

# State of North Carolina Bipartisan Infrastructure Law Weatherization Assistance Plan



## United States Department of Energy

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

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

# Program Contacts

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Julie Woosley  
Interim Director, State Energy Office  
919-707-8203  
Julie.Woosley@ncdenr.gov

Matthew F. Davis  
Weatherization Supervisor  
Mobile: 919-397-9788  
Office: 919-707-8707  
Matthew.Davis@ncdenr.gov

Ernest Hodgson  
Energy Conservation Representative – Technical Lead  
919-707-8775  
Ernest.Hodgson@ncdenr.gov

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

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

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

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

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

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

## 31 32 33 **INTRODUCTION**

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

## 40 41 **OVERVIEW AND ORGANIZATION**

42  
43 The North Carolina Weatherization Assistance Program is administered by the North Carolina  
44 Department of Environmental Quality Energy Group. The Weatherization Manager oversees the

1 work of the Weatherization Assistance Program. Reporting to the Program Manager are three  
2 Programmatic Analysts, one Trainer/Lead Programmatic Analyst, and one Fiscal Supervisor; the  
3 Fiscal Supervisor oversees: one Grants Administrator, one Administrative Assistant, and two  
4 Fiscal Analysts.  
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## ***1 PART I – ANNUAL FILE***

### **1.01 Overall Main Budget with Allocations**

37 DOE 2022-2027 BIL Allocations  
38  
39

40 BIL funds can be used and should be used, in conjunction with other funding sources including  
41 private funds as necessary to complete projects; however, USDOE BIL funding may not be  
42 comingled with DOE annual formula funds. All tracking and reporting must be separate from other

1 funding sources to meet the monitoring, recordkeeping, and reporting requirements of the BIL.<sup>1</sup>

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

5  
6 The use of WRF does not need to result in a DOE-funded completion within the same PY but must  
7 be completed within the same grant cycle and within a reasonable time. Grantees must define what  
8 that reasonable time is within their WRF plans.

9  
10 WRF funds are allowed to be utilized on an annual-formula-funded and BIL-funded  
11 weatherization project.

12  
13 **Average cost per unit must be maintained.  $ACPU = \text{DOE Program funds minus DOE H\&S}$   
14 **expenditures divided by DOE completions. The use of supplemental funding sources,  
15 including private funds, does not have a negative impact on the average cost per unit or lead  
16 to reduced subgrantee funding/redistribution of funding.****

17  
18  
19 **If grant funds are not obligated for reimbursement by Subgrantee in a timely manner as  
20 determined by NCSEO, NCSEO may at its sole discretion, reduce Subgrantee funding and  
21 redistribute such funds to other Subgrantees by amending the Financial Assistance  
22 Agreement.**

23  
24 Grantees and Subgrantees are reminded that the WAP is not a rehabilitation or general repairs  
25 program. Program policies strictly prohibit roof replacements, structural repairs, or other non-  
26 energy related rehabilitation work. Units requiring this type of repair should be referred to a  
27 rehabilitation program or the Subgrantee must use other sources of funds to cover these costs.<sup>3</sup>

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

<sup>2</sup> WPN 23-4, “Weatherization Readiness Funds – Expansion of Scope”,  
[https://www.energy.gov/sites/default/files/2023-01/WPN\\_23-4\\_Weatherization\\_Readiness\\_Funds\\_Expansion\\_of\\_Scope.pdf](https://www.energy.gov/sites/default/files/2023-01/WPN_23-4_Weatherization_Readiness_Funds_Expansion_of_Scope.pdf)

<sup>3</sup> [WPN 12-9 Incidental Repair Measure Guidance](#)

1 **Program Budget**

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

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15 *Funding for the 2023-2027 Program Year*

16  
17 NCSEO expects to receive \$89.7 million dollars over five years as awarded by the US Department  
18 of Energy

19  
20 (DOE). NCSEO will allocate the funds to Subgrantee allocation, training and technical assistance,  
21 and administration costs, defined in detail below.

22  
23 Up to \$69.7 million will be available for Temporary Subgrantee allocation. The formula includes  
24 factors related to income-eligible population and climate. Temporary Subgrantees will be eligible  
25 to apply for a BIL award based on performance and production criteria. The maximum available  
26 award will not exceed the funding-based allocation for Weatherization Program Year 2022. North  
27 Carolina assigns a subgrantee to cover a region of the State, to provide weatherization services to  
28 the eligible population.

29  
30 The application process will permit each qualified subgrantee to receive a maximum up to their  
31 annual allocation for regularly allocated Weatherization Assistance Program (WAP) funds as  
32 stated in the WAP State Plan, thus potentially doubling their annual allocation. In addition, each  
33 qualified subgrantee will be required to complete an application that contains factors such as: (1)  
34 expenditure and capacity building; (2) metrics to create long-term jobs with family-sustaining  
35 wages and benefits; (3) methods to evaluate program effectiveness; (4) strategies to prioritize  
36 underserved and disadvantaged communities; and (5) proposed service territory. NCSEO is  
37 developing a tool that will assist with identifying underserved and disadvantaged communities  
38 across North Carolina.

39  
40 North Carolina State Energy Office (NCSEO) will provide funds to existing subgrantees based  
41 upon their compliance with all State and Federal requirements and the successful completion of  
42 their previous program year production goals. Many subgrantees could receive BIL allocations  
43 that will double their annual DOE allocation. Additionally, NCSEO proposes to retain flexibility  
44 to add or change subgrantees to meet the additional obligations created by BIL. The Subgrantee  
45 contract and budget period for BIL funds will begin no later than July 1, 2023, and end no later  
46 than June 30, 2027. This will allow NCSEO as the Grantee, to prepare and establish additional

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

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

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

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

22  
 23 **1.02 Existing Subgrantees**

24  
 25 North Carolina’s low-income weatherization network is made up of 20 Subgrantees each with their  
 26 own service area. The Subgrantees are comprised of community action agencies; housing  
 27 authorities; local governments; area agencies on aging; senior centers; a development corporation.  
 28 Many of the weatherization Subgrantees have over 20 years’ experience in delivering  
 29 weatherization services.

30  
 31 The following is a list of North Carolina’s existing Weatherization Subgrantees.

<i>Weatherization Agency</i>	<i>Action Pathways, Inc</i>
<i>Address</i>	4525 Campground Road Fayetteville, NC 28314   PO Box 25759
<i>Congressional District</i>	2, 4, 6, 7, & 8
<i>County Served</i>	Cumberland, Scotland, Montgomery, Columbus, Brunswick, Hoke, Pender, Robeson, Moore, Bladen, & Sampson
<i>Executive Director</i>	Lonnie Ballard
<i>Contact</i>	P: (910) 485-6131
<i>Email</i>	<a href="mailto:Lonnie.ballard@actionpathways.ngo">Lonnie.ballard@actionpathways.ngo</a>
<i>Weatherization Agency</i>	<i>Blue Ridge Community Action, Inc.</i>
<i>Address</i>	800 North Green Street Morganton NC 28655
<i>Congressional District</i>	5, 9, 10, 11, & 12
<i>County Served</i>	Alexander, Burke, Caldwell, Gaston, Mecklenburg, Stanly, Union, & Catawba
<i>Executive Director</i>	Stephanie Ashley

<b>Contact Email</b>	<b>P: (828) 438-6255</b> <a href="mailto:sashley@brcainc.org">sashley@brcainc.org</a>
<b>1 Weatherization Agency</b>	<b>Blue Ridge Opportunity Commission, Inc.</b>
<b>Address</b> <b>Congressional District</b> <b>County Served</b> <b>Executive Director</b> <b>Contact</b> <b>Email</b>	<b>710 Veterans Drive North Wilkesboro, NC 28659</b> <b>5</b> <b>Alleghany, Ashe, &amp; Wilkes</b> <b>Dare Stromer</b> <b>P: (336) 667-7174   F: (336) 667-5920</b> <a href="mailto:brocds@brocinc.com">brocds@brocinc.com</a>
<b>2 Weatherization Agency</b>	<b>Cabarrus County Planning and Development Services Department</b>
<b>Address</b> <b>Congressional District</b> <b>County Served</b> <b>Executive Director</b> <b>Contact</b> <b>Email</b>	<b>65 Church Street S Concord, NC 28025   PO Box 707</b> <b>8 &amp; 12</b> <b>Cabarrus</b> <b>Susie Morris</b> <b>P: (704) 920-2141   F: (704) 920-2227</b> <a href="mailto:samorris@cabarruscounty.us">samorris@cabarruscounty.us</a>
<b>3 Weatherization Agency</b>	<b>Central Piedmont Community Action, Inc.</b>
<b>Address</b> <b>Congressional District</b> <b>County Served</b> <b>Executive Director</b> <b>Contact</b> <b>Email</b>	<b>1401 Ross Avenue Siler City, NC 27344   PO Box 626</b> <b>2, 4, 8, &amp; 9</b> <b>Chatham, Orange, Anson, &amp; Richmond</b> <b>Natasha Elliott</b> <b>P: (919) 742-2277   F: (919) 742-2299</b> <a href="mailto:jacksonn@cpcanc.org">jacksonn@cpcanc.org</a>
<b>4 Weatherization Agency</b>	<b>Choanoke Area Development Association, Inc.</b>
<b>Address</b> <b>Congressional District</b> <b>County Served</b> <b>Executive Director</b> <b>Contact</b> <b>Email</b>	<b>120 Sessoms Drive Rich Square, NC 27869   PO Box 530</b> <b>1, 3, &amp; 13</b> <b>Bertie, Edgecombe, Halifax, Hertford, Martin, &amp; Northampton</b> <b>Christopher S Moody</b> <b>P: (252) 539-4155   F: (252) 539-2048</b> <a href="mailto:cmoody@nc-cada.org">cmoody@nc-cada.org</a>
<b>5 Weatherization Agency</b>	<b>Coastal Community Action, Inc.</b>
<b>Address</b> <b>Congressional District</b> <b>County Served</b> <b>Executive Director</b> <b>Contact</b> <b>Email</b>	<b>303 McQueen Avenue Newport, NC 28570   PO Box 729</b> <b>1, 3, &amp; 7</b> <b>Carteret, Craven, Duplin, Jones, New Hanover, Onslow, Pamlico, &amp; Beaufort</b> <b>Catissa Head</b> <b>P: (252) 223-1630</b> <a href="mailto:catissa.head@coastalca.org">catissa.head@coastalca.org</a>

