

## DRAFT NH Weatherization Assistance Program (“WAP”) Program Year 2013 PLAN

### NH WAP Budget for Program Year 2013

The program year performance period is from April 1, 2013-March 31, 2014. As of the development of this plan, the DOE had not issued a Funding Opportunity Announcement (FOA) for PY13. The FOA announces available funding for Grantees.

NH Typically uses a formula to determine the fund allocations to each subgrantee. Funding to subgrantees will be calculated using this formula:

#### Allocation Formula

The allocation formula includes and proportionately weighs data for the number of certified Fuel Assistance Applications (FAP) in the prior year; County population at 200% FPG in relation to state wide population at 200% FPG; and County average Heating Degree Days (HDD) from 1981-2010 in relation to statewide average total heating degree days.

#### Data weights:

County percentage of total number of certified FAP applications: 60%

County poverty percentage of total state poverty population: 20%

County average HDD percentage of the HDD average total for all counties: 20%

#### The formula results in the following distribution:

CAP Belknap-Merrimack Counties, Inc.	17.15%
Community Action Partnership of Strafford County	9.72%
Southern New Hampshire Services, Inc.	37.70%
Southwestern Community Services, Inc.	13.51%
Tri-County Community Action Program, Inc	21.92%

#### Example:

Total prior year certified FAP applications: 20,000

Total number households at designated FPG: 230,000

Total average heating degree days: 75,000

#### Subgrantee/county XYZ data:

Number of certified FAP applications: 1,800	$1,800/20,000=.09$	<b>Weighted average</b>
Population at designated FPG: 30,000	$30,000/230,000=.13$	$.09 \times .6 = .054$
County average HDD: 8,500	$8,500/75,000=.11$	$.13 \times .2 = .026$
		<u><math>.11 \times .2 = .022</math></u>

**Example Total subgrantee allocation**

**10.2%**

#### Allocation formula Update

The allocation formula will be updated annually with the prior year certified FAP application data.

FPG population data and heating degree data will be updated after each Decennial Census update.

#### Miscellaneous

1. After the initial allocation has been made, OEP may, at any time during the program year, reduce or eliminate funding available to a subgrantee as a result of:

a. failure to meet quarterly goals for two (2) consecutive quarters when compared to approved production schedules and budgets (specifically variances in excess of 10%).

b. significant and/or repeated deficiencies are discovered during field inspections or subgrantee on-site monitoring;

- c. repeated poor quality and/or ineffective workmanship is documented and not corrected as directed;
- d. evidence suggests that a subgrantee may be operating the program without adequate safeguards to minimize the risk of inefficiencies, waste, fraud, or abuse of DOE funds; or
- e. for failure to comply with federal or state program requirements including 10 CFR 440, 10 CFR 600 and other relevant Fund, State or Program rules and regulations.

2. OEP may redistribute grant funds that have been retracted from a subgrantee and/or funds determined to be in excess of OEP's required budget necessary to manage the program, at its discretion but within Program Regulations, after the initial allocation has been made.

3. A subgrantee that has been fully defunded within a program year as a result of documented actions or activities that are contrary to the program requirements may lose eligibility for future funding. In this circumstance, OEP may seek an alternate subgrantee(s) to provide weatherization services in the affected areas or solicit bids from qualified contractors.

4. In the event of a reduction in PY13 funding and its effects on the NH WAP network, OEP may, after calculating subgrantee allocations, further negotiate final funding allocations with all subgrantees. Any negotiated allocation modification will not exceed 10% of the total NH Allocation. If a subgrantee is not funded in PY13, they will be considered for funding in the next program year.

### **Energy Savings**

The method used to estimate energy savings is the DOE WAP algorithm, which is based upon National Weatherization Program evaluations to estimate energy savings per home. This method estimates 30.5 MBTU for total annual energy savings for each weatherized home.

The actual total estimated savings will be determined once funding is available and the number of homes to be weatherized is calculated.

