

New Hampshire Office of Strategic Initiatives (OSI)

NH Weatherization Assistance Program (WAP) Program Year 2020 (PY20)

State Plan / Application for Funding to the US Department of Energy

Draft for Public Hearing review on April 22, 2020

The program year period of performance is from July 1, 2020 – June 30, 2021.

Items IV.1 through IV.7 are labeled by DOE as the Annual File:

IV.1 [Provides a list of the Subgrantees and the planned number of job completions for each during the program year]

IV.2 [Provides the estimated overall number of job completions in the state for the program year]

New Hampshire estimates that WAP funds will be involved in completing weatherization work in 202 dwellings in PY20. This is the number of dwelling units on which at least some WAP money is expected to be spent. Almost every job completed with WAP money includes funding from other sources as well, most commonly the Home Energy Assistance (HEA) program managed by New Hampshire's regulated electric and gas utilities for the NH Public Utilities Commission. Exceptions may occur when a client's dwelling unit is located in the service territory of a municipal electric company where no "system benefit charge" is collected from customers and, therefore, those customers have no access to HEA support. In these cases, the entire cost of the weatherization work on that dwelling may get charged to WAP due to a lack of other resources.

IV.3 Energy Savings

The method used to estimate energy savings is the DOE WAP algorithm, which is based upon national Weatherization Assistance Program evaluations to estimate energy savings per dwelling unit. This method estimates 29.3 MMBTU for total annual energy savings for each weatherized dwelling unit.

The actual total estimated savings, based on an average cost per unit of \$7,000 and a total of 202 weatherized dwelling units, is 5,919 MMBTU.

IV.4 Funded Leveraging Activities

In PY20, New Hampshire will not be devoting any DOE funds to seeking out additional leveraged funding sources.

IV.5 [Lists the Policy Advisory Council members]

IV.6 [Is a place for listing Hearings and Transcripts]

IV.7 Miscellaneous

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Allocation Formula for Distribution of Funds to Subgrantees

The establishment of a process for allocating WAP dollars to Subgrantees is done at the Grantee level and communicated in the State Plan. In PY20 OSI is using the same formula to allocate funds among the five NH Subgrantees that we have used for several years. The formula determines base grant, T&TA, and administrative allocations for OSI and the Subgrantees. In PY20, due to the unavailability of the most recent year’s county poverty population numbers (see the second bullet, below) OSI has chosen to simply re-use the PY19 numbers for all three variables in the formula, which means that the percentage of the total WAP allocation available for distribution to each of the CAPs will be the same in PY20 as it was in PY19. The PY20 overall WAP allocation to New Hampshire has increased above what was available for PY19, so the total dollars to be received by each CAP will go up for PY20.

The allocation formula includes these three variables:

- The number of certified Fuel Assistance Program (FAP) applications, by county, in the prior year;
- Each county’s percentage of the state’s population with incomes below 200% of the Federal Poverty Guideline (using the most recent American Community Survey estimates of individuals below the poverty line); and
- Each county’s percentage of the state’s average heating degree days (HDD) from 1981-2010.

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%

Example using actual statewide data:

Total prior year certified FAP applications:	29,791
Total population at or below 200% of designated FPG:	260,257
Total average heating degree days:	77,026

Hypothetical Subgrantee:

		Weighted average
Number of certified FAP applications: 4,500	$4,500/29,791=.15$	$.15 \times .6=.090$
Population at designated FPG: 34,000	$34,000/260,257=.13$	$.13 \times .2=.026$
County average HDD: 8,500	$8,500/77,026=.11$	$.11 \times .2=.022$

Example Total Subgrantee allocation 13.8%

The formula results in the following New Hampshire Subgrantee distribution for PY20:

CAP Belknap-Merrimack Counties, Inc.	16.28%
Community Action Partnership of Strafford County	9.09%
Southern New Hampshire Services, Inc.	39.11%
Southwestern Community Services, Inc.	14.21%
Tri-County Community Action Program, Inc.	21.31%

Allocation Formula Update

The numbers in the allocation formula are generally updated annually. OSI uses the most recent prior year's certified FAP application data, along with updated FPG population data using the most recent 5-year data from the American Community Survey. OSI updates Heating Degree Day data after each decennial census.

However, for PY20, OSI has been unable to obtain the county FPG population data from the American Community Survey. Our OSI colleague, working with these materials for 30 years, sent the following message regarding the inaccessibility of the data: "I'm confirming that the 2018 1-year supplemental ACS data are not yet available either on data.census.gov or on the soon-to-be-retired American Factfinder." With that in mind, and with our belief that the change in allocations from PY19 to PY20, if we were able to calculate them, would be exceedingly small, OSI has decided to proceed into PY20 using last year's county population data and LIHEAP client data; the heating degree day numbers were to remain unchanged anyway. The WAP allocation formula and the resulting percentages for distributing PY20 WAP dollars among New Hampshire's Subgrantees is identical to the one used for PY19.

Miscellaneous Rules Regarding Allocation Management

1. After the initial allocation, the NH Office of Strategic Initiatives (OSI) may, at any time during the program year, reduce or eliminate funding available to a Subgrantee as a result of:
 - a). Failure to meet, without adequate explanation, quarterly goals for two (2) consecutive quarters when compared to approved production schedules and budgets (specifically variances in excess of 20%);
 - b). Significant and/or repeated deficiencies discovered during field inspections or Subgrantee on-site monitoring;
 - c). Repeated poor quality and/or ineffective workmanship documented but not corrected as directed;
 - d). Evidence suggesting 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). Failure to comply with federal or state program requirements including 10 CFR 440, 2 CFR 200 and other relevant federal, state, or program rules and regulations.
2. OSI may redistribute grant funds that have been retracted from a Subgrantee, and/or funds which have been determined to be in excess of OSI'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, OSI 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 New Hampshire's PY20 federal funding, OSI may, after calculating Subgrantee allocations, further negotiate final funding allocations with all Subgrantees.
5. If a Subgrantee is not funded for any portion of PY20, that Subgrantee will be considered for funding in the next program year if deficiencies have been addressed and OSI is satisfied that remedial measures have been implemented.

NH WAP Collaboration with:

- **Home Energy Assistance (HEA) program of the NH regulated utilities**
- **NH LIHEAP**
- **Lead Hazard Control and Healthy Homes Program of the NH Housing Finance Authority**

Collaboration with utility funding: The NH Weatherization Assistance Program works in parallel with the larger low-income weatherization program managed by the state's electric and gas utilities under the supervision of the New Hampshire Public Utilities Commission. The budget for the ratepayer-funded Home Energy Assistance (HEA) program has typically been four to five times larger than the WAP program budget and continues to grow each year. Both programs rely on New Hampshire's Community Action Agencies (our Subgrantees) for service delivery, and the Subgrantees have become expert at combining these two funding sources, and others, to maximize the number of low-income households served across the state. The two programs rely on each other; WAP funding alone would reach far fewer households than is possible by collaboration. When a WAP-approved energy audit has been conducted on a home, and when that home has received at least one energy conservation measure paid for at least partially with WAP dollars (meaning that the energy conservation measure has met the savings to investment ratio test), then the entire job (using HEA or other dollars), once it has been inspected and declared complete by a BPI-certified QCI, may be considered a WAP completion.

Because OSI does not manage the utility-administered program or have any jurisdiction over the ratepayer funds, these leveraged funds are part of a budget entirely separate from OSI.