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

2

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

3

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

4

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

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

6

<b>Weatherization Agency</b>	<b>Johnston-Lee-Harnett Community Action, Inc.</b>
------------------------------	--

<i>Address</i>	1102 Massey Street Smithfield, NC 27577   PO Drawer 711
<i>Congressional District</i>	2, 4, & 7
<i>County Served</i>	Johnston, Harnett, & Lee
<i>Executive Director</i>	E. Marie Watson
<i>Contact</i>	P: (919) 934-2145   F: (919) 934-6231
<i>Email</i>	<a href="mailto:jlhca@jlhcommunityaction.org">jlhca@jlhcommunityaction.org</a>

1

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

2

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

3

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

4

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

5

<i>Weatherization Agency</i>	<i>W.A.M.Y. Community Action, Inc.</i>
<i>Address</i>	225 Birch Street, Suite 2 Boone, NC 28607
<i>Congressional District</i>	5, 10, & 11
<i>County Served</i>	Watauga, Avery, Mitchell, & Yancey
<i>Executive Director</i>	April Beck & Melissa Soto
<i>Contact</i>	P: (828) 264-2421   F: (828) 264-0952
<i>Email</i>	<a href="mailto:april@wamycommunityaction.org">april@wamycommunityaction.org</a>   <a href="mailto:melissa@wamycommunityaction.org">melissa@wamycommunityaction.org</a>

1

**Weatherization Agency**

**Wayne Action Group for Economic Solvency, Inc.**

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

2

**Weatherization Agency**

**Yadkin Valley Economic Development District, Inc.**

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

3

DRAFT

1 **1.03 Estimated Production**

2

**PRODUCTION**

**BUDGET**

**# OF PLANNED MONITORING VISITS**

Quarterly Performance Period	Number of Planned Units	Planned Program Operations Budget ((units * ACPU) - vehicles))	Planned H&S Budget	Program, Admin and Fiscal Visits	Quality Control Inspections	In-Progress Inspections
Q1 (tentative start Sept 1, 2022)	0	\$ -	\$ -		0	
Q2	0	\$ -	\$ -		0	
Q3	0	\$ -	\$ -		0	
Q4	50	\$ 412,324.04	\$ 103,081.01		3	
<b>Year 1 Subtotal</b>	<b>50</b>	<b>\$ 412,324.04</b>	<b>\$ 103,081.01</b>	<b>0</b>	<b>2.5</b>	<b>0</b>
Q1	162	\$ 1,335,929.90	\$ 333,982.47		8	
Q2	162	\$ 1,335,929.90	\$ 333,982.47		8	
Q3	162	\$ 1,335,929.90	\$ 333,982.47		8	
Q4	162	\$ 1,335,929.90	\$ 333,982.47		8	
<b>Year 2 Subtotal</b>	<b>648</b>	<b>\$ 5,343,719.59</b>	<b>\$1,335,929.90</b>	<b>0</b>	<b>32.4</b>	<b>0</b>
Q1	400	\$ 3,298,592.34	\$ 824,648.09		20	
Q2	400	\$ 3,298,592.34	\$ 824,648.09		20	
Q3	400	\$ 3,298,592.34	\$ 824,648.09		20	
Q4	400	\$ 3,298,592.34	\$ 824,648.09		20	
<b>Year 3 Subtotal</b>	<b>1600</b>	<b>13,194,369.36</b>	<b>\$3,298,592.34</b>	<b>0</b>	<b>80</b>	<b>0</b>
Q1	473	\$ 3,900,585.44	\$ 975,146.36		24	
Q2	473	\$ 3,900,585.44	\$ 975,146.36		24	
Q3	473	\$ 3,900,585.44	\$ 975,146.36		24	
Q4	473	\$ 3,900,585.44	\$ 975,146.36		24	
<b>Year 4 Subtotal</b>	<b>1892</b>	<b>15,602,341.77</b>	<b>\$3,900,585.44</b>	<b>0</b>	<b>94.6</b>	<b>0</b>
Q1	482	\$ 3,971,839.31	\$ 992,959.83		24	
Q2	482	\$ 3,971,839.31	\$ 992,959.83		24	
Q3	482	\$ 3,971,839.31	\$ 992,959.83		24	
Q4	482	\$ 3,971,839.31	\$ 992,959.83		24	
<b>Year 5 Subtotal</b>	<b>1927</b>	<b>\$15,887,357.24</b>	<b>\$ 3,971,839.31</b>	<b>0</b>	<b>96</b>	<b>0</b>
<b>TOTAL</b>	<b>6,117</b>	<b>50,440,112.00</b>	<b>\$12,610,028.00</b>	<b>0</b>	<b>306</b>	<b>0</b>

3  
4  
5  
6  
7



1  
2

**# OF PLANNED MONITORING VISITS**

<b>Program, Admin and Fiscal Visits</b>	<b>Quality Control Inspections</b>	<b>In-Progress Inspections</b>
	0	
	0	
	0	
	4	
0	3.9	0
	10	
	10	
	10	
	10	
0	38	0
	20	
	20	
	20	
	20	
0	80	0
	24	
	24	
	24	
	24	
0	95	0
	25	
	25	
	25	
	25	
0	98	0
0	315	0

3

**1.04 Energy Savings**

4

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.

5

**1.05 Monitoring Activities**

6

**1.05.1 Introduction**

7

8

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

7  
8 There have been many improvements as a result of the monitoring efforts of NCWAP. Client files  
9 have become more complete, forms contained within those files are more consistent statewide, and  
10 the quality of work is continuing to improve across the state.

### 11 **1.05.2 Peer Exchange**

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

- 17  
18  
19  
20 a) Training needs of Subgrantees will be identified and remedied through Peer Exchange and  
21 NCWAP.  
22  
23 b) Agencies will follow the Peer Exchange Protocol ([See Appendix A](#)).

### 24 **1.05.3 NCWAP Monitoring of Subgrantees**

- 25  
26  
27 a) **Audit** - An annual monitoring visit, as required by contract agreement, shall be conducted  
28 by NC Weatherization Assistance Program (WAP) to verify information received on  
29 monthly reports and clarify questions raised by NCWAP, and/or the Subgrantee.  
30  
31 b) **In-House** - All monthly reports shall be monitored by NCWAP to determine compliance  
32 with program requirements, monitor spending patterns and chart program progress. Any  
33 irregularities or questions raised by the in-house review that are not readily resolved will  
34 be sufficient reason to schedule an on-site review.  
35  
36 c) **On-Site Review** - NCWAP may conduct an on-site review on an annual basis and when  
37 required in item b above. The on-site review shall consist of staff from NCWAP and  
38 qualified technicians as necessary under the direction of NCWAP. The following items  
39 shall be reviewed at a minimum.  
40  
41 o **Financial Records** - Including but not limited to general ledger, bank statements,  
42 checks, audit reports, financial statements and other records necessary for the  
43 review of the financial records.  
44 o **Inventory System** - Including but not limited to purchasing system, controls,  
45 perpetual inventory, financial records and other records deemed necessary by the  
46 reviewer.  
47

- 1           ○ **Client Files** - For accuracy, completeness, demographic information, and
- 2           documentation of work needed, work completed, client eligibility and inspection of
- 3           work.
- 4
- 5           ○ **Work Completed** - Homes shall be reviewed to determine quality of work,
- 6           completeness of work, conservation measures installed based on a computerized
- 7           audit or DOE approved regional priority list to determine cost effectiveness,
- 8           geographic distribution, proper documentation in client files, client satisfaction and
- 9           other information deemed necessary by the NCWAP monitor.

10

11       d) **Subgrantee Post-Installation Inspection** - Each weatherized unit **must** be inspected by

12       the Subgrantee to ensure that the work is in compliance with required specifications before

13       the unit is reported to NCWAP as completed. A complete inspection form, legibly signed

14       by the Subgrantee’s inspector shall be placed in each job file. In addition, Subgrantees and

15       their subcontractors **must** certify all weatherization work and materials including base load

16       measures for a period of one year from the time of completion. Certification includes the

17       repair and replacement of defective measures resulting from improper installation or

18       material defect.

19

20       e) **Subgrantee Review** - If deficiencies in agency program operations indicate non-

21       compliance with Low Income Weatherization Program Implementation, Master Grant

22       and/or federal rules and regulations, NCWAP will respond by working with the Subgrantee

23       to correct deficiencies.

24

25       f) **Provide Training and Technical Assistance** - T&TA activities are intended to maintain

26       or increase the efficiency, quality, and effectiveness of the Weatherization Assistance

27       Program at all levels. Such activities should be designed to maximize energy savings,

28       minimize production cost, improve program management, and/or reduce the potential for

29       waste, fraud and abuse.

30

31       **1.06 Training and Technical Assistance and Workforce Development**

32       **Approach**

33

34       Currently, many of our subgrantees are understaffed and the challenges of retaining and expanding

35       well trained staff are a hindrance to production expansion.

36

37       NC State Energy Office (NCSEO) is currently working on addressing capacity building within our

38       subgrantee network to expand our services within the regions where weatherization services are

39       provided. To that end NCSEO will advance workforce development and technical and training

40       assistance in three focus areas.