### **Funded Leveraging Activities**

The NH Weatherization Program has been very successful in collaborating with the utility-administered (electric and natural gas) low-income Home Energy Assistance program (HEA), municipal grants, and HUD programs, to provide additional resources to WAP clients. All subgrantees make best efforts to maximize leveraging opportunities. As such, approximately 90% of the units weatherized with DOE funds utilize some portion of leveraged funding from other sources. Although this relationship has been successful, it is critical that both OEP and its subgrantees continue to work and foster the partnerships between the programs to maximize program benefits to clients.

New Hampshire will allow and encourage the use of up to 5% of formula allocated funds to seek out leveraging partners to promote and expand weatherization opportunities. Subgrantees can also use these funds when attending and participating in meetings, discussions, conferences, or other events with existing partners to maintain and improve these partnerships and program operations.

In addition to successfully leveraging WAP funds, New Hampshire has also been at the forefront of implementing the "One-Touch" program. This program is intended to provide additional resources to subgrantees through a referral-based system and network to increase access to services for WAP clients. Under the program, a home visitor performs a One-Touch audit to determine specific assistance that a client may need but may not be aware of. The program is based on the philosophy that one home visitor from any network member can assist clients by identifying needs outside their program and making referrals for additional services such as lead remediation, Head Start services, or weatherization services. One-Touch is particularly useful for WAP as it can help to identify additional resources that may exist to make repairs or corrections at a client's home that might otherwise cause a deferral of weatherization services. OEP and subgrantees participate as Steering Committee members of One-Touch in order to facilitate and educate potential and existing partners to increase membership in this network. Some subgrantees also

facilitate this process at the local level to build partnerships within their own region among local area service providers.

### **Approach to Determining Client Eligibility**

#### **Definition of Income used to Determine Eligibility:**

For the purpose of determining client eligibility in the NH Weatherization Assistance Program, the definition of "low income" is as follows:

The NH Weatherization Program determines income eligibility under the Low Income Home Energy Assistance Act of 1981 and uses the Fuel Assistance application. Eligibility takes into consideration income and family size in accordance with criteria established by the Director of the Office of Management and Budget. Income eligibility for the WAP program is set at a maximum of 200% of the Federal Poverty Guideline (FPG).

#### **Household Eligibility:**

Subgrantees may apply to OEP for a waiver to weatherize an "over-income" household. The current WAP income guidelines are available at: <http://www.nh.gov/oep/programs/weatherization/eligibility.htm>.

Eligibility to receive weatherization services through the WAP is based on five (5) requirements:

- 1) The household's primary residence must be in New Hampshire;
- 2) The household income level;
- 3) The household size;
- 4) The household has not been previously weatherized after September 30, 1994 at the current address;
- 5) Dwelling eligibility (see section 2.5 of the NH Policies and Procedures Manual (NH PPM)).

*Final determination of eligibility for the WAP does not take place until a home energy audit has been completed by a Weatherization Program energy auditor.*

Determining eligibility for weatherization should take place in two steps: **first**, eligibility of the client from the application, and **second**, eligibility of the dwelling following a site visit or audit.

Homes previously weatherized after September 30, 1994 are not eligible to receive additional weatherization services through the WAP program. However, it is possible for a homeowner/renter to receive WAP services more than once at different homes.

Based on the 2008-2010 American Community Survey, individual population eligibility at or below 200% FPG is identified below by county:

Coos County: 11,366 people  
Grafton County: 24,077 people  
Carroll County: 11,827 people  
Sullivan County: 11,385 people  
Cheshire County: 20,253 people  
Belknap County: 15,504 people  
Merrimack County: 29,787 people  
Hillsborough County: 76,001 people  
Rockingham County: 42,786 people  
Strafford County: 29,138 people

The 2008-2010 American Community Survey identifies that approximately 270,000, people in NH, or approximately 20% of the population, qualify to receive weatherization services.

## **Ensuring Qualified Aliens are eligible for weatherization**

Fuel Assistance applications are used for determining client eligibility. The Fuel Assistance Program has procedures in place to ensure that Non-Qualified Aliens do not receive benefits, which ensures that WAP also complies with these requirements.