The Average Cost per Unit, however, does reflect how the program works on the ground. More than 90 percent of WAP projects have blended funding streams (WAP, HEA, and often other sources, including local funds, CDBG funds, and some LIHEAP funds transferred to weatherization). In PY20, OSI is using \$7,000 as the ACPU for determining the number of homes that each of the Subgrantees will be expected to complete over the course of the year using at least some DOE funds. We estimate that in PY20, using that \$7,000 average WAP cost per unit, the total number of units to be completed with at least some WAP money will be 202. There are also projects entirely funded by WAP, typically in communities with municipal utilities which do not participate in the Home Energy Assistance program. Completing these homes with only WAP funds tends to raise the ACPU. And there are, of course, many more homes completed by the CAPs using only HEA funding.

The collaboration between WAP and other programs works remarkably well and ensures that the Department of Energy's exacting quality control measures apply to far more jobs than would be the case if Subgrantees did not combine funding streams when possible.

The collaboration between WAP and HEA also ensures that the spending of training and technical assistance (T&TA) money, which is available through both programs, is planned for and coordinated together as much as possible, for the benefit of Subgrantee personnel and their crews and contractors. PY20 will see a ramping up of cooperative training activities across the state and among all of the Subgrantees. HEA and WAP T&TA dollars complement each other well: HEA money is particularly valuable for training that needs to take place on relatively short notice, due to a need in the field, or to the availability of an instructor, or to some other reason that may not have been known about in time for DOE money to become involved.

Some minor challenges arise from this collaboration, however, including “counting” the number of units completed and administering what amounts to two separate inspection and reporting structures. In PY20 OSI anticipates continuing the work toward obtaining a state-wide WAP management software system to address some of the coordination challenges faced in our work with the state’s utility programs, while also improving our ability to track and report on program implementation at all levels.

Collaboration with LIHEAP funding: The New Hampshire Weatherization Assistance Program also benefits from an important collaboration and leveraging of resources with the New Hampshire Fuel Assistance Program (FAP). FAP receives its funding through the Low-Income Home Energy Assistance Program (LIHEAP) which is managed nationally by the US Department of Health and Human Services (HHS). NH FAP has, for many years, annually provided funds to WAP Subgrantees. These funds were traditionally targeted at repair or replacement of residential heating systems, reducing the need to use WAP funds for those purposes. Starting in PY19, however, the uses to which LIHEAP funds transferred to WAP could be put was expanded so that heating repairs and replacements were still addressed, but the funding – called Building Weatherization Program (BWP) – also became available to support broader, whole house, weatherization measures. Continuing in PY20, OSI will allocate BWP funds to NH WAP Subgrantees using the same allocation formula that determines the WAP allocation. OSI anticipates using at least \$550,000 in FAP money for this purpose in PY20.

OSI’s FAP allocation for New Hampshire from the Department of Health and Human Services has always been needed and used almost entirely for low income fuel assistance benefits across New Hampshire. However, OSI annually evaluates the possibility of using more of New Hampshire’s LIHEAP allocation to augment the Weatherization Assistance Program and its long-term improvements to low-income housing stock. DHHS rules allow states to move up to 15% of LIHEAP funding into weatherization work. For PY20, the three most likely ways in which NH WAP may benefit from NH LIHEAP dollars are:

- 1). The transfer of a standard base amount of funds from LIHEAP use to the WAP-managed Building Weatherization Program (BWP) for addressing deficiencies in all areas of low income home energy efficiency, including especially space and water heating systems.
- 2). The possible additional transfer of unspent LIHEAP dollars into BWP work if the NH LIHEAP Manager determines that those dollars will be unable to be spent as FAP benefits before the close of the LIHEAP funding period.

3). WAP client eligibility screening is accomplished at the same time as FAP eligibility is assessed, so any one client is not required to undergo two screenings. WAP is entirely dependent upon FAP (LIHEAP) eligibility screening for the discovery of eligible WAP clients, which amounts to a sizable personnel and financial savings for the Subgrantee WAP budgets.

Collaboration with the Lead Hazard Control and Healthy Homes Program of the NH Housing Finance Authority (NHHFA): Midway through PY19, the NH Weatherization Assistance Program began a collaboration with the NH Housing Finance Authority's Lead Hazard Control and Healthy Homes Program to identify dwellings which may qualify for lead hazard mitigation and removal attention. That collaboration will continue in PY20. WAP rules define and limit the type and scope of weatherization-related work which may be done on homes which contain lead hazards. The collaboration with the Lead Hazard Control and Healthy Homes Program will provide two important benefits. 1) Training support will be available for weatherization installers to ensure that they have the knowledge and certifications to safely accomplish weatherization work when lead paint is present; 2) A direct line of communication will be established between workers in the field, who may encounter buildings containing significant lead hazards, and the Agency in the state responsible for evaluating lead risk in buildings where children under 6 years of age and pregnant women reside and then informing the owner where to get information regarding mitigation and abatement services.

In addition, collaboration with NHHFA may provide access to unoccupied homes in the state where weatherization training and certification testing could be done. Currently, New Hampshire-based training for some weatherization positions is limited or unavailable due to the lack of appropriate in-state housing in which to provide the necessary training and testing to certification standards. NHHFA has offered to help with the search for appropriate homes for these purposes.

Subgrantee critiques of OSI: ACSI results in 2016 and 2019 and OSI's activities to improve Program management and Subgrantee satisfaction

In New Hampshire's WAP PY16, US DOE utilized the American Customer Satisfaction Index (ACSI) to survey WAP Subgrantees all around the country for the first time. The survey provided Subgrantees the opportunity to give DOE and its Grantees constructive feedback on various aspects of Grantee management of program operations and to identify opportunities for improvement. And as a result, OSI developed action items to address the issues and opportunities raised by the Subgrantees. Those action items included agreement that improvements would be sought over the next two to three years in two primary areas:

- The provision of additional training by third-party WAP professionals.
- The improvement of communication in two key areas:
 - Better, more useful, feed-back regarding work plans, performance, and monitoring.
 - Improved communication about WAP policies, procedures, and regulations.

In PY19, those action items committed OSI to:

- Provide, or point out opportunities for, professional third party WAP training on WAP topics

that appear in the results of our T&TA needs assessment survey.

- Encourage our QCI-certified, T&TA contractors – one currently providing “roving mentor” services to all Subgrantees on a variety of technical practices needed in the field, and the other providing technical monitoring assistance to OSI – to continue work begun in PY17 providing direct and professional feedback to Subgrantee employees and contractors regarding auditing, TREAT modeling, work plan development and communication to the installers, final inspections, program compliance, monitoring issues, contractor management techniques, etc.
- Increase the frequency of communications to the Subgrantees on issues relating to both national and local WAP policies, procedures, and regulations. This included: forwarding of DOE and NASCSP communications, newsletters, and notices; better use of OSI’s existing “Subgrantee Notices” process for disseminating Program information, changes to policies, procedures, and practices; etc.
- Provide an opportunity approximately halfway through the program year for Subgrantees to informally evaluate OSI on these improvements and to suggest additional changes that would enhance Subgrantee participation in and understanding of the Weatherization Assistance Program’s operation in the local, state, and national arenas.
- Encourage participation in the follow-up PY19 ACSI survey, to be administered by the US DOE and its survey contractor to see if work since the PY16 survey contributed to program improvements.
- Re-establish, after many years of inactivity, the NH Weatherization Technical Committee, to provide a regular and expected venue for evaluating and making recommendations about technical issues and protocols.