- 41
- 42       a) Focus Area 1 Boosting Programmatic Effectiveness
- 43       ○ Objectives
- 44           ▪ Collaborative intake process,
  - 45           ▪ Training to blend all funding sources, including available private funds,
  - 46           ▪ Neighborhood approach in urban areas,

- Targeted approach in rural areas,
- Increase client base across North Carolina.
- Partnerships with organizations including utilities for targeted outbound marketing.

b) Focus Area 2 Training, Certification and Professional Development

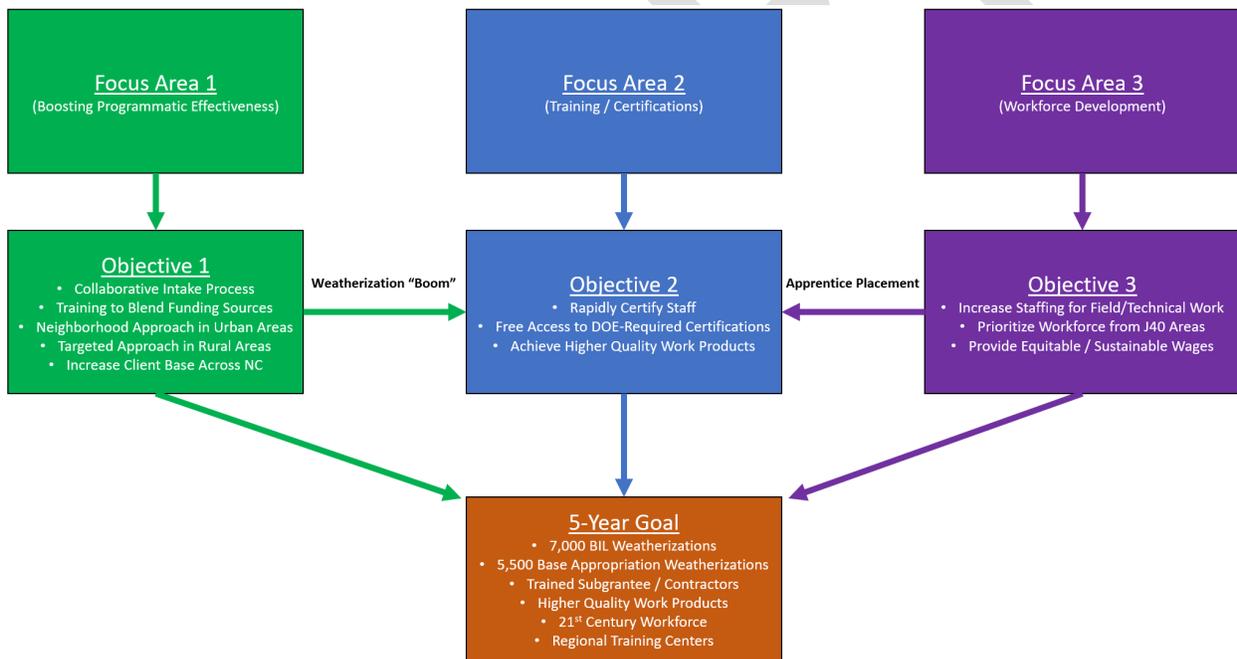
○ Objectives

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

c) Focus Area 3 Workforce Development

○ Objectives

- Increase staffing for field/technical work,
- Prioritize workforce from J40 areas,
- Provide equitable/sustainable wages.



Focus Area 1 Boosting Programmatic Effectiveness

In many communities in North Carolina, energy efficiency programs, weatherization programs, and home repair and rehabilitation programs are delivered and administered separately, through multiple agencies. Lack of communication between these agencies makes it difficult for eligible homeowners to access services they require to obtain a safe, weatherized, and energy efficient home. Many LMI households, arguably those that need the most attention, are not being served equitably. To elaborate, in the current home repair model, homes that are eligible for weatherization services may be waitlisted if their home is not in “weatherization-ready

1 conditions.” Thus, eligible low-income homeowners are deferred from weatherization services if  
2 their home requires additional work that weatherization funding cannot be used for; these fixes  
3 include serious health concerns like mold and leaky roofs. The responsibility was the homeowners  
4 to seek out, apply for, and coordinate repairs across agencies. The separation of services and lack  
5 of coordination of these programs has created significant inefficiencies: funds are often left on the  
6 table because they are not properly leveraged, which costs both service provider organizations and  
7 applicants time, money, and effort. The current model home repair model creates obstacles that  
8 hinder the deployment of energy efficiency upgrades, weatherization programs, and urgent health  
9 and safety repairs, leaving low-income North Carolinians without services that they desperately  
10 need and are eligible for.

11  
12 The SEO aims to employ a cooperative home repair approach throughout the state by identifying  
13 appropriate agencies that can take part in the collaboration and coordination of local partners. We  
14 anticipate that collaborations will be based on the geographic jurisdictions of NC’s weatherization  
15 service providers. The collaborative model has already shown in success in Orange and Chatham  
16 counties by Triangle J COG (TJCOG), the North Carolina Justice Center (NCJC), and Rebuilding  
17 Together of the Triangle (RTT). These head agencies worked with local weatherization and home  
18 repair service providers to better serve low-income homeowners—strategies including a unified  
19 intake process, collaborative case management process, and uniform program assessment  
20 strategies. The collaborative model takes the strain off homeowners with a “no wrong door”  
21 approach—eligible applicants seeking assistance are able to more efficiently receive a suite of  
22 services such as accessibility modifications, weatherization, home repair programs, and  
23 electrification assistance as needed.

24  
25 SEO intends to identify lead agencies, or “hubs”, in other areas of the state that can be trained to  
26 facilitate the development of a local collaborative approach that can blend funding opportunities.  
27 The approach will be tailored to specific regional needs and should be rooted in the interest of  
28 community partners. The stakeholders in the collaboration will be the groups working in the homes  
29 of low-income families that include but are not limited to a) Local governments b) Home Repair  
30 and Community Development organizations c) Aging Related agencies d) Community Social  
31 Services e) Housing and Development Agencies f) Councils of Governments g) other nonprofits.  
32 The tools and strategies may be utilized in different ways to allow for a tailored plan and  
33 coordinated efforts by the local collaborative. The SEO expects that each weatherization agency  
34 involved, as identified by the state, will engage, and participate in a locally organized,  
35 appropriately structured collaborative process as a condition of receiving WAP funds.

### 36 37 Focus Area 2 Training, Certification and Professional Development

38  
39 The need for structured training is the biggest stumbling block to the advancement of the program.  
40 Training is almost always only done to obtain or renew a certification. Trainers find themselves  
41 re-teaching concepts and procedures to students again and again because there is no formalized  
42 training to teach students to have a useable understanding of why they are doing what they are  
43 doing.

44  
45 A Training Matrix would be an established path for Weatherization professionals to follow. It  
46 would lead them through levels of expertise with initial instruction, refreshers, and advanced single

1 subject classes on vital subjects such as combustion safety and ventilation. Everything would be  
2 vetted by the State and reflect approved standard work specifications, diagnostic thresholds, and  
3 program processes.

4  
5 By default, the Training Matrix creates a situation conducive to a Professional Development  
6 Career Path. Every person in the program would have a plan of consistent training and options of  
7 additional training for advancement, a lateral role change, or from administration to technical and  
8 vice versa. This career path could also be used as a benchmark for employee performance,  
9 promotion, and compensation.

10  
11 Training centers typically have a variety of clientele from many aspects of the energy efficiency  
12 and building trades. Students can be private contractors, government employees, and utility service  
13 providers. It soon becomes clear that Weatherization can thrive far beyond the confines of training  
14 just to renew certifications.

15  
16 Training and Technical Assistance (T&TA) funds will be allocated to support all levels of staff  
17 working within the weatherization program; this includes field/technical staff as well as staff  
18 responsible for supporting and/or managing the program.

19  
20 All training and certifications are required to follow state and federal requirements for  
21 weatherization activities. (Supplement 1 – Sample Training and Certification Schedule)

### 22 23 Focus Area 3 Workforce Development

24  
25 North Carolina is committed to equitable workforce expansion, transitioning to a clean energy  
26 economy, reducing the energy burden for low-income households, and enhancing the resilience of  
27 the electric grid. While transitioning, the State will focus on efforts that will attract, train, and  
28 retain the appropriately skilled workforce while concurrently funneling workers to subgrantees to  
29 rapidly increase the number of completed units by 2027. As part of the workforce development  
30 program, North Carolina will continue to create long-term jobs in the weatherization industry with  
31 family-sustaining wages and benefits for low-income communities and displaced workers as  
32 recommended in the NC Clean Energy Plan.

33  
34 A coalition of universities, community colleges, state agencies and educational non-profits would  
35 spearhead the program through a single entity. As an example, North Carolina began piloting these  
36 initiatives in summer 2021 with NC A&T State University, which is a Historically Black College  
37 and University serving as the lead university for the program. The pilot program utilized local  
38 hiring agreements and attracted, trained and retained an appropriately skilled workforce by  
39 providing on-the-job training and related education for clean energy and energy efficiency  
40 occupations. The initial 2021 pilot served all workers; however, it focused on those  
41 underrepresented and historically excluded. Of those participating, 93% were minorities and 69%  
42 were females. The program also led to four registered apprenticeship and pre-apprenticeship  
43 programs in clean energy and energy efficiency that were registered through Apprenticeship NC.  
44 Expansion of programs will include developing clean energy pathways such as additional  
45 apprenticeships, certification programs, associate degrees, and bachelor's degrees across the state.

1 **Timeline**

2  
3 March - June 2023

- 4  
5 a) Notification of Funding (NOF) and Request for Qualifications (RFQ) [i.e., application],  
6 sent,  
7 b) Review of RFQ and organizations selected,  
8 c) Organizations submit work plans for reaching T&TA goals,  
9 d) Contracts written, agreed upon and signed.

10  
11 June - October 2023

12 The three organizations begin to implement their workplans.

13  
14 2023-2027:

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

- 21  
22 a) 10 weeks in fall  
23 b) 10 weeks in spring  
24 c) 10 weeks in summer

25  
26 **Incentives for employers and community colleges**

27  
28 In the Weatherization apprenticeship program, employers agree to pay apprentices \$30/hour with  
29 a 50% cost share with Apprenticeship NC. Additionally, the employer is reimbursed  
30 approximately \$2,000 per participant to compensate for the supervisor’s time. Once the  
31 apprentices complete the program and hired full-time, the employer agrees to continue with the  
32 apprenticeship wage which is offset by tax credits. The employer agrees to have Apprenticeship  
33 laborers perform at least 15% of the jobs starting in January 2023.

34  
35 The community colleges who participate in Apprenticeship NC are given \$3,000 per participant  
36 for tuition and educational supplies.

37  
38  
39 ***1.06.1 Allocation of T&TA Funds***

40  
41 NCSEO will allocate all T&TA funds towards the “Training and Technical Assistance and  
42 Workforce Development Approach” to meet the training and technical assistance needs of all  
43 Subgrantees.

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

- 46  
47 a) Registration costs for conferences, meetings, workshops and other related energy

1 functions.

2  
3 b) Travel, lodging, meals and parking to attend activities identified above.

4  
5 c) Salary and fringe costs for direct agency staff while attending approved training  
6 functions.

7  
8 d) Subscriptions to magazines, newsletters, and memberships.

9  
10 e) Other energy related functions, activities or events not mentioned in 1.06.1 a. - d. above.

11  
12 Once a Subgrantee's annual base "Program Year" USDOE T&TA appropriations are  
13 exhausted, BIL T&TA funds may be appropriated to supplement shortfalls for **1.06.1 b. – c.** above  
14 if NC WAP determines it's in the best interest of the program. In addition, costs for the above  
15 items must follow the procedures identified in Section 2.17 of this plan.