An individual with Qualified Alien status is counted as a household member when determining FAP eligibility. Income from a Non-Qualified Alien household member must be documented and included as household income. The Non-Qualified Alien is not counted as a household member. All information must be documented in the client file by the subgrantee.

## **Building Eligibility**

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

The determination of unit eligibility is documented in the client file maintained by the subgrantee.

The NH Policies and Procedures Manual (NH PPM) identifies required information and documentation that must be maintained in the client file. This includes, but is not limited to, the client's initial application, client priority scorecard, electronic audit report, auditor's project notes, work orders, etc.

Review of a subgrantee's client file documentation occurs at each field inspection to verify that the unit weatherized was eligible for weatherization.

A qualified dwelling is eligible for weatherization services if it:

- 1) Is occupied by an eligible household or will become an eligible dwelling unit within one hundred eighty (180) days under a Federal, State, or local government program for rehabilitating the building or making similar improvements to the building; and
- 2) Has not been previously weatherized or was weatherized prior to September 30, 1994; and
- 3) The dwelling does not require deferral (this does not necessarily prevent the building from receiving WAP services in the future if all deferral conditions are satisfied within a reasonable time).

Income eligibility for some multifamily buildings may be pre-determined through the use of DOE-approved HUD lists. These lists are available at [http://www1.eere.energy.gov/wip/multifamily\\_guidance.html](http://www1.eere.energy.gov/wip/multifamily_guidance.html). Guidance on proper use of the lists can be found in WPN 11-09.

## **Describe ReWeatherization Compliance**

Generally, WAP services are provided only once for each dwelling unit. However, DOE regulations allow that units weatherized before September 30, 1994 may be re-weatherized.

However, a significant number of low-income households have received *no* weatherization services to date. For this reason, no more than ten percent (10%) of a subgrantee's production may be re-weatherized units that were previously weatherized prior to September 30, 1994.

Units that are re-weatherized will be counted toward the per-unit average cost but must be tracked separately from newly weatherized units.

## **Describe the structures that are eligible for weatherization**

A dwelling must be a structure, which may include a stationary mobile home, apartment, group of rooms, or a single room occupied as separate living quarters (including historic properties), and qualified shelters or other group facilities. The dwelling must have a physical address in New Hampshire.

Government institutions, halfway houses, nursing homes, recreational vehicles (RVs), cars, trucks, or tents are not eligible dwellings and are not eligible for weatherization services. Properties having only a commercial use are also not eligible for weatherization.

### **Describe how Rental Units/Multifamily Buildings will be addressed**

Subgrantees that identify multi-family buildings for weatherization should refer as many tenants as possible to Fuel Assistance to complete a FAP application. This can increase the number of eligible units to maximize available funding for the building.

Within the constraints of the program, a subgrantee shall provide services to buildings that have rental dwelling units occupied by eligible program participants, or units that are expected to be occupied by eligible program participants within one hundred eighty (180) days of completion of the weatherization work. A subgrantee shall weatherize the entire multi-family building when the building is eligible; individual units are not eligible for weatherization.

The owner/agent's permission to perform weatherization services must be obtained through the use of the New Hampshire WAP Landlord-Tenant Agreement prior to the start of any weatherization work (including the energy audit) on all rental property. The New Hampshire WAP Landlord-Tenant Agreement must be signed by the appropriate parties, including all tenants, and copies must be retained in subgrantee client files. The benefits of weatherization are intended for and expected to accrue to the tenants of rental units. This agreement contains a one-year rent protection feature that prohibits landlords from raising rent based on weatherization-related improvements/costs. Tenants are encouraged to contact the appropriate subgrantee if they believe that the provision has been violated.

### **Project Approval**

Project approval from OEP is required when a single building contains 5 or more units.

Subgrantees must submit to OEP a completed TREAT tpg file, narrative, and Multi-Family Project checklist form. Subgrantees must receive written project approval prior to starting any weatherization work on a multi-family project.

### **Mixed Eligibility**

Production credit will be provided for all units weatherized within an eligible multi-family building. Units within a building of 5 units or more should be reported as multi-family units whereas units in buildings of fewer than 5 units should be reported as single family units.