Early in the course of PY19, DOE administered a second round of the American Customer Satisfaction Index (ACSI) survey, seeking a follow-up evaluation of Grantees (like OSI) by Subgrantees (like the NH CAPs) all over the country. The results of the PY19 survey were released in September, 2019, and the NH Weatherization Assistance Program was found to be improved in almost all areas covered.

- NH’s overall index number went up 11 points over the outcome in the first evaluation, from 78 to 89, which the administrators of the ACSI called “significant.” That score put NH in the first quartile of all states.
- The most significant “driver” of satisfaction in NH is deemed to be communication, and NH’s score in this category was also up a “statistically significant” amount over the earlier evaluation (when it was already considered to be good).
- The outcome of the survey indicated that NH’s Program needs improvement primarily in:
 - “Training provided by third parties” and in
 - “Distribution of funds.”
- Training provided by third parties has begun to be addressed and will be a significant factor in implementing the PY20 T&TA plan. NH is seeking to develop a more comprehensive and long-term strategic T&TA plan, to guide our training choices in a more organized way, such as in looking out over a number of years to be sure that third party training becomes a cyclical and recurring feature of the state’s training effort, coordinated with the utility programs, periodic needs assessments, etc.
- On the “distribution of funds” topic, the NH WAP work is managed from a state executive agency and must function under the rules and procedures established for all fiscal planning and transactions in the state, which includes the requirement that all contracts in excess of \$10,000 must be approved by a vote at a meeting of the Governor and Executive Council. Getting on

the agenda of one of those meetings is a long and involved process, requiring time and care to ensure that documentation will pass the stringent reviews provided by the state's Department of Justice and Department of Administrative Services over a month's time prior to the meeting. However, OSI is moving to better anticipate those meetings and attempt to bring WAP funding into the process as soon as the contract amounts with the CAPs can be calculated but prior to the money actually being in-hand at the state level. We hope, by these efforts, to get WAP contracts in front of the Governor and Executive Council by the end of each June so that approval is achieved even before the start of the new WAP program year on July 1, and sometimes before the money has been received by the state. OSI cannot distribute the money before it has been received, but we hope that an earlier start will mean that OSI is ready to do the distribution as soon as the money is received.

Items V.1 through V.8 are in what DOE labels as the Master File.

V.1 Eligibility

V.1.1 Approach to Determining Client 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 NH Fuel Assistance application to determine eligibility. Eligibility takes into consideration income and family size in accordance with criteria established by the Director of the Office of Management and Budget (OMB). Income eligibility for the WAP program is set at a maximum of 200% of the Federal Poverty Guideline (FPG).

Household Eligibility:

The current WAP income guidelines are available at: <http://www.nh.gov/oep/energy/programs/fuel-assistance/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 must not exceed 200% of FPG;
3. The household size must be reported accurately;
4. The housing structure must not have benefited from weatherization services more recently than September 30, 1994;
5. The housing structure's eligibility must be evaluated and found acceptable (see section 2.5 of the NH Policies and Procedures Manual, and Section V.1.2 in this Plan).

Final determination of eligibility for the WAP does not take place until either: 1) a home energy audit has been completed by a Weatherization Program energy auditor or 2) the home energy auditor determines from visual inspection and/or interaction with the client that a home energy audit need not be done because the house cannot be weatherized until significant improvements, beyond the scope of WAP funding, are completed, or other causes for a deferral decision are addressed (see section on deferral process below).

So determining eligibility for weatherization takes place in two steps: first, eligibility of the client based on the FAP application, and second, eligibility of the dwelling following a site visit or audit.

Dwelling units previously weatherized, but after September 30, 1994, are not eligible to receive additional weatherization services through the WAP. Dwellings weatherized prior to September 30, 1994, may be re-weatherized, but only with OSI prior approval. However, it is possible for a particular homeowner/renter to receive WAP services more than once at different dwelling sites.

Based on the American Community Survey data used for PY19 (OSI is unable to update these numbers at the time of preparing this PY20 WAP State Plan; see Allocation Formula Update in Section IV.7), individual population eligibility at or below 200% FPG is identified below by New Hampshire county:

Coos County:	9,243 people
Grafton County:	21,783 people
Carroll County:	12,380 people
Sullivan County:	11,284 people
Cheshire County:	15,294 people
Belknap County:	13,309 people
Merrimack County:	28,691 people
Hillsborough County:	78,038 people
Rockingham County:	43,126 people
Strafford County:	27,109 people

The American Community Survey identifies approximately 260,257 people in New Hampshire, or approximately 20 percent of the population, who live at or below 200 percent of the Federal Poverty Guideline.

Ensuring Qualified Aliens are eligible for weatherization

NH Fuel Assistance applications are used for determining client eligibility for WAP. The Fuel Assistance Program (FAP) 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, but the Non-Qualified Alien is not counted as a household member. All information must be documented in the client file by the Subgrantee.

V.1.2 Approach to Determining Building Eligibility

The Subgrantee determines when a unit is eligible for weatherization and documents that determination process in the client file.

The NH Policies and Procedures Manual (NH PPM) includes a list of the information and documents 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, and work orders. OSI's field inspection of Subgrantee performance always includes a review of these client files to ensure that Subgrantees are properly determining and documenting unit eligibility.

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 (the 180-day rule only applies to rentals, not to owner-occupied units); and
- 2) Has not received weatherization services since September 30, 1994, or was weatherized prior to that date; and
- 3) Does not require deferral (deferral does not necessarily prevent the building from receiving WAP services in the future if all deferral conditions are satisfied prior to receiving WAP services).

Income eligibility for some multifamily buildings may be pre-determined through the use of DOE-approved HUD lists. These lists are available at:

<http://energy.gov/eere/wipo/housing-and-urban-development-multifamily-properties-eligible-weatherization-assistance>

Guidance on proper use of the lists can be found in WPN 17-04.

Reweathering 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 reweatherized. New Hampshire allows no more than 10% of a Subgrantee's annual production quota to include reweatherized units. Units that are reweatherized will be counted toward the per-unit average cost but must be tracked separately from newly weatherized units.

Structures eligible for weatherization

A dwelling must be a structure, which may include a stationary manufactured home, an apartment, a group of rooms, or a single room occupied as separate living quarters, a single-family or multi-family

building (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.

How Rental Units/Multifamily Buildings will be addressed

Subgrantees that identify multi-family buildings for weatherization should refer as many tenants as possible to the Fuel Assistance Program and encourage them to complete a FAP application. This can increase the number of eligible units and 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 which have dwelling 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 primarily to the low-income tenants residing in such 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.

No undue enhancement shall occur to the value of the rental unit.

Project Approval Required for Some Multi-family Projects

Project approval from OSI is required when a single building contains five or more units.

Subgrantees must submit to OSI a completed TREAT “.tpg” file, narrative, and Multi-Family Project checklist form. OSI will work with DOE to determine whether weatherization services may proceed on multi-family buildings of 5 units or more. Subgrantees must receive OSI's written project approval, which will be passed along from DOE, prior to starting any weatherization work on a multi-family project consisting of five units or more.

Mixed Eligibility

Production credit will be provided for all units weatherized within an eligible multi-family building. Units in a building with five units or more should be reported as multi-family units. Units in buildings of fewer than five units are also considered to be multi-family units but should be separately identified when reported as complete.

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

- 1) 66% or more (50% or more for two to four-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. Subgrantees must contact OSI to request permission to utilize this qualification process.

Due to the building-as-a-system principle, multi-family buildings which do not submit easily to the weatherizing of individual units, due to building structure or configuration, shall not have weatherization work undertaken on individual units. Weatherization shall not occur on any multi-family building or portion of a building, including individual eligible units, if minimum building eligibility requirements are not met.

