percent.

DOE will allocate the 15 percent, with a direct split between the Grantee and its Subgrantees. Not more than 7.5 percent may be used by the Grantee for such purposes, and not less than 7.5 percent must be made available to Subgrantees by the Grantee.
The LIHEAP administrative cost category is 10 percent; 5 percent for the Grantee and 5 percent for the Subgrantee.

Consistent with past practices, DOE includes the provision where a Grantee may provide in its annual plan an additional 5 percent 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. We will provide training via webinars, conferences, onsite training, and through accredited training facilities.

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

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

a) client eligibility verification,

b) quality of work,

c) initial audits,

d) software modeling/computer audits,

e) jobs costs,

f) ASHRAE forms,

g) pictures, and final inspections.
The grantee will inspect 5% of the client files for completed jobs weatherized in the program year. Grantee will increase monitoring from 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 will recommend appropriate actions that must be taken to assist the Subgrantee in resolving the problem. Assistance will be provided by grantee staff or other training and technical assistance resources. These processes shall also apply to QCI certified personnel if they fail to adequately inspect to the most recently approved DOE field guide.

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

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

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

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

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

a) NCWAP's Fiscal Monitor schedules a yearly visit to each Subgrantee. During these visits, the Monitor conducts a comprehensive review of all ledgers, budgets, and accounting systems, related to the weatherization program.

b) The NC WAP Supervisor may conduct unannounced spot visits of Subgrantees at random. During these visits all aspects of the program may be reviewed to determine compliance
with federal and state requirements.

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

2.11.1 Subgrantee Termination

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

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

a) Work performance fails to substantially adhere to the requirements of the Financial Assistance Agreement or its associated documents,

b) Refusal to proceed with or complete the work,

c) Failure to provide original receipts to justify whether costs are allowable, necessary, or reasonable,

d) Disregard for laws, rules, ordinances, or regulations set by NCSEO,

e) Misuse of dedicated account funds, including but not limited to:
   o failure to pay vendors,
   o failure to notify NCSEO of fraud or the allegation of fraud,
   o embezzlement, misappropriation, or abuse of funds,

f) Disregard for competitive bidding, or

g) Other cases of conflict of interest.

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

When significant problems are not resolved within thirty (30) days, NCSEO will transmit a letter of non-compliance to the subgrantee’s leadership and executive management, such as a board chairperson, weatherization director, or executive director. This letter will cite specific section(s) of the Financial Assistance Agreement 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.

If no response is received by NCSEO within five (5) calendar days of the issuance of the letter of
non-compliance, the plan for resolving the alleged noncompliance is unacceptable to NCSEO, or the plan to resolve the alleged noncompliance is not followed, a notice of default and intention to terminate will be transmitted to the subgrantee’s leadership and executive management team.

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

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

2.11.2 Exemplary Agencies

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

Levels of Agency Performance

High Performance or Exemplary Agencies:

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

**Program Operations:**
- No Health and Safety finding as identified in previous monitoring report.
- No procedural findings related to program rules, and policies and procedures.

**Fiscal:**
- No annual program specific audit findings.

**Technical:**
- Provide comprehensive service utilizing the latest building science and renewable technology, in a cost-effective manner in accordance with State of North Carolina law and policy.

**Production:**
- In general, the agencies production is high relative to funding.

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

**Risk:**
- No “at-risk” elements are found in major categories for an agency.
If the above is met, a final visit may be made by an NCSEO WAP Supervisor for final confirmation of achievement.

**Typical Agency Performance:**

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

a) Well-established systems for program administration and operations, with no finding in the following areas:
   - Compliance with major program requirements, such as, lead-based paint procedures, cost allocation plan/indirect rate, required contractor information.
   - No program specific finding in the annual audit.
   - Staff well trained in performance of specific job duties.
   - Complete and organized files.

b) Evidence of prudent decision making as to use of program resources:
   - Complete scopes of work.
   - Fiscal documentation is current and consistent with billing procedures.

c) Consistently maintaining updated records in the NC WAPs Client Database
   - Staff proficient in its use.
   - Evidence that client data for waitlist or deferral lists are updated and verified at least annually. Please see Appendix C for the “deferral” process.
   - Client data is maintained on a monthly basis for those receiving weatherization services (excluding waitlists and deferral lists as defined in “b”).

d) Staff and contractors have demonstrated proficiency in technical applications, including diagnostics.

e) Agency has a minimal number and severity of procedural findings (as related to program laws, rules, and policies and procedures), as well as health and safety findings from previous monitoring report.

f) Agency complies with Occupational Safety and Health Administration (OSHA)/DHS/NCSEO safety rules, as applicable.

g) The agency maintains a professional working relationship with NCSEO such as conducting oneself with responsibility, integrity, accountability, respect, and excellence in all interactions.
h) Past corrections made and reported in a timely manner.