Building eligibility is dependent upon applicant eligibility and building structure. Whole buildings qualify for weatherization when the following occurs:

- 1) 66% or more (50% or more for two-four [2-4] unit buildings) of the dwelling units in the building are occupied by eligible applicants; or
- 2) 66% or more of the dwelling units will be occupied by eligible households within one hundred eighty (180) days under a Federal, State, or local government program for rehabilitating the building or making similar improvements to the building. [Note: Contact OEP to request permission to utilize this qualification process.]

Multi-family buildings not conducive to weatherizing individual units due to building structure or configuration using the building-as-a-system principle, shall not weatherize individual units when the building does not qualify.

Weatherization shall not occur on any multi-family building or portion of the building, including individual eligible units, if minimum building eligibility requirements are not met.

### **Deferral Process**

The decision to defer work in a dwelling is difficult but necessary in some cases. This does not mean that assistance will never be available, but that work must be postponed until the problems can be resolved and/or alternative resources are found. Subgrantees should strive to work with applicants to resolve conditions where a deferral has been issued. Subgrantees are expected to pursue reasonable options and referrals on behalf of the dwelling owner and to exercise appropriate judgment in dealing with challenging situations. Subgrantees should not defer service due to the presence of a hazard without pursuing reasonable options to identify other resources to address the identified hazard(s). Whenever appropriate, educational information on how to address the hazard should be shared with the occupant. An example of educational materials is the EPA booklet "Renovate Right."

### **Weatherization Services Shall be Deferred When:**

- 1) There is a question about the reported household size.
- 2) There is a question about the reported income.
- 3) There are health and safety issues beyond the scope of the WAP that prevent the installation of weatherization measures.
- 4) The structural integrity of the home is in a condition that prevents weatherization materials from being effectively installed.
- 5) The customer refuses work items that have a higher Savings to Investment Ratio SIR value than remaining measures. Subgrantees shall then defer all services to the customer.
- 6) A building cannot be adequately weatherized with available funds. Adequate means all necessary and appropriate measures to make the weatherization successful without causing harm to occupants, workers, the building or other installed measures.

### **Selection of areas to be served**

There are five subgrantees (Community Action Agencies) that service all ten counties in NH. By contracting with NH's Community Action Agencies, the Office of Energy and Planning (OEP) is able to ensure that eligible residents throughout the state are served by the Weatherization Assistance Program. The following subgrantees cover the following counties:

Community Action Program Belknap-Merrimack – Belknap and Merrimack Counties  
Community Action Partnership of Strafford County – Strafford County  
Southern New Hampshire Services – Hillsborough and Rockingham Counties  
Southwestern Community Services, Inc – Cheshire and Sullivan Counties  
Tri-County Community Action, Inc. – Coos, Grafton and Carroll Counties

OEP may solicit bids from eligible contractors or seek assistance from an adjacent subgrantee to provide services in the affected area should a subgrantee be completely defunded within a Program Year or a subgrantee is determined to be unqualified to continue operating the program.

### **Priorities**

Subgrantees are required to use the Client Priority Scorecard to determine the order in which services are delivered to ensure the most vulnerable households are serviced first. The exception to this priority system is that, due to the many rural communities in NH, subgrantees may schedule up to 20% of annual production to be within close proximity to other projects to promote cost effective scheduling of those projects regardless of the clients priority. The priorities on the Scorecard also take into consideration the

ability to maximize leveraging resources with the utility-administered efficiency program to maximize resources and services. Program priorities include:

1. **Priority for Households with a High Energy Cost Burden:** Determine the energy burden by: Dividing the Calculated Heating cost shown on the FAP by the Annual income shown on the FAP; if 6% is not obtained recalculate including electrical utility expenses. Two (2) priorities are given when the total household energy expenditures are equal to or exceed the Annual household income by 6%.
2. **Priority for Elderly:** One (1) priority is given to households with elderly residents. Elderly is defined as age 60 or older.
3. **Priority for Persons with Disabilities:** One (1) priority is given to households where persons with disabilities reside.
4. **Priority for Children:** One (1) priority is given to households where children under 19 years old reside.
5. **Priority for Leveraging:** One (1) priority is given to households where funds from other non-federal sources will be collaborated on the project.