Deferral Process

The decision to defer work in a dwelling unit is difficult but necessary in some cases. This does not mean that assistance will never be available, but that work must be deferred until the problems creating the need for deferral – as identified and described in the next section – are resolved and/or alternative resources are found to address the problem(s). Subgrantees should strive to work with applicants to resolve conditions where a deferral is necessary. 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 or other barriers to serving a unit which are beyond the scope of the WAP to address and which prevent or impede the proper and complete installation of weatherization

measures. In rare cases, Subgrantees may complete partial weatherization of structures with underlying health and safety problems, provided the work results in cost-effective energy efficiency gains.

- 4) The structural integrity of the home is in a condition that prevents weatherization materials from being effectively installed.
- 5) The customer refuses to allow the installation of one or more energy conservation measures. Normally, in such instances, the auditor is able to explain the value of the measure to the customer's satisfaction and then proceed. If the customer still refuses, however, *and* the auditor determines that the customer's objections are legitimate, the auditor may direct the installation crew to skip the declined measure(s) and continue to complete the weatherization. In all such cases, the auditor must prepare a thorough summary of the reasons for the "measure skipping" and place that summary in the client file. The rationale and process must be consistent with the process defined in WPN 19-4, Attachment 8.
- 6) A building cannot be adequately weatherized with available funds. "Adequately" means all necessary and appropriate measures to make the weatherization successful without causing harm to occupants, workers, the building or other installed measures.

Deferral of Weatherization services may be appealed by the affected client using the process set out in the State of New Hampshire Weatherization Assistance Program Policies and Procedures Manual (Section 2.12). The appeal process is an opportunity for the client whose home has been deferred to appeal that determination, first to the Weatherization Director of the Subgrantee which deferred the weatherization services and, if unresolved at that level, the client may ask to have the decision reviewed at the OSI level as well.

V.1.3 Definition of Children

For New Hampshire WAP work, a child is defined as anyone who has not reached his or her 19th birthday.

V.1.4 Approach to Tribal Organizations

There are no federally recognized Native American Tribes in New Hampshire. The New Hampshire Weatherization Assistance Program prohibits discrimination based on race, color, religion, sex, age, national origin, marital or familial status, sexual orientation, or physical or mental disability. Therefore, low-income members of a Native American Tribe will receive Weatherization benefits equivalent to those benefits provided to other eligible low-income persons.

V.2 Selection of areas of New Hampshire to be served

There are five Subgrantees (all Community Action Agencies) that, together, provide weatherization and many other services to residents of all 10 counties in New Hampshire. By contracting with NH's Community Action Agencies, the Office of Strategic Initiatives (OSI) 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 Counties, Inc. – Belknap and Merrimack Counties
- Community Action Partnership of Strafford County – Strafford County
- Southern New Hampshire Services, Inc. – Hillsborough and Rockingham Counties
- Southwestern Community Services, Inc. – Cheshire and Sullivan Counties
- Tri-County Community Action Program, Inc. – Coos, Grafton, and Carroll Counties

If a New Hampshire WAP Subgrantee is completely defunded during a Program Year, or if a Subgrantee is determined to be unqualified or is otherwise unable to continue operating the Program, OSI may solicit bids from eligible contractors or seek assistance from an adjacent Subgrantee to provide services to the affected service territory.

V.3 Priorities for Client Selection / Service Delivery

Every region in New Hampshire has a long waiting list for weatherization services. The number of eligible homes and households far exceeds even the combined funding available through the Weatherization Assistance Program and the utility-administered Home Energy Assistance (HEA) program. This New Hampshire WAP State Plan continues the system of priority-setting among eligible households which has worked well for the last 6 years in New Hampshire, and OSI is seeking to improve the system in order to come into full compliance with 10 CFR 440.16 (see the discussion of calculating the median low-income energy expenditure level in New Hampshire which is presented in #5, below). The PY20 Plan continues the modifications adopted in PY15 which slightly altered how Subgrantees establish priorities. These changes have been incorporated into the 2020 edition of the P&PM.

Subgrantees are required to use the Client Priority Scorecard – for which a point-based scoring system has been developed in compliance with federal law and DOE guidance – to determine the order in which services are delivered and to ensure that the most vulnerable households are served in a timely way.

As outlined in 10 CFR 440.16, prioritizing weatherization jobs in New Hampshire relies on the following:

1. **Priority for Households with a High Energy Cost Burden:** The energy burden is determined by dividing the calculated heating cost shown on the FAP eligibility form by the annual income, also shown on the FAP form; if a value equal to or greater than 6% is not obtained, recalculate including electrical utility expenses. Two (2) priority points are given when the total household energy

expenditures are equal to or exceed 6% of the annual household income.

2. **Priority for Elderly:** One (1) priority point is given to households with elderly residents. Elderly is defined as age 60 or older.
3. **Priority for Persons with Disabilities:** One (1) priority point is given to households where persons with disabilities (as defined on the FAP eligibility form) reside.
4. **Priority for Children:** One (1) priority point is given to households where children under 19 years old reside.
5. **Priority for High Energy Usage:** 10 CFR 440.16 also requires that a household with high energy usage be awarded a priority point. However, based on the federal definition of a high energy user found in 10 CFR 440.3 (“*High residential energy user* means a low-income household whose residential energy *expenditures* [emphasis added] exceed the median level of residential expenditures for all low-income households in the State”) OSI is not able to implement this requirement as directed. NH data which could help determine the median level of energy expenditure for all low-income households in the state are not available.

Subgrantees will generally serve households with the highest scores first. Exceptions to this priority system may occur:

- The widely cited encouragements which WAP Subgrantees receive from DOE, both in guidance and in 10 CFR 440, to engage in leveraging of WAP funds whenever possible, can mean that the opportunity to do that leveraging is sometimes of greater importance than strictly following the scoring results provided by the priority scorecard. When NH Subgrantees are presented with the opportunity to partner WAP money cooperatively with low income utility program money – in New Hampshire called Home Energy Assistance (HEA) – OSI allows its Subgrantees the flexibility to set aside the usual priority sequencing of jobs so that weatherization services can be coordinated efficiently and productively with HEA.
- The rural nature of the Subgrantees’ territories and the high cost of travel between potential job sites mean that Sub-grantees may schedule production within close proximity to other WAP projects in order to achieve cost-effective scheduling of those projects, regardless of the clients’ priority score.
- An eligible household in crisis may require that the Subgrantee ignore the priority job list on a temporary basis.
- When all else is equal, Subgrantees may look to additional distinguishing characteristics, such as length of time on the waiting list, as a way to determine job priority.

Subgrantees may *not* use housing type as a factor in setting priorities for service.

Several New Hampshire communities are served by municipally-owned electricity utilities that do not participate in the statewide ratepayer-funded energy efficiency programs. In these areas, utility funds are not available so leveraging with utility partners is not possible. Subgrantees report that they are reluctant to place eligible homes in these communities at a scoring disadvantage simply because HEA dollars can’t be used as leverage. In situations such as these, in which WAP money alone must be used without utility or other leveraging, the Subgrantee is empowered to use its judgment about exact

placement of the job on the priority list.

V.4 Climatic Conditions

Climate conditions vary considerably from north to south across the state of New Hampshire. Annual 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 www.ggweather.com 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 7,703 HDDs per county for New Hampshire.

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.