16  
17 ***1.06.2 Availability of T&TA funds***

18  
19 NCSEO will determine the amount of T&TA funds to allocate to the organizations supporting  
20 the "Training and Technical Assistance and Workforce Development Approach" based on  
21 availability of funding from DOE.

22  
23 ***1.06.3 Technical Assistance***

24  
25 NCSEO staff will provide technical assistance on DOE related matters to all weatherization  
26 programs. Technical assistance shall include but not be limited to the following:

27  
28 a) Provide guidance in use of regulations.

29  
30 b) Advise and assist in use of a computerized audit tool and/or USDOE-approved priority list  
31 for determining the cost effectiveness of weatherization measures.

32  
33 c) Provide information obtained from local programs on innovative and successful program  
34 methods that are readily adaptable to other projects.

35  
36 d) Provide monitoring of local projects to assure improvement in quality and services.

37  
38 e) Identify specific problem-solving techniques in areas of labor, transportation,  
39 administration, management, and financial control.

40  
41 f) Provide information on new materials, procedures, and processes for weatherization work  
42 (i.e., Build America, Buy America Act compliance).

43  
44  
45 g) Coordinate efforts among federal, state, local and private agencies to assure continued  
46 improvements in the effectiveness of weatherization projects.

1 h) NCSEO shall address deficiencies that are identified by program review, audit, reports,  
2 regional or national reviewer or other sources.  
3

## 4 **1.07 Leveraging Activities**

### 5 **1.07.1 Other Funds**

6 NCSEO administers “Other Funds” for low-income weatherization. These “Other Funds” include  
7 Low Income Home Energy Assistance Program (LIHEAP), the Heating Appliance Repair and  
8 Replacement (HARRP) program and any funds designated for low-income weatherization  
9 awarded to the state as a result of legal settlements.  
10  
11

12 Subgrantees also have access to funds from utility rebates. Utility rebates are not administered by  
13 NCSEO; however, they should be administered to supplement a NCSEO-sponsored program.  
14  
15

### 16 **1.07.2 DOE Funds as Leverage**

17 Historically, DOE funds have not been used to create leverage opportunities. However,  
18 Subgrantees are encouraged to use all available funding (including DOE) to perform energy audits,  
19 client home upgrades, and related activities on homes that will be weatherized.  
20  
21

1 **1.08 Policy Advisory Council**

2

3 **1.08.1 Make up and Meetings**

4

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

**North Carolina’s Policy Advisory Council (PAC) Members**

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

8

9 **At Risk Categories:**

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

12

13 **1.09 Public Hearing**

14

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

17

18

19

20

21

22

## 2 PART II – MASTER FILE

### Eligibility

As of the 2020 Census, approximately 675,331 North Carolina households and 3,258,214 individuals are at or below 200% of the federal poverty level.<sup>4,5</sup> 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

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

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

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

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

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

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

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

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

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

### 25 **2.01.3 Priorities and Wait List** 26

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

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

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

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

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

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

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

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

#### 26 ***2.01.4 Equity and Racial Justice***

27  
28 NCSEO has committed to advance equity and racial justice by identifying and addressing  
29 institutional and systematic barriers that have created and perpetuated patterns of disparity in  
30 housing and economic prosperity. Towards that goal, NCSEO will be evaluating equity and racial  
31 justice of populations served by designing and using a GIS mapping tool that blends the state and  
32 federal priorities to meet the requirements of Justice 40.  
33

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

#### 40 **Nondiscrimination**

41  
42 No person shall on the grounds of race, color, religion, national origin, sex, disability, familial  
43 status, sexual orientation, gender identity, marital status, or source of income be excluded from  
44 participation in, be denied the benefits of, or be subjected to discrimination under any program or  
45 activity funded in whole or part with DOE funds. Any prohibition against discrimination on the  
46 basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified  
47 disabled individual as provided in section 504 of the Rehabilitation Act of 1973, also shall apply

1 to this weatherization program.  
2  
3

## 4 **2.02 Climatic Conditions**

5  
6 Grantee uses heating degree day info and references:

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

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

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

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

## 24 **2.03 Weatherization Work**

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

### 30 ***2.03.1 Permission to Proceed***

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

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

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

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

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

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

### 12 **2.03.2 Re-Weatherization Compliance**

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

## 24 **2.04 Energy Audit Procedure**

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

### 32 **Computer modeling Dwelling Criteria**

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

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

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

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

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

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

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

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

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

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

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

#### 33 34 **2.04.3 Coordinator Override**

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

#### 39 40 **2.04.4 Prioritization of Work**

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

#### 46 47 **2.04.5 Audit Tool Training**

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

## 5 **2.05 Final Inspection**

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

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

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

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

- 26  
27 a) QCI's shall possess the knowledge, skills and abilities in the National Renewable Energy  
28 Laboratory (NREL) Job Task Analysis for Quality Control Inspectors. All QCI's must be  
29 certified as a Home Energy Professional Quality Control Inspector.  
30  
31 b) Subgrantees require new final inspectors to have QCI certification within one year of hire.  
32  
33 c) Prior to "close out" of weatherization activities for a completed unit, at least one QCI  
34 signature is required to be transcribed on the Grantee's final inspection form. In addition,  
35 all activities associated with "close out" are required to be reported in the Grantee's client  
36 database within the timeframes specified in other sections of this plan.  
37

### 38 **Final inspections:**

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

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

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

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

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

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

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

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

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

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

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

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

## 16 **2.06 Analysis of Effectiveness**

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

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

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

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

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

43 Additionally, Subgrantee risk is analyzed by:

- 44 a) field and desktop monitoring results,  
45

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

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

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

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

### 17 **Production and Program Monitoring**

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

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

### 26 **Financial**

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

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

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

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

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

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

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

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

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

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

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

1 Radon testing is limited to zones 1 and 2 (zone map link:  
2 [https://radiation.ncdhhs.gov/nfers/radon\\_zone\\_map\\_big.htm](https://radiation.ncdhhs.gov/nfers/radon_zone_map_big.htm) ).  
3

4 Potential contaminants sourced from HVAC systems can be evaluated and mitigated using H&S  
5 funding. As part of the heating system evaluations, subgrantees assign qualified HVAC  
6 subcontractors to perform Evaluate, Clean and Tune (ECT) measures. These subcontractors  
7 professionally evaluate heating systems to determine if they require cleaning. The economic  
8 practicality of performing ECTs on non-functioning units or systems needing major repairs is also  
9 evaluated at the initial system inspection. ECTs or repairs costing greater than one third of the  
10 equivalent system replacement cost shall be replaced without any original system cleaning.  
11

## 12 **2.08 Health and Safety – Incidental Repairs**

13

14 NCWAP allows subgrantees to spend fund to perform Incidental Repair Measures (IRMs). These  
15 IRMs are considered minor repairs and are limited to weatherization and HARRP-based measures  
16 that are necessary for the effective performance or preservation of weatherization and heating  
17 materials. Proper utilization of materials, methods, and payments associated with IRMs are  
18 evaluated during yearly fiscal monitoring activities and through programmatic monitoring sample  
19 client file selection review. Any noted deficiencies with IRM utilization are addressed with  
20 additional training and findings/corrective actions.  
21

22 Dwellings that require IRMs must have a site-specific computerized audit in which the cost of the  
23 IRMs are added. This is to ensure that the **package of measures** do not reduce the **overall SIR** to  
24 less than 1.0. However, a computerized audit is not required where the total cost of the IRMs does  
25 not exceed \$200 and are well documented in the client file. If the projected IRMs drop the total  
26 SIR below 1.0 with no other leverageable funds, the dwelling must be deferred, or the measure  
27 and incidental repair removed. If the measure and incidental repair is removed, it must be  
28 determined if weatherization services can be performed.  
29

- 30 a) Minor Repair – Less than \$200
  - 31 b) Limited Repair – Greater than \$200 but less than \$1,500
  - 32 c) Major Repair – Greater than \$1,500
- 33

34 An incidental repair is a repair necessary for the effective performance or preservation of  
35 weatherization materials. **Incidental repair costs must be included in the job cost and SIR**  
36 **calculations.**  
37

## 38 **2.09 Documentation**

39

40 All documentation shall remain the property of NC WAP. In the event of program closure, such files shall  
41 revert to NC WAP.  
42  
43

## 44 **2.10 Program Management**

45

46 Under the Energy Conservation in Existing Building Act of 1976, funds are available for weatherization

1 assistance for low-income persons. As outlined in 10 CFR 440, the Governor of each state shall designate  
2 a grantee at the state level to receive and administer these funds within the state.  
3

### 4 **2.10.1 Overview**

5  
6 Based on experience in granting funds to local agencies for operating programs designed to assist  
7 low-income persons, the Governor of North Carolina has designated the North Carolina State  
8 Energy Office (NCSEO) as the agency that shall have responsibility to apply for, receive, and  
9 administer U.S. Department of Energy - Weatherization Assistance Program funds.  
10

### 11 **2.10.2 Service Delivery System**

12  
13 NCSEO intends to utilize the existing network of service provider agencies including Community  
14 Action Agencies (CAAs); Community Based Organizations (CBOs); Area Agencies on Aging  
15 (AAAs); and Special Population Organizations (SPOs). For the purpose of this plan, there will not  
16 be a distinction as to type of agency, but rather all agencies shall be identified as “Subgrantees.”  
17

### 18 **2.10.3 Designated Subgrantee**

19  
20 **The BIL funds are separate from, and in addition to, the current Subgrantee base WAP**  
21 **appropriation.**

### 22 **Temporary Subgrantee Selection**

23  
24  
25  
26  
27 Existing Subgrantees who apply for the BIL funding are considered “Temporary Subgrantees” for  
28 the 5-year period.  
29

30 Existing Subgrantees will be given the first right to participate in BIL funds through an application  
31 process. The application will be evaluated and Subgrantees will be selected based upon geographic  
32 need, Census data, Subgrantee capacity, and efficacy of the organization. Based on these factors,  
33 awards under the BIL program will follow one of the following scenarios:  
34

#### 35 **Scenario #1**

36 If all current existing Subgrantees apply for the BIL program funds and are selected, then the  
37 maximum BIL award for any existing Subgrantee will not exceed their annual allocation under  
38 WAP PY22 allocation as defined by the state plan and allocation formula. This ensures continued,  
39 even distribution of BIL and WAP funds based on area served and weather impact, while allowing  
40 any qualified Subgrantee agency the ability to increase their capacity and production impacts  
41 during the BIL contract period.  
42

#### 43 **Scenario #2**

44 If a portion of existing Subgrantees apply for the BIL program funds and are selected, then BIL  
45 awards will be made based upon geographic need, Census data, agency capacity, and efficacy of  
46 the organization. New Temporary Subgrantees will be added based on the procedures outlined in  
47 10 CFR 440.15.  
48

49 Additional Temporary Subgrantees will be identified through state issued Notice of Funding

1 Availability (NOFA). In advance the NOFA, the State Energy Office will undertake a statewide  
2 outreach campaign to identify potential new Temporary Subgrantees. This will include outreach  
3 to groups recommended by current subgrantees and specific outreach to Tribes to the greatest  
4 extent possible.