CFR 440.16 also requires that a household with high energy usage be a priority. However, based on the definition of a high energy user in the CFR, NH does not have the data available to determine high energy users. NH will begin using the high energy user as a priority if/when the data becomes available.

### **Climatic Conditions**

Climate conditions vary considerably from north to south across the state of New Hampshire. Heating Degree Days (HDD) can vary from 9,600+/- in Northern NH to 7,000 +/- in Southern NH. HDDs are measured using a base of 65 degrees F. Climate data representing all counties was obtained at <http://ggweather.com/normals/hdd.html> for the period 1981-2010. Average HDD by county is as follows:

Belknap: 7,128  
Carroll: 8,092  
Cheshire: 7,458  
Coos: 9,606  
Grafton: 8,137  
Hillsborough: 7,043  
Merrimack: 7,438  
Rockingham: 6,827  
Strafford: 7,047  
Sullivan: 8,250

This results in an average of 7,881 HDDs for NH.

The approved TREAT energy audit tool provides for thirty-year average data on climatic conditions for every hour in the calendar year for the building location chosen; or the closest weather station to the building location chosen in the audit tool.

### **Technical Guides and Materials**

2012 New Hampshire Policies and Procedures Manual issued March 21, 2012 for implementation April 1, 2012 as amended from time to time.

New Hampshire Weatherization Field Guide issued April 5, 2012.

All subgrantees receive DOE Weatherization Program Notices by direct subscription and/or distribution by OEP via e-mail.

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

### **Energy Audit Procedures**

NH uses the Targeted Retrofit Energy Analysis Tool (TREAT) for Single family, manufactured and multi-family units. Final approval for these building types was received from DOE on September 30, 2011.

### **Final Inspection**

All weatherized units must receive a final inspection by the subgrantee. Units shall not be reported to OEP as complete until a satisfactory final inspection has been performed. **All** final inspections must be performed by a certified auditor.

The purpose of the final inspection is to ensure that the work completed is done so in a workmanlike manner and in accordance with the TREAT energy audit and work order. A final inspection does not qualify as quality control or quality assurance but does qualify as a step in that process.

- 1) The final inspection must document the materials installed and confirm that they were installed in a professional workmanlike manner in accordance with the New Hampshire WAP Standards. The Satisfaction section of the Consent to Perform Work form must be signed and dated by both the client and a certified energy auditor.

Subgrantees are required to inspect one-hundred (100) percent of accessible installed measures.

No less than five percent (5%) of completed units will be reviewed by OEP's Weatherization Technical Specialist or his designee. In cases where deficiencies are noted, OEP will perform more inspections on that subgrantee.

OEP technical field inspections include: reviewing health and safety procedures, cost-effectiveness, and compliance with the technical requirements of the program, and adherence to NH's weatherization standards. OEP staff may utilize the blower door, infrared scanning equipment, combustion efficiency testing equipment, digital cameras, and other equipment deemed necessary to provide comprehensive monitoring of completed units.

OEP recognizes that in some cases it may not be possible to complete a final inspection of the dwelling unit, even after repeated efforts to schedule the inspection. In these cases, the subgrantee must document that an energy auditor made a significant effort to inspect the dwelling after completion of the weatherization work. At a minimum, a visual inspection of any exterior weatherization measures must be completed. A memorandum must be placed in the client file, signed by the energy auditor and the subgrantees' weatherization director, indicating the dates when the subgrantee attempted to contact or inspect the residence.

- 1) The subgrantee will also be required to mail a Consent to Perform Work Form with a stamped, self-addressed envelope to the client for their signature, along with a letter explaining that the subgrantee was unable to complete a full on-site inspection.

If the client does not respond within two (2) weeks, the subgrantee may report the unit as a completion. In this situation, a second memorandum, signed by the energy auditor and weatherization director and placed in the client file, should indicate that the client failed to return the Consent to Perform Work Form.