V.5 Type of Weatherization Work to be Done

V.5.1 Technical Guides and Materials

The PY19 Weatherization Assistance Program in New Hampshire welcomed a new, 2020, edition of the New Hampshire WAP *Policies and Procedures Manual* (NH P&PM) on February 12, 2020. It may be found here:

<https://www.nh.gov/osi/energy/programs/weatherization/index.htm>

The New Hampshire Weatherization Field Guide, 2018 edition, was put into use for PY18 and will continue to govern weatherization work in PY20. New Hampshire's Weatherization Field Guide is fully aligned with the US DOE's Standard Work Specifications (SWS). The Field Guide is distributed in both digital format and hard copies to all Subgrantees in quantities sufficient to meet their needs. In addition, the utilities' Home Energy Assistance (HEA) program has printed multiple copies of the NH Weatherization Field Guide primarily for distribution to subcontractors doing work for Subgrantees in

New Hampshire. HEA engages the same set of Community Action Programs and their weatherization contractors to complete HEA's weatherization work as does WAP.

As was begun in PY15, OSI's PY20 contracts with Subgrantees will specify that they must direct their contractors to use the new Field Guide. Our BPI-certified Quality Control Inspectors (QCI) will use the new Field Guide as the basis for evaluating completed jobs. OSI will ensure compliance with the new Field Guide as part of its monitoring of each Subgrantee.

All Subgrantees receive DOE Weatherization Program Notices (WPNs) by direct subscription and/or distribution through OSI via e-mail. OSI also issues, on an as-needed basis, "Subgrantee Notices" to provide local guidance, and "Subgrantee Memoranda" to inform and educate, share best practices, etc.

All weatherization work is performed in accordance with the DOE-approved energy audit procedures (in NH that is TREAT) and 10 CFR 440 Appendix A. Approval has been received from DOE for using TREAT for single family homes, manufactured housing, and multi-family homes of no more than four units. That authority will expire in September of 2022.

V.5.2 Energy Audit Procedures

Weatherization services for New Hampshire's low income residents are provided and funded by essentially two programs: Home Energy Assistance (HEA) from the state's regulated utilities, and WAP, whose funding comes from DOE and is supplemented each year by a contribution from the state's Low Income Home Energy Assistance Program (LIHEAP). HEA and WAP together utilize the same five NH Community Action Programs (CAPs) as Subgrantees to manage Program implementation in the field.

By agreement many years ago, to accommodate investment by both Programs in any single project home, and to prevent the possibility of the Subgrantees having to use two different software analysis and modeling tools on the same dwelling, the Programs adopted use of the same audit software. HEA generously buys the licenses necessary for each CAP to operate the software for use in both Programs.

NH uses the Targeted Retrofit Energy Analysis Tool (TREAT), an electronic software program for aggregating energy audit data from single family, manufactured, and multi-family residential buildings. Once the audit data is entered in the software, the subject building can be modeled (recreated electronically) and then tested to find the most cost-effective set of energy conservation measures (ECMs) to be installed there. The result is then passed along to the subcontractor or installation crew and becomes the work plan for that dwelling.

Approval for a WAP Grantee to use any particular electronic modeling and analysis software must be obtained by each Grantee from DOE every five years. NH was last approved to use TREAT in 2017, so will need to begin another review in time to have approval in-hand by September of 2022.

TREAT has been the audit software tool in NH for many years and is becoming dated and more difficult to use than its successor from the same software developer. That successor is called Surveyor

and the HEA management has begun the steps necessary to move all NH Subgrantees toward the use of Surveyor over a schedule encompassing approximately the next year. Because NH WAP is eager to make the same transition at the same time, PY20 will include work with DOE on becoming approved to use Surveyor as our energy audit tool, and work with HEA to provide training to all Subgrantees in the use of Surveyor. We intend to be ready to transition to a full use of Surveyor at the same time as HEA so that Subgrantee field work will not be compromised and audit work can proceed synchronized in both Programs.

NH will soon, in late PY19, present DOE with our proposed transition to Surveyor as our energy auditing and modeling software for WAP work here while retaining approval to continue the use of TREAT until the utility programs are also ready to move to Surveyor (and to Surveyor's necessary tracking and reporting companion tool, called Compass). NH WAP expects to be ready to move to Surveyor before the utility schedule needs us to be ready, and we will seek to retain our approved use of TREAT until that time, which will probably come in the first half of calendar 2021, well in advance of the expiration of our approval to use TREAT, which comes in September of 2022.

V.5.3 Final Inspection

All weatherized units in New Hampshire must receive a final inspection by the Subgrantee. Units shall not be reported to OSI as complete until a satisfactory final inspection has been performed. All final inspections in PY20 must be performed by a BPI-certified Quality Control Inspector in accordance with US DOE's WPN 15-4. As of March 15, 2016, all five NH Subgrantees have certified QCIs either on staff or among their contractors. All five Subgrantees will have access to BPI-certified QCIs for their final inspections in PY20. OSI is budgeting PY20 T&TA funds to support the process of training and testing and maintaining a corps of BPI-certified QC inspectors to work in every region of the state. Additional details are in the section of this Plan on Training and Technical Assistance.

The purpose of the final inspection is to ensure that the weatherization work is completed in a workmanlike manner, that it meets the requirements of the SWS, and that it has been done in accordance with the TREAT energy audit and the resulting work order for that particular building. A successful QC inspection is the essential final step in declaring a dwelling unit "completed" for payment purposes.

The final inspection must confirm the Subgrantee's documentation of the materials installed and that those materials 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 the Quality Control Inspector who completes the final inspection. That form then becomes a permanent part of that client's file.

The US DOE's Quality Work Plan (QWP) requires that Subgrantees perform final quality control inspections, using BPI-certified Quality Control Inspectors, on 100% of completed jobs and on all accessible installed measures at each job. Those inspections must ensure that all work meets the minimum specifications outlined in the SWS in accordance with 10 CFR 440. As part of OSI's effort

to ensure that all weatherization work completed in the state meets the standards and requirements of the SWS, OSI will continue the use of the following language in our PY20 Subgrantee contracts:

“Effective April 1, 2015, all work performed under the Weatherization Assistance Program (WAP) in New Hampshire, using federal money from any WAP program year, must meet the minimum specifications defined in the US Department of Energy’s “Quality Work Plan” (QWP) and the associated Standard Work Specifications (SWS). Details are presented in the Standard Work Specifications (SWS) for Home Energy Upgrades referred to in US DOE Weatherization Program Notice 15-4, as well as in the New Hampshire Weatherization Assistance Program’s Field Guide, which governs how WAP energy conservation measures (ECMs) are to be implemented. The Subgrantee must ensure, and be able to document, that all staff and contractors who perform Weatherization work in PY20 are properly trained and certified for that work and have been informed that their work must meet the requirements of the SWS or dwelling units will not be considered complete and reimbursement will not occur.”

OSI monitoring of Subgrantees in PY20 will include confirmation that this flow-down of responsibility is occurring in each Subgrantee’s territory.

In PY15 New Hampshire put in place protocols for clearly communicating to Subgrantees the expectations against which they will be measured in regards to the implementation of technical requirements for field work. OSI procedures now require confirmation that Subgrantees have received and are committed to implementing all technical requirements and all specifications for work which will be inspected, as set out in the New Hampshire Weatherization Field Guide, which is fully aligned with the DOE’s Standard Work Specifications (SWS), and the NH Policies and Procedures Manual. All agreements/contracts with Subgrantees, and all vendor contracts, must contain language which clearly identifies the specifications which must be met for acceptable weatherization work, and all contracts and agreements must include signatures acknowledging receipt and understanding of the expectations which must be consistently met in regard to weatherization work quality.