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

**At-Risk Agency Performance:**

At-risk agencies 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.

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

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

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

e) The agency has deficient scopes of work.

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

g) The agency files are incomplete or disorganized.

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

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

j) Agency 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 agency.

At-risk agencies will be monitored **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**
NCSEO monitors Subgrantee productivity through information provided on monthly fiscal reports, fiscal/program monitoring, and the Peer Exchange. If a Subgrantee falls consistently and considerably below their projections, NCSEO 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 Multi-Family

Multifamily buildings are those containing five dwelling units or more. For multifamily buildings containing less than 25 units with units that are individually heated or cooled, either the Multifamily Priority List or the Weatherization Assistant 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.

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 percent of a duplex,
- b) 66 percent of a triplex, or
- c) 50 percent 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 completion of the project.

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

The Grantee will follow the following procedures for multifamily:

- a) If reported Multi-Family dwellings containing five or more units make up **less than** 20% of the Grantee’s weatherized units, then the projects must be submitted for review and approval by DOE prior to commencing work on the units; or

- b) If reported Multi-Family dwellings containing five or more units make up **more than** 20% of the Grantee’s weatherized units, then the projects must be evaluated by a USDOE-approved energy audit tool (i.e., TREAT, REM, MULTEA) prior to commencing work on
the units. NCWAP will be requesting approval of alternative, DOE approved computer
modeling software for use by Subgrantees.

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

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

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

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

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

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

2.13.1 Multi-Family Eligibility

Categorical Eligibility

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

The effort explored the overlap in incomes of the different households served through the various
programs. The overlap is sufficient to consider “categorical income eligibility”, defined across
programs as automatically granting program eligibility to applicants who have already met the
eligibility requirements of another agency’s identified program.
Subgrantees may certify that applicants have met the income requirements of HUD means-tested programs through mechanisms including, but not limited to, applicant documentation, interagency lists of recipients, shared system databases, etc. Method of verification of eligibility must be included in the client file.

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 17-4 procedures must be followed to certify buildings.

c) Privately owned buildings receiving project-based assistance in North Carolina. WPN 17-4 procedures must be followed to certify buildings.

d) Tenant by tenant income verification by obtaining necessary documents from each individual tenant.

The WPN 17-4 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 percent of the units in each building (or at least 50 percent of the units for 2- and 4-unit buildings) have certified incomes that are at or below 200 percent 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 multi-family 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 – Buy American Act Compliance

Any BIL-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.” USDOE will provide further guidance regarding Davis-Bacon reporting. BIL multi-family projects should be deferred until clarifying guidance is received or other funding sources used. Once clarifying guidance is received, NCSEO will provide further guidance via memo. Accounting and tracking activities will be accomplished through the WAP client database.

2.14.3 Build America, Buy America Act

Buy American Act (BAA) language was written into the Bipartisan Infrastructure Law (BIL). USDOE will be providing additional guidance regarding BAA. Until additional guidance is supplied, it is NC WAP’s 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.” 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 percent or more of the total cost of components must be mined, produced, or manufactured in the United States.

c) Construction Materials
   o All manufacturing processes must occur in the United States.

2.14.4 Authorization

Prior to weatherizing residential units, the following procedures shall be followed. The owner or

authorized agent shall give written permission for the weatherization assistance. Such written authorization must be signed by the owner (or owner’s authorized agent) and must include:

a) Location of dwelling (physical street address).

b) Name of eligible tenant.

c) A list of possible work to be completed.

2.14.5 Operation of the Program

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

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

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/home/group.html?id=d56ec9c8aa77423b931f4d359f103ae6&view=list&categories=%5B%22%2FCategories%2FHPWEB%22%5D#content

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 proceed as follows:
   - forward an electronic version of the work order form or a scanned Subgrantee client database work order and pictures of the home from all four elevations (if possible) to energy.projects@ncdcr.gov for review.
   - the North Carolina State Historic Preservation Office will provide guidance/assistance regarding compliance and proper implementation for weatherization.

c) If any of the listed measures are not applicable, then proceed with the weatherization process.