### **Assessment of Effectiveness**

OEP reviews subgrantee project effectiveness during unit inspections; both in-progress and final. Unit inspections consider air sealing activities and effectiveness of installed materials and review building air infiltration reduction through pre- and post-Wxn blower door evaluations. Although good quality workmanship might translate into effective installations, it is not always the case. Actual verification through visual and blower door inspections can verify effectiveness. OEP utilizes the unit inspection process as a means to also provide direct training when the need is identified.

In cases where OEP repeatedly identifies issues and provides corrective on-site training and subsequently observes further and continued ineffective work, OEP may require more formal training for contractors and/or subgrantees.

Subgrantee productivity is measured individually by comparing approved budgets and production schedules with actual expenditures and production throughout the program year.

Requiring BPI certification for auditors ensures continued improvement of the program as individuals are required to fulfill continuing education requirements. The continuing education component provides for current program or industry practices to be incorporated for continued improvement. OEP also requires some form of formal contractor installation training, though no specific certification for installers is required.

OEP tracks subgrantee improvement through the monitoring and inspection process. Results on future inspections and monitoring are compared against past reports to determine if areas of concern previously identified have been corrected. A portion of the electronic audit files are also reviewed as part of either the field inspection, on-site subgrantee monitoring, or both to assess whether auditors are accurately modeling buildings, measures and costs. OEP may target monitoring and inspections based on prior findings.

Subgrantees not using in-house crews to perform specific work activities are to put the list of approved measures out to public bid to provide for free and open competition at least annually.

Subgrantees that were previously identified as having challenges complying with program goals, requirements, and/or regulations received substantial training during the prior program year in an effort to correct those areas of deficiency. A subgrantee that was identified to have any such deficiencies will have those areas specifically reviewed in the monitoring process during this program year to determine the effectiveness of the training received.

## **Program Management**

### **Overview**

OEP is a part of the Executive Department within the Office of the Governor.

OEP is responsible for:

- Promoting energy efficiency and reducing energy costs by supporting programs for low-income and other households, state government buildings, businesses, industry and non-profit organizations, and schools and municipalities;
- Exploring opportunities to expand the use of renewable, domestic energy resources such as biomass, wind and solar energy;
- Offering community services such as heating fuel aid, floodplain management assistance, statewide population data information, and the availability of a statewide computerized geographic information system;
- Promoting the principles of smart growth at the state, regional, and local levels through the municipal and regional planning assistance program;
- Promoting land use efficiency through a state comprehensive outdoor recreation plan and the monitoring of the state's investment in conservation land; and
- Supporting programs that focus on protecting and managing the natural resources of heavily populated areas of the state such as the coastal watersheds.

In response to these duties and responsibilities, OEP undertakes a number of programs and activities. Financial support for these programs comes from federal grants and the State's General Fund.

OEP delivers an integrated array of federal programs including the US Department of Energy's State Energy Program (SEP), Weatherization Assistance Program and the Low Income Home Energy Assistance

Program (LIHEAP).

The Weatherization, LIHEAP, and SEP programs are managed individually. The weatherization and LIHEAP programs are 100% federally funded.

On-site subgrantee monitoring is performed by the Program Managers with assistance from the office fiscal and compliance staff as needed. Unit inspections of the Weatherization program may be performed by the Weatherization Program Manager, a sub-contractor, or both.

### **Administrative Expenditure Limits**

In accordance with CFR 440.18(d), OEP retains no more than 5% of new annual DOE grant funds for administrative purposes. The administrative budget will not exceed 5% of total funds awarded within an award period, except when allowed within program regulations as described below.

OEP distributes at least 5% of each new PY grant allocation for administrative purposes to subgrantees in accordance with the program allocation formula. Subgrantees are allowed to re-class unused or anticipated unused administrative funds, within the budgeted PY, into their Program operations budget with prior OEP approval, to weatherize additional homes.