For PY20, the updated NH WAP Policies and Procedures Manual, 2020 edition, includes the following emphases on final inspection quality:

- Improved documentation of Quality Control (final) Inspections using the revised Building Test Data Information Sheet (BTDIS).
- Additional monitoring of QC inspectors, including heightened awareness during Quality Assurance Inspections (QAI, completed by a third-party contractor on 10% of all WAP-funded projects).
- An outline of the disciplinary steps to be taken when an individual Quality Control Inspector does not meet the expectations placed on him/her by the Quality Work Plan and associated guidance.
- Increased review and assessment of the original audit done on the dwelling, and the TREAT modeling runs that came from the audit, to confirm that the measures called for in the work order were appropriate and in accordance with NH audit procedures and protocols approved by US DOE, and to confirm that the QCI’s final inspection included a similar review.
- Clarifying the sign-off, “job completed” procedure for final inspectors in the BTDIS.

Improved procedures also cover the requirement that the client file associated with every completed weatherized dwelling unit must contain proof that the unit had a final inspection by a BPI-certified QC Inspector, and that the inspection confirmed that all installed measures met required standards and expectations for quality weatherization work.

OSI Technical Field Inspections (Quality Assurance Inspections, or QAI)

Federal rules require that no less than five percent (5%) of all completed units in the state must be reviewed by OSI's Weatherization Technical Specialist or his/her designee. In cases where deficiencies are noted, OSI or its designee may, as funding allows, perform more inspections of work performed by that Subgrantee.

Starting in PY15 DOE encouraged Subgrantees to use different individuals to conduct the preliminary energy audit and the final inspection. Because of staffing constraints in New Hampshire, our Subgrantees must continue, in part, the practice of using the same person to complete the initial energy audit and the final inspection on any one job. As a result, OSI will continue in PY20 to conduct technical field inspections (Quality Assurance Inspections, or QAI) on no fewer than ten percent (10%) of all dwelling units completed in the state which meet the definition of a "WAP job:" That is, the audit and work plan were completed using the DOE-approved electronic energy auditing tool, at least one energy conservation measure passed the necessary savings-to-investment ratio (SIR) test and was installed using at least some DOE money, and the final inspection was completed by a BPI-certified Quality Control Inspector (QCI).

OSI technical field inspections, or Quality Assurance Inspections, include: reviewing the client file kept by the Subgrantee; reviewing the energy audit for thoroughness to be sure that all cost-effective measures were identified and properly installed; reviewing health and safety procedures; assessing cost-effectiveness of all installed measures; checking for compliance with the technical requirements of the program; and assuring adherence to New Hampshire's weatherization standards. OSI staff or OSI's QAI contractors are expected to utilize blower door testing, infrared scanning equipment, combustion efficiency and combustion safety testing equipment, digital cameras, and other equipment deemed necessary to provide comprehensive monitoring and inspection of completed units.

V.6 Weatherization Analysis of Effectiveness

The DOE Quality Work Plan (QWP) provides a means for supporting and verifying quality work in the Weatherization Assistance Program (WAP). It defines what constitutes a quality installation of weatherization measures, outlines how those measures are inspected and validated, and defines acceptable training and credentialing of workers. OSI has incorporated the standards and requirements of the Quality Work Plan into the way weatherization work is implemented and evaluated in New Hampshire.

OSI reviews Subgrantee project effectiveness during Quality Assurance unit Inspections, both in-progress and final. In PY20 OSI will conduct Quality Assurance Inspections on at least 10% of all WAP production completed in the state. Quality Assurance Inspections consider air sealing activities and the effectiveness of installed materials, paying particular attention to building air infiltration reduction through pre- and post-weatherization blower door evaluations. Although good quality workmanship may translate into effective installations, it is not always the case. Actual verification through visual inspection, blower door testing, CAZ safety testing, and the use of other technological inspection protocols and equipment can verify effectiveness. OSI utilizes the Quality Assurance Inspection process as a springboard for identifying shortcomings and deficiencies in weatherization work and then designing direct training and technical assistance activities to address those needs that are uncovered. The QAI reporting form used in New Hampshire is attached to the SF-424.

In cases where OSI repeatedly identifies issues and provides corrective on-site training and subsequently observes further and continued ineffective work, OSI may require more formal training for contractors, for Subgrantees, and/or for QCIs who may be overlooking deficiencies in their final inspections.

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

Requiring certification and training for auditors and other weatherization team personnel ensures continued improvement of the program as individuals are required to fulfill continuing education requirements to maintain their certifications. The continuing education component of WAP work facilitates the incorporation of best practices from across the industry, providing continued improvement and upgrades for the benefit of WAP clients. OSI also requires formal contractor installation training, though no specific certification for installers is currently required. In PY20 and subsequent years, as WAP personnel positions turn over or people are motivated to seek improvements in weatherization knowledge, skills, and abilities, the New Hampshire program will encourage staff and contractors to undertake training in the Home Energy Professionals credential categories (see the section on Training and Technical Assistance).

OSI tracks Subgrantee improvement through the monitoring and inspection process. Results from current inspections and monitoring activities are compared against past reports to determine if areas of concern previously identified have been corrected. OSI or its designee may also review portions of the electronic audit files of particular jobs as part of either the field inspection, the on-site Subgrantee monitoring, or by desk monitoring, to assess whether auditors are accurately modeling buildings, measures, and costs. OSI 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 energy conservation measures out to public bid at least annually to provide for free and open competition among contractors seeking to provide installation services for those measures.

Subgrantees previously identified as having challenges in complying with program goals, requirements, and/or regulations may receive training during the program year in an effort to correct areas of deficiency. A Subgrantee identified as having deficiencies will have those areas specifically reviewed in the monitoring process to determine the effectiveness of the training received.

V.7 Health and Safety [see separate document on the H&S plan for PY20, attached to the SF-424]

The PY20 New Hampshire WAP Health and Safety Plan is attached to the SF-424 as a separate document.

V.8 Program Management

V.8.1 Overview and Organization

The NH Office of Strategic Initiatives (OSI) is a part of the Executive Branch of state government, within the Office of the Governor.

OSI 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, weatherization services, floodplain management assistance, statewide population data information, and the availability of a statewide computerized geographic information system; and
- Promoting the principles of smart growth at the state, regional, and local levels through the municipal and regional planning assistance program.

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

OSI delivers an integrated array of federal programs including the State Energy Program (SEP) and the Weatherization Assistance Program (WAP), both supported by the US Department of Energy (US DOE), and the Low Income Home Energy Assistance Program (LIHEAP) which is supported by the US Department of Health and Human Services (HHS). The WAP and LIHEAP work in NH is 100% federally funded.

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

V.8.2 Administrative Expenditure Limits

In accordance with 10 CFR 440.18(e), OSI retains no more than 5% of annual DOE WAP 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.

OSI distributes at least 5% of each new WAP Program Year grant allocation to Subgrantees for administrative purposes using the same allocation formula used for the base Program. Subgrantees are allowed to re-class unused or anticipated unused administrative funds, within the budgeted PY, into their Program operations budget with prior OSI approval, to weatherize additional homes.

As provided in 10 CFR 440.18(e), OSI 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. OSI uses the following procedure to appropriate the additional administrative funding:

1. OSI subtracts 10% from the total new DOE PY grant to cover administrative expenses (5% for OSI and 5% for Subgrantees). OSI then also reduces the award by the allowed allocation for T&TA. The 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 sub-grant amount as additional administrative funds. In PY20, as in prior years, OSI will work with Subgrantees whose allocation comes short of \$350,000 to assess the need for the additional 5% in administrative funds and, if necessary, build that amount into those budgets.