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

- 10 a) be a not-for-profit, legally incorporated organization, or a unit of local government, or the  
11 designated representative of an Indian tribal organization.
- 12  
13 b) if a not-for-profit organization, meet the charities registration requirements of the State of  
14 North Carolina.
- 15  
16 c) be in legal and financial compliance with requirements and regulations established under  
17 State and Federal law.
- 18  
19 d) provide a list of the current board of directors or governing body, bylaws and other  
20 documents concerning the structure and operation of the organization.
- 21  
22 e) provide proof that the organization has been responsive to the needs of the community by  
23 citing the programs and services in the energy or human services area that it has  
24 implemented; or be able to demonstrate that the organization has the potential to provide  
25 such services in an efficient and responsible manner.
- 26  
27 f) demonstrate special expertise for providing energy conservation programs including  
28 management capability, technical skills, outreach capabilities, etc.
- 29  
30 g) show experience in housing and construction management-oriented programs.
- 31  
32 h) submit a detailed budget and narrative work plan showing how the project will be carried  
33 out. The budget should list all personnel, including volunteer and paid staff, who will be  
34 associated with the program. The work plan will detail how the project will be  
35 implemented. Potential weatherization subgrantees must also show a production and  
36 expenditure plan, specifying whether subgrantee crews, subcontractors, or a combination  
37 of the two will be used. New subgrantees will be expected to meet or exceed the work plan  
38 goals they propose.
- 39  
40

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

1 NCSEO will award funds to a Temporary Subgrantee based on subgrantee applications for PY  
2 2023 and geographic need. NCSEO intends to add approximately 5-10 additional Temporary  
3 Subgrantees in various parts of the state, based on geographic need, of which at least 40% of the  
4 benefits will be allocated to DAC areas.

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

#### 18 19 **2.10.4 Conflict of Interest**

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

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

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

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

#### 39 40 **2.10.5 Administrative Expenditure Limits**

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

45  
46 DOE will allocate the 15 percent, with a direct split between the Grantee and its Subgrantees. Not

1 more than 7.5 percent may be used by the Grantee for such purposes, and not less than 7.5 percent  
2 must be made available to Subgrantees by the Grantee.

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

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

## 11 **2.11 Monitoring – Quality Assurance**

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

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

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

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

1 g) pictures, and final inspections.

2  
3 The grantee will inspect 5% of the client files for completed jobs weatherized in the program year.  
4 Grantee will increase monitoring from 5% to 10% when the auditor and the QCI are the same  
5 person. Grantee reserves the right to increase the inspection amount due to weaknesses,  
6 deficiencies, or previous issues found with Subgrantees. QCI issues findings and trends for concern  
7 to non-compliant Subgrantee agencies.  
8

9 When problems or weaknesses are discovered as a result of a fiscal or technical monitoring visit,  
10 they shall be outlined in a monitoring letter to the Subgrantee with a list of findings,  
11 recommendations for resolving the problem, and an appropriate timetable for taking corrective  
12 action. This letter shall be issued within 30 days after the monitoring visit. The Subgrantee is  
13 required to respond to the findings letter with written corrective action plans to resolve the noted  
14 findings.  
15

16 When observations are made that suggest training or technical assistance is needed, the monitor  
17 will recommend appropriate actions that must be taken to assist the Subgrantee in resolving the  
18 problem. Assistance will be provided by grantee staff or other training and technical assistance  
19 resources. These processes shall also apply to QCI certified personnel if they fail to adequately  
20 inspect to the most recently approved DOE field guide.  
21

22 Any problems or weaknesses identified in a Subgrantee's program and outlined in a monitoring  
23 report will remain in an active status until satisfactorily resolved by the Subgrantee and a written  
24 response submitted to the Grantee. A Subgrantee with an active status monitoring report will be  
25 subject to additional monitoring visits until problems and weaknesses are resolved.  
26

27 The NC WAP Supervisor will immediately report sensitive or significant noncompliance findings  
28 to the DOE project officer. Subgrantees unable or unwilling to meet federal and state contracts and  
29 performance requirements will be suspended or terminated in accordance with federal and state  
30 regulations.  
31

32 Monitoring results will be analyzed annually, and the results used in planning for training and  
33 technical assistance activities, determining the future status of the Subgrantee as an approved  
34 service provider and developing a monitoring plan for the subsequent contract year.  
35

36 NCWAP employs monitoring activities to ensure the quality of work and the adequate financial  
37 management controls at the Subgrantee level.  
38

39 NCWAP's Weatherization technical Monitors schedule, at minimum, a yearly visit to each  
40 Subgrantee. During these visits the Monitor reviews subgrantee policy, procedures, client files and  
41 field operations.  
42

43 a) NCWAP's Fiscal Monitor schedules a yearly visit to each Subgrantee. During these visits,  
44 the Monitor conducts a comprehensive review of all ledgers, budgets, and accounting  
45 systems, related to the weatherization program.  
46

- 1 b) The NC WAP Supervisor may conduct unannounced spot visits of Subgrantees at random.  
2 During these visits all aspects of the program may be reviewed to determine compliance  
3 with federal and state requirements.  
4  
5 c) Peer Exchange is optional and is used as both a monitoring tool as well as a training  
6 opportunity. Subgrantees may choose to visit another Subgrantee for the exchange.  
7

### 8 **2.11.1 Subgrantee Termination**

9

10 NCSEO may terminate Subgrantees if they fail to comply with the terms and conditions of the  
11 Financial Assistance Agreement or if NCSEO determines that termination would be in the best  
12 interest of the State.  
13

14 Reasons for termination include, but are not limited to, the following:  
15

- 16 a) Work performance fails to substantially adhere to the requirements of the Financial  
17 Assistance Agreement or its associated documents,  
18  
19 b) Refusal to proceed with or complete the work,  
20  
21 c) Failure to provide original receipts to justify whether costs are allowable, necessary, or  
22 reasonable,  
23  
24 d) Disregard for laws, rules, ordinances, or regulations set by NCSEO,  
25  
26 e) Misuse of dedicated account funds, including but not limited to:  
27     ○ failure to pay vendors,  
28     ○ failure to notify NCSEO of fraud or the allegation of fraud,  
29     ○ embezzlement, misappropriation, or abuse of funds,  
30  
31 f) Disregard for competitive bidding, or  
32  
33 g) Other cases of conflict of interest.  
34

35 If any staff member of NCSEO uncovers significant problem areas with the work or actions of a  
36 Subgrantee, that NCSEO staff member must document such problem areas and provide a report to  
37 the NCSEO WAP Supervisor. The NCSEO WAP Supervisor will immediately report the  
38 information to the appropriate NCSEO or federal funding project officer to take appropriate  
39 action(s).  
40

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

1  
2 If no response is received by NCSEO within five (5) calendar days of the issuance of the letter of  
3 non-compliance, the plan for resolving the alleged noncompliance is unacceptable to NCSEO, or  
4 the plan to resolve the alleged noncompliance is not followed, a notice of default and intention to  
5 terminate will be transmitted to the subgrantee’s leadership and executive management team.  
6

7 Failure on the part of the subgrantee to respond to the notice of default and intention to terminate  
8 within ten (10) calendar days will result in the issuance of a notice of termination. With the notice  
9 of termination, a public review will be scheduled to inform the public of the termination of the  
10 subgrantee and to identify a new subgrantee through an RFP process to provide energy program  
11 services.  
12

13 **NOTE: Notwithstanding the above, NCSEO may suspend or terminate a subgrantee without**  
14 **prior written notice upon a finding of substantial noncompliance, substantial breach of**  
15 **agreement or at the discretion of the NCSEO Director.**  
16

### 17 **2.11.2 Exemplary Agencies**

18 NCSEO will use the following criteria for designating a Subgrantee as an “Exemplary Agency”.  
19 Levels of Agency Performance  
20

#### 21 **High Performance or Exemplary Agencies:**

22  
23 By way of monitoring review, an agency has demonstrated performance standards that meet or  
24 exceed that commonly observed in the following areas:  
25

##### 26 **Program Operations:**

- 27 ○ No Health and Safety finding as identified in previous monitoring report.
- 28 ○ No procedural findings related to program rules, and policies and procedures.  
29

##### 30 **Fiscal:**

- 31 ○ No annual program specific audit findings.  
32

##### 33 **Technical:**

- 34 ○ Provide comprehensive service utilizing the latest building science and renewable  
35 technology, in a cost-effective manner in accordance with State of North Carolina law  
36 and policy.  
37

##### 38 **Production:**

- 39 ○ In general, the agencies production is high relative to funding.  
40

##### 41 **Qualified staff:**

- 42 ○ Agency will receive higher credit for exemplary status if: (1) the staff or contractors are  
43 BPI certified; (2) agency staff received appropriate job-related certification(s); and (3)  
44 agency staff conducted, or proctored, NCSEO sponsored/endorsed certification trainings.  
45

1       **Risk:**

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

3  
4 If the above is met, a final visit may be made by an NCSEO WAP Supervisor for final confirmation  
5 of achievement.