As provided in CFR 440.18(d), OEP allows for the use of up to an additional 5% in administrative funds for subgrantees that receive less than \$350,000 in total new PY funding, excluding carryover. A subgrantee that receives less than \$350,000 in new PY grant funds can utilize up to an additional 5% of their new funds for administrative costs. OEP uses the following procedure to appropriate the additional administrative funding:

1. OEP subtracts 10% from the total new DOE PY grant for the allotment of administrative expenses (5% for OEP and 5% for sub-grantees). OEP then also reduces the award by the allowed allocation for T&TA. This resulting figure represents the minimum funding to be used for program expenditures.
2. The subgrantee Program and Administrative allocations are calculated based on the allocation formula.
3. Subgrantees receiving less than \$350,000 in new PY allocated funds (including T&TA) may then use up to an additional 5% of their new subgrant amount as additional administrative funds.

Unexpended administrative funds may be carried over from a prior PY within the award, with DOE approval.

If during the Program Year OEP determines that additional funds will be distributed due to changes in the OEP budget, those funds will be issued as Program funds and will not be complimented with Administrative funds except when OEP determines that additional Administrative funds are available without exceeding CFR 440.18(d) limitations.

### **Monitoring Activities**

Monitoring activities occur within WPN 12-5 guidance. Monitoring typically begins with a review of the concerns identified in the prior monitoring report to identify and determine what action the subgrantee has taken to address those concerns. Monitoring can then be used to verify whether the steps identified in the subgrantee's response occurred, were altered to further correct and/or improve the concern, if the actions did not address the concern, or no action took place to make the correction.

OEP will perform on-site subgrantee monitoring of all five subgrantees before March 1, 2014 to allow reports to be completed and distributed before April 1, 2014. Subgrantees are continuing operations from PY12 and therefore should be complying with current rules and regulations. Monitoring may cover activities performed during the prior and/or current calendar year.

OEP may alter its monitoring activities by utilizing a contractor to perform the On-Site Subgrantee monitoring in coordination with the Program Manager. Available funding will ultimately determine the method that OEP utilizes to conduct monitoring.

OEP's financial monitoring is performed by OEP fiscal staff. Programmatic monitoring is performed by both the Program Manager and OEP compliance staff. All monitoring activity will be paid for using T&TA funds.

OEP has procured a contractor to perform technical inspections of units for the PY12 performance period. OEP may continue with this approach for PY13. Unit inspections will occur on a minimum of 5% of each subgrantees completed units, with a goal of inspecting 10% or more. Subgrantees using contractors are responsible for performing in-progress safety inspections; OEP will perform in-progress safety inspections on subgrantees that use in-house crews on DOE projects. OEP will review inspection reports generated by the subgrantees for inspections of their contractors.

OEP has modified the DOE WAP Quality Management Assurance (QMA) Form for use as the in-unit inspection form for monitoring purposes

OEP is in the process of revising the DOE On-Site Monitoring: Subgrantee Review Checklist for use as the subgrantee monitoring tool.

OEP will develop procedures for addressing corrective actions and the process for the discipline and/or removal of a subgrantee from the program.

OEP closely monitors subgrantee performance and compares monthly performance data to benchmarks for the program, such as the monthly production and overall job average as compared to approved budgets and production schedules.

Each subgrantee's technical work will be monitored on a regular basis. Additional monitoring visits will be conducted on subgrantees that are observed to have difficulties in managing the program as required by fiscal, programmatic and technical rules and regulations, and/or receive Findings during a monitoring or field inspection. Flexibility in scheduling will be retained to allow additional visits as needed, to resolve specific problems, or to facilitate training objectives.

Written monitoring reports are provided to the subgrantee Executive Director, Program Director and/or Fiscal Officer within thirty (30) days. These reports outline specific corrective actions required. A response describing the corrective action taken must be received by OEP within thirty (30) days of the date of the report. In the case of technical or fiscal monitoring, when OEP receives no response, OEP reserves the right to disallow the cost of any discrepancy, or in the case of technical monitoring the entire cost of the unit may be disallowed. Disallowed costs will be refunded to OEP by either check or deducted from the subgrantees next monthly reimbursement request as long as the reimbursement request is for the same program year.