Unexpended administrative funds may be carried over from a prior PY within the award period, with DOE approval, but the funds will be converted to program work, not expendable on administrative activities in the new program year.

If during a Program Year OSI determines that additional funds will be distributed due to changes in the OSI budget, those funds will be issued to the Subgrantees as Program funds and will not be complemented with Administrative funds except when OSI determines that additional Administrative funds are available without exceeding 10 CFR 440.18(e) limitations.

V.8.3 Monitoring Activities

OSI's monitoring activities in PY20 will be completed under the guidance provided in WPN 20-4. Monitoring typically begins with a review of any concerns identified in the prior monitoring report to help 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 if no action took place to make the correction. Preparation for monitoring also includes review of the Subgrantee's

latest financial audit, to glean information that may inform the WAP monitoring.

OSI will perform PY20 annual on-site Subgrantee monitoring of all five New Hampshire Subgrantees before May 31, 2021, to allow reports to be completed and distributed before the close of the program year on June 30, 2021, and to inform changes to OSI's WAP funding application for PY21.

OSI's financial monitoring is performed by OSI staff with outside assistance as needed. Programmatic monitoring is performed by both the Weatherization Program Manager and OSI compliance staff, with outside assistance as needed. All monitoring activity will be funded through WAP T&TA funds. OSI may alter its monitoring activities by utilizing a contractor to perform the on-site Subgrantee monitoring in coordination with the Program Manager. Available funding and staffing will ultimately determine the method that OSI utilizes to conduct monitoring.

OSI has, for a number of years, used a contractor to perform the DOE-required technical "Quality Assurance Inspections" (QAI) of at least 10% of all completed units. For PY20, OSI will be working under the first year of a two-year contract with a local quality control and quality assurance consulting firm to be selected using a competitive RFP process in the spring of 2020. Assuming that some NH Subgrantees will continue, at least in part, to use the same person to accomplish the initial home energy audit and the final quality control inspection, OSI will, under its contract with the quality assurance consulting firm, continue to inspect a minimum of 10% of each Subgrantee's completed units. If funding allows, OSI may inspect additional units, particularly if problems are discovered as a result of inspections of other units in the Subgrantee's territory, or if previous monitoring of the Subgrantee has indicated that additional inspections should be done to test for assurance of compliance. Subgrantees using contractors are expected to perform in-progress safety and compliance inspections, and OSI, using its QAI contractor, will perform at least one in-progress safety and compliance inspection on each Subgrantee during the course of the program year. And OSI will cooperate with the utility low income Home Energy Assistance program which is expected to conduct in progress inspections of its work, as well, some of which is completed using at least some WAP funding.

The Quality Assurance Inspection process is also used to monitor the work of the BPI-certified Quality Control Inspectors (QCI) who conduct final inspections for Subgrantees. Should a QCI be found to consistently not be meeting one or a number of the expectations required by the standards and procedures established for final inspections, OSI will:

- Work with that QCI to clearly identify the problem(s);
- Recommend or provide appropriate training opportunities to improve work;
- Follow-up as needed to ensure compliance.

QC Inspectors who are unable or unwilling to meet expected standards and practices will not be allowed to provide QCI services in NH until compliance has been demonstrated. OSI will work with BPI to ensure that the QCI credential is not misused and to see that the holder of a QCI credential is performing to the standards expected.

Starting in PY19, OSI began using WPN 20-4 as our guide for completing both Program/Technical and Fiscal Monitoring of Subgrantees. The fiscal monitoring checklist is attached to the SF-424 as part of the PY20 application submission. It has been developed and used over a number of years in NH and

covers the items delineated under “Approach” in WPN 20-4. Programmatic and technical monitoring done during visits to Subgrantee offices during PY20 will use WPN 20-4 with some documentation modifications adapted for New Hampshire.

OSI has developed procedures for addressing corrective actions and the process for the discipline and/or removal of a Subgrantee from the program. OSI reviews the Subgrantee’s financial audit as required by 2 CFR 200 Subpart F and follows up on findings by determining a corrective action plan and then monitors to ensure that the actions proposed in the corrective action plan have been completed by a date specific.

OSI 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 which are observed to have difficulties in managing the program as required by fiscal, programmatic, and technical rules and regulations, and/or that receive findings or concerns during a monitoring or field inspection. Flexibility in scheduling will be retained to allow additional visits as needed, in order to resolve specific problems, or to facilitate training objectives.

OSI 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 identifying and assigning T&TA activities. If any Subgrantee or individual is performing in a less than optimal manner, OSI will attempt to identify and offer or recommend appropriate training and guidance. Progress will be closely monitored by OSI’s staff and compliance contractors to assure that the individual or Subgrantee resolves the issues in question. If a Subgrantee does not make corrections as recommended or required and OSI continues to observe non-compliance, the Subgrantee will be at risk of losing funding.

Units which are inspected by OSI as part of the Quality Assurance Inspection process and found not to be in compliance with program requirements must – if they have already been submitted to OSI as completed units – be brought into full compliance with both the original work order and the SWS/NH Field Guide standards and requirements at the expense of the responsible Subgrantee and then be re-inspected by the QA inspectors. Failure to meet the required standards and expectations will result in the unit’s removal from the Subgrantee’s production completion list. If the QA inspector’s findings of deficiency occur prior to the unit’s submission to OSI for reimbursement as a completion, then the Subgrantee may return to the job and make the necessary corrections and conduct a second QC inspection and the costs associated with those corrections may be included in the completed cost of the job and submitted for reimbursement. Depending on the nature and severity of the QA findings to be corrected, a QA re-inspection may be necessary before reimbursement can take place.

Written monitoring letters are provided to the Subgrantee Executive Director, Program Director, and/or Fiscal Officer within thirty (30) days of the completion of the monitoring visit. These reports outline specific findings, concerns, recommendations and corrective actions as required, and they identify commendations, and best practices. A response from the Subgrantee, if necessary, describing the corrective action taken or planned, must be received by OSI within thirty (30) days of the date of

the report. In the case of technical or fiscal monitoring, when OSI receives no response, OSI 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 OSI by check or by being deducted from the Subgrantee's next monthly reimbursement request as long as that reimbursement request is for a month that is in the same program year. OSI tracks the progress of Subgrantees as they implement responses to monitoring reports.

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, including the requirements established in a corrective action plan designed to move the Subgrantee into compliance on any issue. Non-compliance includes but is not limited to situations such as:

- Consistently demonstrating poor work quality with little or no noticeable improvement.
- Consistently displaying inadequate or improper fiscal and/or management control systems, defined as those systems which are required to ensure program compliance and reduce the potential for waste, fraud, and abuse.
- Failure to meet quarterly goals for two consecutive quarters when compared to approved production schedules and budgets (specifically, variances in excess of 20%).
- Failure to comply with federal or state program requirements including 10 CFR 440, 2 CFR 200 and other relevant rules and regulations.

Corrective action plans for these and other identified shortcomings shall establish a time frame for implementation of the corrective action, and shall provide for regular interim monitoring and check-in to mark progress toward full compliance.

A Subgrantee that is removed from the program will not be eligible to receive DOE Weatherization funds until OSI has determined that the Subgrantee has corrected its deficiencies and is prepared to manage the program effectively. OSI may seek an alternate Subgrantee(s) to provide weatherization services in the affected areas or may solicit bids from qualified contractors.