2.15 General Accounting Practices

To insure accurate reporting, proper documentation, and compliance with federal and state guidelines for fiscal procedures, all Subgrantees must at a minimum:

2.15.1 Submit an Annual Audit

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

2.15.2 Receive Authorization from DEQ for Purchases or Lease

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

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

a) Name of requesting local agency.

b) Where the vehicle will be used and how it will be used – Specify, full or part time use in Weatherization Program.

c) Statement of whether this is a replacement or an expansion for ramp-up. If this is a replacement, describe how the trade-in is being addressed.

d) Brief description of how the procurement will be done, and confirmation that the agency maintains policies and procedures for property management that comply with all requirements of the applicable Code of Federal Regulations, 2 CFR Subtitle B with guidance at 2 CFR Part 200.

e) What the funding source(s) will be (e.g., DOE Weatherization Program Operations funds). Subgrantee T&TA funds are not an allowable option.

f) Copies of bid specs (vehicle description with options requested) and bids received.

g) Statement that lowest bid will be selected; or a sufficient justification of the “best value selection” if lowest bid is not recommended for DOE approval.

2.15.3 Travel Regulations

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

2.15.4 Financial Operations Manual

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

2.15.5 Use of Weatherization Funds for Renewable Energy Systems

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

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

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

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

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

2.15.6 Prohibited Expenditures

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

2.15.7 Discretion of Procurement

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

2.15.8 EPA Compliance

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

2.16 Reporting Requirements

7 https://www.epa.gov/smm/regulatory-background-comprehensive-procurement-guideline-program-cpg
Each Subgrantee shall submit certified and timely reports to DEQ detailing the progress made towards the program objective(s) and all administrative and program expenditures. The report must agree with the Subgrantee’s accounting records, client database, and be certified by the Subgrantee’s chief executive officer or their designee via handwritten or certified electronic signature.

a) Required reporting documents for a complete monthly billing package include:
   - Purchase Order [NC WAP Template]
     ▪ Signature, date, and title of two separate management staff.
   - Invoice [NC WAP Template]
     ▪ Signature, date, and title of two separate management staff.
   - Financial Status Report “286” [NC WAP Template]
     ▪ PDF (signed, dated, and title of certifying official) and Excel (unsigned) versions of the FSR 286, respectively
     ▪ The preparer should be a different person than the Certifying Official.
   - Project Expense Summary [NC WAP Template]
     ▪ Date of Purchase
     ▪ Vendor Invoice Number
     ▪ Vendor Name
     ▪ Subgrantee Project ID
     ▪ Invoiced Amount by Budgeted Line-Item Category (to include a statement of whether sales tax was charged for all expenses).
       1. Official receipts and supporting documentation to match the exact amount billed (i.e., for materials, subcontractor costs, etc.),
       2. Subgrantee writes “Subgrantee Project ID” on receipts and how much was charged to DOE funds.
       ▪ Building Materials Amount
       ▪ Checkbox for whether purchases align with NC WAP’s “Build America, Buy America” guidance.
       ▪ Contracted Services Amount
       ▪ Project Total for Billing Cycle
       ▪ Signature, date, and title of Financial Director.

b) Reporting Format – DEQ has provided all Subgrantees with online access to software for the purpose of reporting weatherization activities. All weatherization Subgrantees are required to use program software for reporting purposes.

c) NC WAP cannot approve an incomplete billing package. Expenses will not be reimbursed without providing all items listed in 2.17(a) and (b) on a monthly
basis (regardless of whether expenses were made).

### 2.16.1 Success Story Reports

Subgrantees receiving thank you letters from or about people whose homes were weatherized, should submit selected letters to NCSEO. 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

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

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

In a declared federal or state disaster, sub grantees may return to a unit previously reported as a completion to the Department of Energy that has been “damaged by fire, flood or act of God and repair of the damage to weatherization materials is not paid for by insurance”, per 10 CFR 440.18(f)(2)(ii).
Local authorities must deem the dwelling unit salvageable as well as habitable and the damage to
the materials must not be covered by insurance or other form of compensation. In these cases, the
work can be addressed without prior approval or any special reporting.