6  
7       **Typical Agency Performance:**

8  
9 Typically, the frequency of monitoring will be one or two visits per year by an NCSEO Program  
10 Monitor and/or an NCSEO Weatherization Program Monitor and Fiscal Monitor. The need for a  
11 second visit will be determined by NCSEO based on such factors such as past monitoring results,  
12 an agency’s program funding and production level, the completeness of the monitoring within the  
13 time available, and compliance with federal requirements such as Davis Bacon, Build America  
14 Buy America, and Justice 40, National Environmental Policy Act, and historic preservation.  
15 NCSEO expects every agency to meet these standards of performance:

- 16  
17 a) Well-established systems for program administration and operations, with no finding in the  
18 following areas:  
19           ○ Compliance with major program requirements, such as, lead-based paint  
20           procedures, cost allocation plan/indirect rate, required contractor information.  
21           ○ No program specific finding in the annual audit.  
22           ○ Staff well trained in performance of specific job duties.  
23           ○ Complete and organized files.  
24  
25 b) Evidence of prudent decision making as to use of program resources:  
26           ○ Complete scopes of work.  
27           ○ Fiscal documentation is current and consistent with billing procedures.  
28  
29 c) Consistently maintaining updated records in the NC WAPs Client Database  
30           ○ Staff proficient in its use.  
31           ○ Evidence that client data for waitlist or deferral lists are updated and verified at  
32           least annually. Please see [Appendix C](#) for the “deferral” process.  
33           ○ Client data is maintained on a monthly basis for those receiving weatherization  
34           services (excluding waitlists and deferral lists as defined in “b”).  
35  
36 d) Staff and contractors have demonstrated proficiency in technical applications, including  
37           diagnostics.  
38  
39 e) Agency has a minimal number and severity of procedural findings (as related to program  
40           laws, rules, and policies and procedures), as well as health and safety findings from  
41           previous monitoring report.  
42  
43 f) Agency complies with Occupational Safety and Health Administration  
44           (OSHA)/DHS/NCSEO safety rules, as applicable.  
45  
46 g) The agency maintains a professional working relationship with NCSEO such as conducting

1 oneself with responsibility, integrity, accountability, respect, and excellence in all  
2 interactions.

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

5  
6 i) No “at-risk” elements are found in major categories for an agency.  
7  
8

### 9 **At-Risk Agency Performance:**

10  
11 At-risk agencies may be identified as a result of a variety of factors that may include:  
12

13 a) There is evidence of significant administrative or program sub-standard performance; for  
14 example, repetitive pattern of findings, failure to have copies of permits on file, or lack of  
15 compliance with historical preservation rules.  
16

17 b) The agency is not in compliance with three (3) or more program policies, procedures, and  
18 specifications.  
19

20 c) The agency has three (3) or more health and safety findings.  
21

22 d) Agency staff/crew members have been unable to pass certification training.  
23

24 e) The agency has deficient scopes of work.  
25

26 f) The agency has three (3) or more program specific audit findings.  
27

28 g) The agency files are incomplete or disorganized.  
29

30 h) The agency staff is unresponsive to NCSEO requests and deadlines. For example, the  
31 agency consistently fails to provide monthly reports and contract closeouts in a timely  
32 manner.  
33

34 i) The agency maintains an unprofessional working relationship with NCSEO such as not  
35 conducting oneself with responsibility, integrity, accountability, respect, and excellence in  
36 all interactions.  
37

38 j) Agency production is substantially low relative to funding.  
39

40 k) Other NCSEO programs (Community Services Block Grant (CSBG), LIHEAP, Food,  
41 Homeless, etc.) have indicated problems with, or concerns about, the agency.  
42

43 At-risk agencies will be monitored **no less than twice annually**. Other factors in the frequency of  
44 monitoring visits may be based upon the requirements of specific funding sources.  
45  
46

1 **2.12 Monitoring – Productivity**

2  
3 NCSEO monitors Subgrantee productivity through information provided on monthly fiscal reports,  
4 fiscal/program monitoring, and the Peer Exchange. If a Subgrantee falls consistently and  
5 considerably below their projections, NCSEO reserves the right to redistribute their unexpended  
6 funds by providing a letter stating that the formal process to move funds will begin in ten business  
7 days.  
8

9 **2.13 Multi-Family**

10  
11 Multifamily buildings are those containing five dwelling units or more. For multifamily buildings  
12 containing less than 25 units with units that are individually heated or cooled, either the  
13 Multifamily Priority List or the Weatherization Assistant shall be used to determine the proper  
14 work scope.  
15

16 In order to weatherize an apartment, all units in the affected building must be weatherized.  
17 Standalone small multifamily housing (duplexes, triplexes, and quadplexes) does not require prior  
18 approval from NCWAP.  
19

20 Groupings of four or more buildings on a single site that are owned by a single owner shall require  
21 prior approval from NCWAP.  
22

23 Small multifamily units are eligible for weatherization, provided that they meet the eligible client  
24 occupation minimum:  
25

- 26 a) 50 percent of a duplex,
- 27 b) 66 percent of a triplex, or
- 28 c) 50 percent of a quadplex.  
29

30 Additionally, Subgrantees may only count vacant units towards the 50 percent or 66 percent  
31 threshold when the building has been assisted by a state or federal program that restricts occupancy  
32 to households with incomes that qualify for the Program and where there is a reasonable  
33 expectation that the unit will be occupied by such a household within 180 days following  
34 completion of the project.  
35

36 Costs on these properties are limited by the percentage of eligible clients multiplied by the  
37 maximum cost-per-unit average. Unlike single family homes, the maximum cost-per-unit is a hard  
38 limit. The cost limitation excludes health and safety expenditures.  
39

40 The Grantee will follow the following procedures for multifamily:

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

1 of the Grantee’s weatherized units, then the projects must be evaluated by a USDOE-  
2 approved energy audit tool (i.e., TREAT, REM, MULTEA) prior to commencing work on  
3 the units. NCWAP will be requesting approval of alternative, DOE approved computer  
4 modeling software for use by Subgrantees.

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

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

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

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

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

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

### 32 33 **2.13.1 Multi-Family Eligibility**

#### 34 35 ***Categorical Eligibility***

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

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

1 eligibility requirements of another agency's identified program.

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

- 7  
8 a) Privately owned buildings receiving tenant-based assistance. Subgrantee must verify  
9 residents that hold Section 8 Housing Choice Vouchers through the property owners or  
10 residents themselves. Percentage of eligibility is determined by the ratio of these vouchers  
11 to total units.  
12  
13 b) PHA operated buildings are 100% income eligible. WPN 17-4 procedures must be  
14 followed to certify buildings.  
15  
16 c) Privately owned buildings receiving project-based assistance in North Carolina. WPN 17-  
17 4 procedures must be followed to certify buildings.  
18  
19 d) Tennant by tenant income verification by obtaining necessary documents from each  
20 individual tenant.  
21

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

- 23  
24 a) The property owner or authorized agent of the property must sign a Self-Certification form  
25 attesting that:  
26  
27 b) The property owner or authorized agent maintains certified income records for  
28 households residing at the property.  
29  
30 c) The property owner or authorized agent has reviewed its current certified income records.  
31  
32 d) The property owner or authorized agent has determined that at least 66 percent of the  
33 units in each building (or at least 50 percent of the units for 2- and 4-unit buildings) have  
34 certified incomes that are at or below 200 percent of the current federal poverty level  
35 based on household size.  
36  
37 e) The property owner or authorized agent certifies that all the information provided with  
38 the certification request is true and accurate.  
39

40 **2.13.2 Landlord Contribution Clause**

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

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

- 1  
2 b) Leveraged funds **must** equal at least 10 percent of the total job cost to be eligible for  
3 reduced unit eligibility percentage.  
4

## 5 **2.14 Standard Weatherization Procedures**

### 6 **2.14.1 Labor**

7  
8  
9 It is the Subgrantees responsibility to ensure that employees and contractors are qualified and  
10 properly supervised.  
11

### 12 **2.14.2 Davis-Bacon Act – Buy American Act Compliance**

13  
14 Any BIL-funded weatherization work on multifamily buildings with 5 or more units will be  
15 required to pay wages to all laborers and mechanics engaged in the construction, alteration, or  
16 repair of those multifamily buildings (whether employed by a contractor or subcontractor) wages  
17 “at rates not less than those prevailing on similar projects in the locality, as determined by the  
18 Secretary of Labor.” USDOE will provide further guidance regarding Davis-Bacon reporting. BIL  
19 multi- family projects should be deferred until clarifying guidance is received or other funding  
20 sources used. Once clarifying guidance is received, NCSEO will provide further guidance via  
21 memo. Accounting and tracking activities will be accomplished through the WAP client database.  
22

### 23 **2.14.3 Build America, Buy America Act**

24  
25 Buy American Act (BAA) language was written into the Bipartisan Infrastructure Law (BIL).  
26 USDOE will be providing additional guidance regarding BAA. Until additional guidance is  
27 supplied, it is NC WAP’ expectation that when an American-made product of similar quality and  
28 utility is available, and costs are not prohibitive, that product will be purchased. Once further  
29 guidance is received, NC WAP will provide further guidance via memo.  
30

31 Agencies must ensure that all applicable programs comply with the “Build America, Buy America  
32 Act”.<sup>6</sup> The Act requires the following:  
33

- 34 a) Iron and Steel Products  
35 ○ All manufacturing processes must occur in the United States.  
36 b) Manufactured Products  
37 ○ All manufactured products must be produced in the United States; and  
38 ○ 55 percent or more of the total cost of components must be mined, produced, or  
39 manufactured in the United States.  
40 c) Construction Materials  
41 ○ All manufacturing processes must occur in the United States.  
42

### 43 **2.14.4 Authorization**

---

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

1  
2 Prior to weatherizing residential units, the following procedures shall be followed. The owner or  
3 authorized agent shall give written permission for the weatherization assistance. Such written  
4 authorization must be signed by the owner (or owner’s authorized agent) and must include:  
5

- 6 a) Location of dwelling (physical street address).
  - 7 b) Name of eligible tenant.
  - 8 c) A list of possible work to be completed.
- 9

#### 10 ***2.14.5 Operation of the Program***

11

12 It is the Subgrantee’s responsibility to identify and procure the local resources necessary to operate  
13 this program. These would include, but not be limited to local and state funds, donated materials,  
14 space, support, and any resources not provided for by U.S. DOE funds. Such resources are to be  
15 identified by the Subgrantees in their grant proposals to NCSEO. Additionally, the Subgrantee  
16 shall insure prior to operating the program, that the criteria are met.  
17

18 Contractor Procurement: All Subgrantees that employ private licensed contractors to provide  
19 weatherization, repairs, or inspections where the cumulative one-year compensation is \$25,000 or  
20 more, must have a policy in place and use said policy to procure contractors.  
21

#### 22 ***2.14.6 Expansion of Manufactured Home Definition***

23

24 The definition of manufactured homes is expanded to include travel trailers and motor homes under  
25 the following conditions:  
26

- 27 a) Unit is a permanent residence; **AND**
- 28
- 29 b) The unit has an address; **AND**
- 30
- 31 c) The occupant has a utility bill in their name or can demonstrate an energy burden; **AND**
- 32
- 33 d) The occupant has a legal lease or contract to live in the unit and park the unit at said  
34 location; **AND**
- 35
- 36 e) There must be cost-effective (SIR of 1.0 or greater) weatherization improvements to be  
37 completed on the structure; **AND**
- 38
- 39 f) Health and safety improvements are only related to weatherization and **do not** address  
40 mechanical, other than Heating, Ventilation, and Air Conditioning (HVAC).  
41

#### 42 ***2.14.7 National Environmental Policy Act Information (NEPA)***

43

44 The following activities are categorically excluded from further NEPA review, absent  
45 extraordinary circumstances, cumulative impacts, or connected actions that may lead to significant  
46 impacts on the environment, or any inconsistency with “integral elements” (as contained in 10

1 CFR Part 1021, Appendix B) as they relate to a particular project and adhere to the applicable  
2 State's programmatic agreement with the cognizant State Historic Preservation Office (SHPO).