Subgrantees are subject to removal from the program and will be defunded of all remaining funds if they are identified as being consistently non-compliant with program requirements such as, but not limited to:

- consistently produce a poor level quality of work with little or no noticeable improvement within a 4-month period from the date of notification (or timeframe identified in the notification) of required corrective action (or a specific finding), or
- are found to not have adequate fiscal and/or management control systems in place (such systems are required to insure program compliance and reduce the potential for waste, fraud and abuse), or
- do not improve current systems within the timeframe specified in a notification direction to correct a system that has been identified as being substandard.

A subgrantee that is removed from the program will not be eligible to receive DOE Weatherization funds for the next Program Year.

## **Training and Technical Assistance**

OEP or its assignee assesses the training needs of subgrantees as part of the on-going monitoring and evaluation process. At regular monitoring visits OEP staff can ascertain when and what additional training and technical assistance is necessary at the individual, subgrantee, or state wide level. When general training needs can easily be addressed locally (such as Lead Safe Weatherization or OSHA training), OEP staff will refer subgrantees to these training resources, to be paid for with the subgrantee's allocated T&TA funds, rather than OEP providing for or arranging such training.

OEP understands that T&TA activities are intended to maintain or increase the efficiency, quality and effectiveness of the Weatherization Program at all levels. Activities should be designed to maximize energy savings, minimize production costs, improve program management and crew/contractor "quality of work" and/or reduce the potential for waste, fraud, abuse and mismanagement. Subgrantees are the primary recipients of T&TA funds either through direct funding or through training provided by OEP, provided that there are funds available in excess of funds required by OEP to provide adequate stewardship and oversight of the program.

The current Policies and Procedures Manual requires all auditors to obtain NH Wxn Program certification as soon as possible following their hiring. Because BPI training and certification is now readily available in NH, OEP is eliminating OEP certification. OEP now accepts audits performed by auditors that have both BPI Analyst and Envelope Certifications. OEP does not accept audits by uncertified energy auditors, unless reviewed and approved by a certified auditor.

OEP measures the performance of subgrantees against their own goals and previous performance levels. Comparisons made against other subgrantees and state averages can provide a benchmark, but are not used in assessing T&TA activities. If any sub-grantee or individual is performing in a less than optimal manner, OEP will attempt to identify and offer or recommend appropriate training and guidance. Progress will be closely monitored by OEP's staff to assure the individual or subgrantee has resolved the issues in question. If a subgrantee does not make corrections as recommended or required and continued non-compliance is observed, the subgrantee will be at risk of losing funding. Units that are inspected by OEP and found not to be in compliance with program requirements will have the unit removed from production and the subgrantee will be charged back for all costs associated with the unit. Once corrections have been made to bring the unit into compliance, unit costs can then be requested for reimbursement and the unit again counted toward production.

OEP also reviews subgrantee planned T&TA activities through submission of their annual Management Plan and as part of our technical assistance management oversight efforts.

OEP will recommend and may aid in providing basic energy auditor training and advanced building envelope training through any number of mechanisms available such as online trainings, NYSWDA training center, Maine State Housing Authority, BPI, or with local or national trainers qualified to deliver training in NH.

Depending upon available T&TA funding, OEP is planning to provide a mandatory Financial Training during PY13. Attendance at the financial training will be required for all appropriate subgrantee and Grantee staff. No other major training is planned for PY13 as most of the network received a majority of required training during the ARRA grant period. However, new staff and contractors will be trained as necessary and as funding allows. Training may also occur where continuing education is necessary to maintain current certifications.

## **Energy Crisis Plan**

OEP is a member of the State's emergency response team, which utilizes a State Energy Emergency Response Plan (SEERP), written and maintained by OEP. DOE Weatherization funds are not used for either the maintenance of the SEERP or to actually respond to an energy crisis.

OEP has reviewed WPN 12-7 and understands what activities are allowed in the event of a crisis and understands that even in the event of a crisis, DOE does not wave regulation requirements.