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

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

### 2.16.5 Wood Stove Replacement

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

### 2.17 Quality Control

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

#### 2.17.1 Fire Codes

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

#### 2.17.2 Electrical Codes

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

#### 2.17.3 Building Codes

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

#### 2.17.4 Materials Installed Properly

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

#### 2.17.5 Maximum Service – Holistic Approach

\(^8\) [https://deq.nc.gov/media/21186/download](https://deq.nc.gov/media/21186/download)

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

Appendix A - Peer Exchange Protocol
Appendix B - Determining Eligibility Levels
Appendix C - Deferral Criteria and Process
Appendix A – Peer Exchange Protocol

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

a) Stable agencies can and Vulnerable agencies will participate in an annual peer exchange.
   - Agencies can visit another agency of their choice. It is encouraged that they seek an agency that has a new or interesting aspect to their program such as a new weatherization measure, technique, or technical application.
   - Agencies may not visit the same agency as prior year without NCSEO permission.
   - Once an agency is chosen for peer exchange, the visiting agency shall inform the agency to be visited of their intentions at least three (3) months prior to the visit.

b) Selecting Units to Visit
   - At least three (3) weeks prior to the peer exchange, the host agency and visiting agency will communicate and discuss visiting agencies topics of interest.
   - At least 10 days prior to the visit, monitoring agency will notify host agency of four (4) jobs. Jobs selected based upon a previous conversation(s) concerning visiting agency’s topic of interest.
   - Host and visiting agency will schedule a mutual and convenient time for the peer exchange.
   - Host agency will schedule any field visits.

c) Elements of Exchange Visits
   - Discuss new and innovative techniques and applications; administrative procedures’ equipment uses; applications diagnostic testing techniques; and use of testing equipment.
   - Job site inspection (all four (4) units):
     - Discuss work and make notes with host agency’s representative.
     - Review installation techniques; testing procedures; benefits of application; as well as related benefits to home and occupant.

d) Discuss Observations
   - Items of interest should be discussed at length while on site; therefore, both agencies have a clear understanding of the issue, techniques, tools used, and methods.
e) Exit Interview

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

f) Report to NCSEO

- Visiting agency to draft summary report of visit.

- The report will include:
  - Topics and discussion
  - A narrative letter discussing observations, ideas, what they learned, and any differences they plan to implement into their program.

- Visiting agency will submit a report to NCSEO within 15 working days of site visit.
Appendix B – 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 details.

DEFINITION OF INCOME

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

d) CASH RECEIPTS: Cash Receipts include the following:

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

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

   o Capital gains;
   o Any assets drawn down as withdrawals from a bank;
   o Money received from the sale of a property, house, or car;
   o One-time payments from a welfare agency to a family or person who is in temporary financial difficulty;
   o Tax refunds;
   o Gifts, loans, or lump-sum inheritances;
   o College scholarships;
   o One-time insurance payments, or compensation for injury;
o Non-cash benefits, such as the employer-paid or union-paid portion of health insurance;

o Employee fringe benefits, food or housing received in lieu of wages;

o The value of food and fuel produced and consumed on farms;

o The imputed value of rent from owner-occupied non-farm or farm housing;

o Depreciation for farm or business assets;

o Federal non-cash benefit programs such as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance;

o Combat zone pay to the military;

o Child support, as defined below in Section E;

o Reverse mortgages; and

o Payments for care of Foster Children.

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

o 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.

o 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.
g) **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.

h) **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).

i) **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.

j) **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 C – 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 Client Software.

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. Household members report documented health conditions that prohibit the installation of insulation and other weatherization materials.

g) Household members, guests, or pets maintained at the dwelling are uncooperative, abusive, or threatening to weatherization staff or contractors.

h) 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.

i) Illegal activities are being conducted in the dwelling unit.

j) 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.
### Single Family Retrofit Installer

<table>
<thead>
<tr>
<th>Classes</th>
<th>Timeline</th>
<th>Course Method</th>
<th>Duration</th>
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</thead>
<tbody>
<tr>
<td>Weatherization for Absolute Beginners</td>
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<td>In person</td>
<td>2 days</td>
</tr>
<tr>
<td>Fundamentals of Building Science</td>
<td>1 month after hiring</td>
<td>In person</td>
<td>4.5 days</td>
</tr>
<tr>
<td>CAZ and Combustion Appliances</td>
<td>4 months after hiring</td>
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<td>3 days</td>
</tr>
<tr>
<td>NC SWS Specific Crew Best Practices</td>
<td>2 months after hiring</td>
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<tr>
<td>Manufactured Housing Weatherization</td>
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</tr>
<tr>
<td>Audit and Work Scope Utilization and Protocol</td>
<td>6 months after hiring</td>
<td>In person</td>
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<tr>
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### Single Family Crew Leader

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<td>HVAC And Mechanical Systems</td>
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<td>Modifiable Zonal Testing</td>
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<td>NEAT and MHEA</td>
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<tr>
<td>Energy Auditor Review and Testing</td>
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### Single Family State Monitor Quality Control Inspector

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