- 3
- 4 a) Administrative activities associated with management of the designated Weatherization  
5 Office and management of programs and strategies in support of weatherization activities.  
6
  - 7 b) Development and implementation of training programs and strategies for weatherization  
8 effort, including initial home audits, final inspections and client education.  
9
  - 10 c) Purchase of vehicles and equipment needed for weatherization audits.  
11
  - 12 d) Weatherization activities provided that projects apply the restrictions of each state's  
13 programmatic agreement with SHPO.  
14

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

17 [https://nc.maps.arcgis.com/home/group.html?id=d56ec9c8aa77423b931f4d359f103ae6&view=li](https://nc.maps.arcgis.com/home/group.html?id=d56ec9c8aa77423b931f4d359f103ae6&view=list&categories=%5B%22%2FCategories%2FHPOWEB%22%5D#content)  
18 [st&categories=%5B%22%2FCategories%2FHPOWEB%22%5D#content](https://nc.maps.arcgis.com/home/group.html?id=d56ec9c8aa77423b931f4d359f103ae6&view=list&categories=%5B%22%2FCategories%2FHPOWEB%22%5D#content)  
19

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

- 21
- 22 a) If any of the following measures are to be implemented (based on a Subgrantee's  
23 completed work order):
    - 24 o anything requiring holes in the unit's weatherboard (siding),
    - 25 o replacing wood windows,
    - 26 o replacing a wood front door,
    - 27 o solar thermal applications (not a typical WAP measure).  
28
  - 29 b) If any of these measures are applicable, and the dwelling is determined to be historic, then  
30 proceed as follows:
    - 31 o forward an electronic version of the work order form or a scanned Subgrantee client  
32 database work order and pictures of the home from all four elevations (if possible)  
33 to energy.projects@ncdcr.gov for review.
    - 34 o the North Carolina State Historic Preservation Office will provide  
35 guidance/assistance regarding compliance and proper implementation for  
36 weatherization.  
37
  - 38 c) If any of the listed measures are not applicable, then proceed with the weatherization  
39 process.  
40

## 41 **2.15 General Accounting Practices**

42 To insure accurate reporting, proper documentation, and compliance with federal and state  
43 guidelines for fiscal procedures, all Subgrantees must at a minimum:  
44

1           **2.15.1   Submit an Annual Audit**

2  
3   Submit an annual audit of weatherization funds, which shall be conducted by a Certified Public  
4   Accountant, using the audit standards contained in 2 CFR 200 – Subpart F.  
5  
6

7           **2.15.2   Receive Authorization from DEQ for Purchases or Lease**

8  
9   Receive authorization from DEQ for purchases or lease of acquisitions in excess of **\$5,000**. All  
10   capital property and vehicle purchases **must** be forwarded to the U.S. DOE Regional Support  
11   Office for final approval.  
12

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

- 15
- 16   a) Name of requesting local agency.
  - 17
  - 18   b) Where the vehicle will be used and how it will be used – Specify, full or part time use in  
19   Weatherization Program.
  - 20
  - 21   c) Statement of whether this is a replacement or an expansion for ramp-up. If this is a  
22   replacement, describe how the trade-in is being addressed.  
23
  - 24   d) Brief description of how the procurement will be done, and confirmation that the agency  
25   maintains policies and procedures for property management that comply with all  
26   requirements of the applicable Code of Federal Regulations, 2 CFR Subtitle B with  
27   guidance at 2 CFR Part 200.
  - 28
  - 29   e) What the funding source(s) will be (e.g., DOE Weatherization Program Operations funds).  
30   **Subgrantee T&TA funds are not an allowable option.**
  - 31
  - 32   f) Copies of bid specs (vehicle description with options requested) and bids received.
  - 33
  - 34   g) Statement that lowest bid will be selected; or a sufficient justification of the “best value  
35   selection” if lowest bid is not recommended for DOE approval.  
36

37           **2.15.3   Travel Regulations**

38  
39   Each Subgrantee will have in place travel regulations that include travel authorization,  
40   reimbursement, advancements, and per diem rates that do not exceed the State of North Carolina’s  
41   maximum amount.  
42

43           **2.15.4   Financial Operations Manual**

44  
45   Each Subgrantee has in place a financial operation manual that details accounting standards,  
46   segregation of duties, procurement procedures, program income application, and program rebates.  
47

1           **2.15.5 Use of Weatherization Funds for Renewable Energy Systems**  
2

3 **The average cost per unit (ACPU) for overall program expenditure is limited to the annual**  
4 **inflation adjustment as established by DOE through Weatherization Program Notices.**  
5

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

11 To help facilitate the integration of solar PV across the WAP network, DOE has released WAP  
12 memorandum 024. This memo allows for the submission of pilot solar projects to DOE for  
13 approval. North Carolina will be allowing Solar PV on a case-by-case basis with approval from  
14 DOE. Solar PV projects must meet SIR requirements and are limited to the adjusted average limit.  
15

16 With respect to community solar, USDOE specifies that community solar would be  
17 more appropriate for competitive awards under the following programs: (1) "*Sustainable Energy*  
18 *Resources for Communities*"; (2) "*Enhanced Innovation for Community Solar*"; or (3) "*Energy*  
19 *Improvement in Rural or Remote Areas*". While these programs are outside of the five-year plan,  
20 the NCSEO encourages leveraging these programs to pursue community solar in conjunction  
21 with weatherization activities. Therefore, language was added to the plan that supports  
22 leveraging these initiatives.  
23

24 **Note: The adjusted average for renewable energy measures is not a separate average, but a**  
25 **part of the overall adjusted average expenditure limit for the ACPU.**  
26

27           **2.15.6 Prohibited Expenditures**  
28

29 Funds shall not be expended for the items or services other than those listed in 10 CFR 440.18.  
30 T&TA funds cannot be used to purchase equipment used in the day-to-day installation of  
31 weatherization measures. Where a need exists to purchase tools and equipment Subgrantees should  
32 use "program operations" funds.  
33

34           **2.15.7 Discretion of Procurement**  
35

36 DEQ gives Subgrantees discretion in the procurement of materials. All supplies, equipment,  
37 materials, and services must be procured in accordance with applicable state law and procedures  
38 and 2 CFR Subtitle B with guidance at 2 CFR Part 200.  
39

40           **2.15.8 EPA Compliance**  
41

42 Subgrantees shall comply with the Environmental Protection Agency (EPA) regulations as set  
43 forth in 40 CFR Part 247 - Guidelines for Procurement of Recovered Materials, which encourages  
44 the use of recyclable materials.<sup>7</sup> Subgrantees shall use recyclable materials whenever possible.  
45 Compliance with EPA regulations also applies to the decommissioning of replaced baseload

---

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

1 appliances whether subcontracted out or not.

## 2 3 **2.16 Reporting Requirements**

4  
5 Each Subgrantee shall submit certified and timely reports to DEQ detailing the progress made  
6 towards the program objective(s) and all administrative and program expenditures. The report  
7 **must** agree with the Subgrantee’s accounting records, client database, and be certified by the  
8 Subgrantee’s chief executive officer or their designee via handwritten or certified electronic  
9 signature.

10  
11 a) Required reporting documents for a complete monthly billing package  
12 include:

- 13 ○ Purchase Order *[NC WAP Template]*
  - 14 ■ Signature, date, and title of two separate management staff.
- 15  
16 ○ Invoice *[NC WAP Template]*
  - 17 ■ Signature, date, and title of two separate management staff.
- 18  
19 ○ Financial Status Report “286” *[NC WAP Template]*
  - 20 ■ PDF (*signed, dated, and title of certifying official*) and Excel
  - 21 (*unsigned*) versions of the FSR 286, respectively
  - 22 ■ The preparer should be a different person than the Certifying
  - 23 Official.
- 24  
25 ○ Project Expense Summary *[NC WAP Template]*
  - 26 ■ Date of Purchase
  - 27 ■ Vendor Invoice Number
  - 28 ■ Vendor Name
  - 29 ■ Subgrantee Project ID
  - 30 ■ Invoiced Amount by Budgeted Line-Item Category (*to include a*
  - 31 *statement of whether sales tax was charged for all expenses*).
    - 32 1. **Official receipts** and supporting documentation to
    - 33 match the exact amount billed (*i.e., for materials,*
    - 34 *subcontractor costs, etc.*),
    - 35 2. Subgrantee writes “Subgrantee Project ID” on receipts
    - 36 and how much was charged to DOE funds.
  - 37 ■ Building Materials Amount
  - 38 ■ Checkbox for whether purchases align with NC WAP’s “Build
  - 39 America, Buy America” guidance.
  - 40 ■ Contracted Services Amount
  - 41 ■ Project Total for Billing Cycle
  - 42 ■ Signature, date, and title of Financial Director.

43  
44 b) Reporting Format – DEQ has provided all Subgrantees with online access to software for  
45 the purpose of reporting weatherization activities. All weatherization Subgrantees are  
46 required to use program software for reporting purposes.

- 1  
2 c) NC WAP cannot approve an incomplete billing package. Expenses will not be  
3 reimbursed without providing all items listed in 2.17(a) and (b) on a monthly  
4 basis (*regardless of whether expenses were made*).  
5

### 6 **2.16.1 Success Story Reports**

7

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

### 12 **2.16.2 Fuel Switching**

13

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

### 17 **2.16.3 Cook Stoves**

18

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

### 24 **2.16.4 Disaster Relief**

25

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

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

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

46 In a declared federal or state disaster, sub grantees may return to a unit previously reported as a  
47 completion to the Department of Energy that has been “damaged by fire, flood or act of God and

1 repair of the damage to weatherization materials is not paid for by insurance”, per 10 CFR  
2 440.18(f)(2)(ii).