Annually, under WPN 20-4, OSI will summarize the financial reviews, program monitoring reports, and any outstanding issues for all NH Subgrantees. This Monitoring Analysis Overview identifies the needs, strengths, and weaknesses of each Subgrantee and is made a permanent part of the Subgrantee monitoring files.

At the close of the WAP Program Year, OSI prepares the annual T&TA, Monitoring, and Leveraging Report and submits it into PAGE.

V.8.4 Training and Technical Assistance

OSI T&TA activities are intended to maintain or increase the efficiency, quality, and effectiveness of the Weatherization Program at all levels. Activities are 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 OSI. OSI uses T&TA funds for oversight of Subgrantee performance (monitoring) and will also use T&TA funds to, in response to the results of the ACSI survey of Subgrantees, refine the program for improved management and efficiency in future years.

GOAL: The NH WAP PY20 T&TA Plan will provide a transition year, toward a long-term, multi-year program to provide NH WAP staff and contractors, at both the Grantee and Subgrantee level, with regular “comprehensive” (Tier 1) as well as “specific” (Tier 2) training and technical assistance in order to keep Program participants current and conversant with the knowledge, skills, and abilities required to properly perform the tasks expected of them, and to provide opportunities for improvement, job upgrades, and recognition as professionals.

ANALYSIS OF TRAINING AND TECHNICAL ASSISTANCE NEED IN NEW HAMPSHIRE:

The NH Weatherization Assistance Program has, in addition to Program management staff, four subcontractors all involved in one aspect or another of assessing training needs and providing or designing and arranging training activities to meet those needs.

- We have a BPI-certified QCI who, in addition to his other contracting business with the state’s low income weatherization programs, provides tutoring and mentoring services to any Subgrantee staff or contracting firm seeking help in almost any area of weatherization work. His observations around the state provide direct input for training planning and he is often involved in providing that training, from one-on-one situations in the field to small groups of installers, etc. He is also the Chair of the NH Weatherization Technical Committee.
- We have another BPI-certified QCI who works directly with OSI to plan and execute on-site monitoring visits to the Subgrantees. His technical expertise in evaluating TREAT modeling files, looking at final inspection reports, reviewing ASHRAE reports, and the like, is invaluable to the OSI monitoring staff, and he is able to provide direct feedback to auditors and QCIs during the monitoring visits so that learning from those visits becomes immediate and interactive. His work directing the workforce development component of a local community college program is also invaluable as he is able to place the training needs of weatherization workers into that context and develop workforce training specific to the needs of the weatherization workers in NH.
- We have a 30-year veteran of WAP work around the country, from managing the Ohio Program to serving for a number of years as the WAP Director in a NH Subgrantee weatherization program, as well as nation-wide work assisting with the national WAP evaluation during the stimulus era. He is serving as a contractor on direct T&TA planning for the state, helping OSI with the annual T&TA Plan preparation as well as planning and developing specific weatherization training activities responsive to the needs found in the field
- And OSI has a contract with a high performance building and weatherization inspection company to provide our QA inspections and to, with its two BPI-certified QCI credentialed staff, sift through observations of finished work in the field and make recommendations to OSI regarding training that may be necessary to improve the quality of field work they are seeing.

By combining the outcomes from weatherization worker surveys and the observations and recommendations coming from our four T&TA contractors, OSI feels confident that it will be able to design T&TA activities that meet the needs of the NH Weatherization community as a whole and keep

us current in providing high quality weatherization services.

WORKFORCE DEVELOPMENT: One of the most widely recognized and critical needs in the high performance, energy efficient building arena in New Hampshire prior to the arrival of the COVID-19 pandemic was to identify and enlist and train workers up and down the range of positions necessary to maintain a viable and productive weatherization work force. Funding for weatherization work appears to be expanding annually in New Hampshire, both from the US Department of Energy for WAP, and, to an even greater extent, from the NH Public Utilities Commission for the utilities' low income Home Energy Assistance (HEA) program; the opportunity to significantly improve the energy efficiency of NH's housing stock is large. What the COVID-19 emergency's impact will be on that opportunity remains to be seen, but as we move toward the start of PY20, the NH weatherization network – which includes WAP, and HEA, and all the contracting firms that support that network – remains committed to finding and employing and training people to fill the critical roles necessary to be sure that NH's weatherization work is able to absorb and properly use the increased funding, and to do it by providing top tier quality home energy efficiency upgrades to low income households in every part of the state. OSI's T&TA budget for PY20 includes significant support for:

- Collaboration with HEA to provide timely and targeted training for new hires into weatherization work at all levels.
- Development of a state-wide, multi-year strategic weatherization training plan, to include WAP, HEA, and the nascent and promising work of the Lakes Region Community College and the Tri-County Community Action Program to implement a new weatherization worker apprenticeship program to train new and candidate hires for long-term and sustainable weatherization employment.

T&TA IMPLEMENTATION / DELIVERY: The New Hampshire Weatherization Assistance Program is somewhat disadvantaged by the lack of a properly accredited in-state training facility which could provide necessary training services at a cost more affordable than that faced by people planning training activities now. Comprehensive (Tier 1) training in NH must currently include significant travel costs, for either our weatherization personnel to go out of state, or for the trainers/instructors who need to come to us if we are to have the benefit of their “comprehensive” training.

In PY20, OSI will both continue to seek out suitable comprehensive and specific training opportunities for at least some portion of our in-state network of weatherization staff and contractors, and we will focus as much attention as possible, given limited staffing, on the development of a longer-term, cyclical, and strategic T&TA plan for the state weatherization network – which includes the utility-sponsored low income Home Energy Assistance (HEA) program and its contractors. For PY20, our T&TA Plan leans toward engaging local, less expensive, but still professional and “WAP-savvy” training resources, thereby stretching the use of T&TA dollars and increasing the number of weatherization personnel who will benefit. But we have begun the discussions and research and brain-picking interactions necessary to establish a more strategic and far-reaching T&TA plan, one that takes all weatherization positions into account over a number of years on a recurring basis and supports each of those positions with

essential knowledge, skill, and ability training, certifications, and career advancement opportunities.

PROPOSED TRAINING ACTIVITIES: The remaining specifics of the PY20 T&TA plan are presented on the planning and tracking template provided by the DOE. That template is attached to the SF-424.

SEEKING WAP SOFTWARE MANAGEMENT SYSTEM FOR NEW HAMPSHIRE: In PY20 OSI will continue the effort to resolve one of the challenges facing the Weatherization Program in New Hampshire: obsolete, inconsistent and uncoordinated data collection and management systems in use by the Community Action Agencies and by OSI. There is no central system for WAP at all, but OSI's Low-Income Home Energy Assistance Program (LIHEAP) is moving to upgrade its management systems in order to develop and track the performance measures required by the U.S. Department of Health and Human Services and our investigation into the software that will enable this work suggests that the same software could be expanded and built upon to serve the data needs of the Weatherization Assistance Program as well. Each of the five WAP Subgrantees in NH is also a LIHEAP Subgrantee, overseen and managed at the state level by OSI. OSI expects in PY20 to develop and issue a Request for Proposals (RFP) to deal with this issue. The next step will be to acquire the software or service and to support training and implementation.

V.9 Energy Crisis Plan

OSI is a member of the State's emergency response team, which is guided by the State of New Hampshire Emergency Operations Plan. DOE Weatherization funds are not used for either the maintenance of the plan or to respond to a general energy crisis.

OSI 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 waive regulatory requirements.