3  
4 Local authorities must deem the dwelling unit salvageable as well as habitable and the damage to  
5 the materials must not be covered by insurance or other form of compensation. In these cases, the  
6 work can be addressed without prior approval or any special reporting.

7  
8 North Carolina will also follow the provisions of its Energy Assurance Plan to assist with  
9 preventing prolonged outages or disruptions of essential utilities.<sup>8</sup> In addition, it will follow the  
10 provisions of its “Climate Risk Assessment and Resilience Plan” to bolster efforts that build  
11 resilient infrastructure and communities.<sup>9</sup>

12  
13 Please note that the ACPU limit and other budgetary maximums continue to apply during disaster  
14 or disruptive events.

## 15 16 **2.16.5 Wood Stove Replacement**

17  
18 Replacement of wood stoves is allowed if it meets federal emissions standards

## 19 20 **2.17 Quality Control**

21  
22 It shall be the responsibility of the Subgrantee to establish measures to ensure the quality of work  
23 completed and address the following areas:

### 24 25 **2.17.1 Fire Codes**

26  
27 Each Subgrantee is responsible for contacting the fire code officials in their service delivery area  
28 to verify that work done and materials used meet local fire codes. The sole purpose for this  
29 requirement is to protect the client and limit the liability of the Subgrantee.

### 30 31 **2.17.2 Electrical Codes**

32  
33 Each Subgrantee is responsible for assuring that all work meets local and state electrical codes.  
34 Any and all electrical work **must** be performed by a licensed electrical contractor.

### 35 36 **2.17.3 Building Codes**

37  
38 Subgrantees *shall not* undertake structural modifications without first consulting the appropriate  
39 building codes and contacting local officials.

### 40 41 **2.17.4 Materials Installed Properly**

42  
43 It is the Subgrantee’s responsibility to ensure all materials are installed to required specifications  
44 to achieve maximum benefit from the materials. **All units require post installation inspection**  
45 **completed by a certified Quality Control Inspector.** Inspections of weatherized units **must be**

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

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

1 completed by someone other than the installer(s).  
2

3 **2.17.5 Maximum Service – Holistic Approach**  
4

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

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1 **APPENDICES**

2

3 Appendix A - Peer Exchange Protocol

4

5 Appendix B - Determining Eligibility Levels

6

7 Appendix C - Deferral Criteria and Process

8

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1 **Appendix A – Peer Exchange Protocol**

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

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

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

17 **b) Selecting Units to Visit**

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

31 **c) Elements of Exchange Visits**

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

42 **d) Discuss Observations**

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

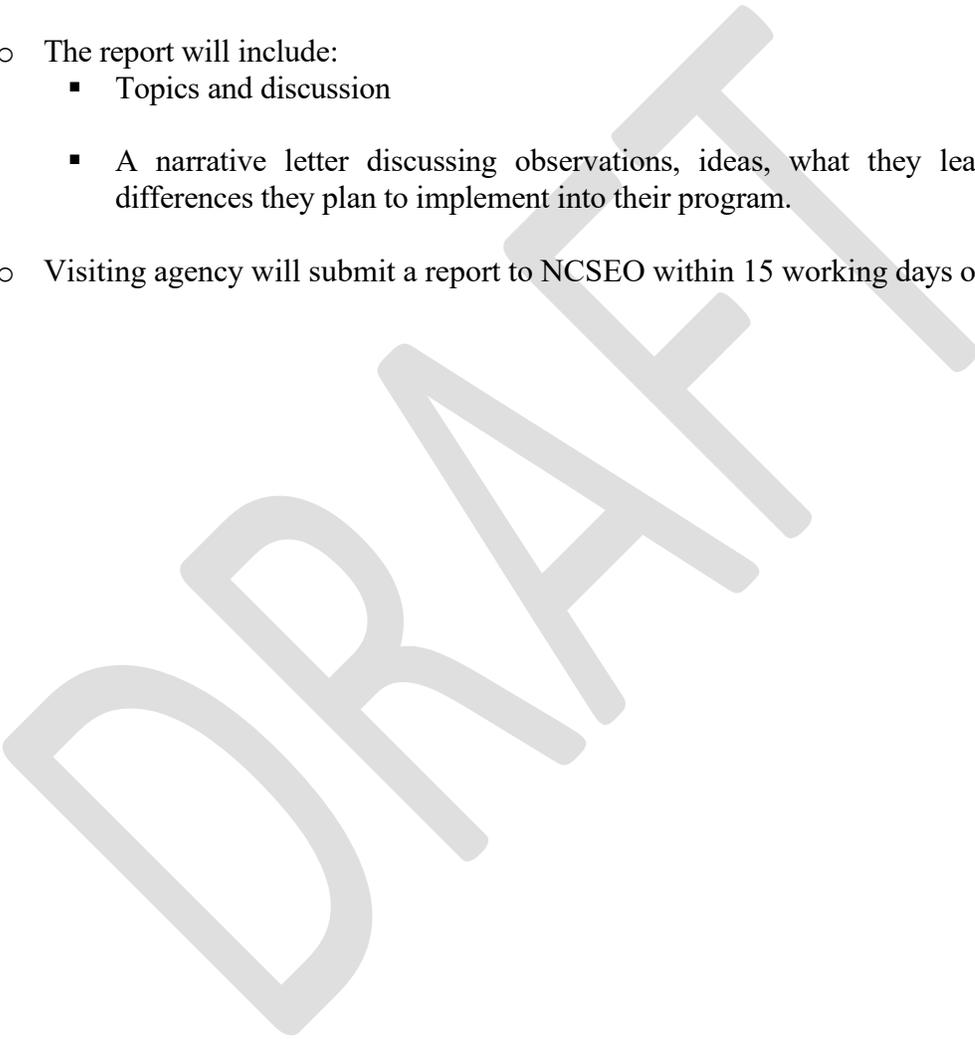
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**e) Exit Interview**

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

**f) Report to NCSEO**

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



1 **Appendix B – Determining Eligibility Levels**

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

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

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

27  
28 **ELIGIBLE RENTAL WEATHERIZATION:** A dwelling unit is eligible for weatherization  
29 assistance if it is occupied by a family unit that meets the income guidelines set forth within this  
30 WPN and meets the building eligibility guidelines detailed in [10 CFR 440.22](#). A Subgrantee may  
31 weatherize a multifamily rental building containing a sufficient percentage of eligible rental  
32 dwelling units, a single-family building, or a manufactured home provided written permission  
33 from the owner or the owner’s agent.

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

35  
36 **WEATHERIZING HUD PROPERTIES:** [WPN 22-5](#) extends categorical income eligibility to  
37 HUD means-tested programs. WAP Grantees and Subgrantees may certify that applicants have  
38 met the income requirements of HUD means-tested programs through mechanisms including, but  
39 not limited to, applicant documentation, interagency lists of recipients, shared system databases,  
40 etc. Method of verification of eligibility must be included in the client file. See WPN 22-5 for more  
41 details.

42  
43 **DEFINITION OF INCOME**

44  
45 a) **INCOME:** Income means Cash Receipts earned and/or received by the applicant before taxes  
46 during applicable tax year(s) **but not** the Income Exclusions listed below in **Section C**. Gross

1 Income is to be used, not Net Income.

2  
3 d) **CASH RECEIPTS:** Cash Receipts include the following:

- 4
- 5 ○ Money, wages and salaries before any deductions;
- 6
- 7 ○ Net receipts from non-farm or farm self-employment (receipts from a person's own
- 8 business or from an owned or rented farm after deductions for business or farm
- 9 expenses);
- 10
- 11 ○ Regular payments from social security, railroad retirement, unemployment
- 12 compensation, strike benefits from union funds, worker's compensation, veteran's
- 13 payments, training stipends, alimony, and military family allotments;
- 14
- 15 ○ Private pensions, government employee pensions (including military retirement pay),
- 16 and regular insurance or annuity payments;
- 17
- 18 ○ Dividends and/or interest;
- 19
- 20 ○ Net rental income and net royalties;
- 21
- 22 ○ Periodic receipts from estates or trusts; and
- 23
- 24 ○ Net gambling or lottery winnings.

25

26 e) **INCOME EXCLUSIONS:** The following Cash Receipts **are not** considered sources of

27 Income for the purposes of determining applicant eligibility:

- 28
- 29 ○ Capital gains;
- 30
- 31 ○ Any assets drawn down as withdrawals from a bank;
- 32
- 33 ○ Money received from the sale of a property, house, or car;
- 34
- 35 ○ One-time payments from a welfare agency to a family or person who is in temporary
- 36 financial difficulty;
- 37
- 38 ○ Tax refunds;
- 39
- 40 ○ Gifts, loans, or lump-sum inheritances;
- 41
- 42 ○ College scholarships;
- 43
- 44 ○ One-time insurance payments, or compensation for injury;
- 45
- 46

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

22

23 **f) PROOF OF ELIGIBILITY:** Grantees and Subgrantees are reminded that proof of income

24 eligibility must be clearly identified in the client file.

25

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

45

46 **g) SELF-CERTIFICATION:** After all other avenues of documenting income eligibility are

1 exhausted, self-certification is allowable. However, evidence of the various attempts at  
2 proving eligibility must be contained in the client file, **including** a notarized statement  
3 signed by the potential applicant indicating that the applicant has no other proof of income.  
4

5 h) **CHILD SUPPORT:** Child Support payments, whether received by the Payee or paid by  
6 the Payor, **are not** considered Sources of Income to be added to the payee income or  
7 deducted from the payor income for the purposes of determining applicant eligibility.  
8

9 ○ **Payee:** Where an applicant receives Child Support from any state program or  
10 individual during an applicable tax year, such assistance **is not** considered income for  
11 the purposes of determining eligibility (i.e., where an applicant receives Child  
12 Support, he or she **does not** add that amount to his or her calculation of income for  
13 purposes of determining eligibility).  
14

15 ○ **Payor:** Where an applicant pays Child Support through a state program and/or to an  
16 individual, such assistance **is not** considered a deduction to Income for the purposes  
17 of determining eligibility (i.e., where an applicant pays Child Support, he or she **may**  
18 **not** deduct said assistance from his or her calculation of Income for the purposes of  
19 determining eligibility).  
20

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

24 ○ *Example:* Applicant A only provides income verification for January, February and  
25 March. The method of annualizing income to determine eligibility could be to  
26 multiply the verified income by four to determine the amount of income received  
27 during the year.  
28

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

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

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

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

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

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

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

2

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

3

4

5

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

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

1  
2

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

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

1

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

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

1  
2