



Infrastructure Investment & Jobs Act: Weatherization Implementation



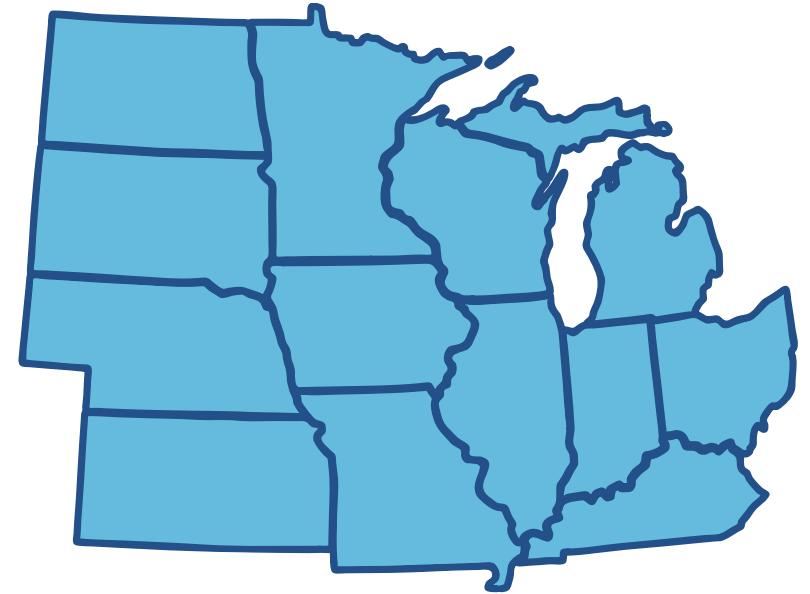
MEEA Policy Webinar

July 11, 2022

Midwest Energy Efficiency Alliance

The Midwest Energy Efficiency Alliance (MEEA) is a collaborative network, promoting energy efficiency to optimize energy generation, reduce consumption, create jobs and decrease carbon emissions in all Midwest communities.

MEEA is a non-profit membership organization with 160+ members, including:



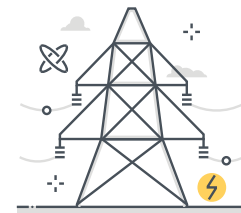
Energy service
companies &
contractors



State & local
governments



Academic &
Research institutions



Electric &
gas utilities

Agenda

1. Opening Remarks
2. IIJA Weatherization Deep-Dive
 - Erica Burrin & Derek Schroeder, US Department of Energy
3. Multifamily Affordable Housing Weatherization:
 - Ravi Malhotra, International Center for Appropriate & Sustainable Technology
4. Q&A and Discussion

Housekeeping:

- This webinar is being recorded & will be distributed to attendees
- Please ask questions in the Q&A box and we will answer as many as possible
- Use the “raise hand” function if you would like to be unmuted during discussion

U.S. DEPARTMENT OF
ENERGY

Office of
ENERGY EFFICIENCY &
RENEWABLE ENERGY

Weatherization Assistance Program

BIL/IIJA Implementation

July 2022



Overview

- WAP Funding Outlook
- BIL Implementation Considerations
- Recent DOE Policy Changes
- Justice40 Initiative

Today's Panelists:

Erica Burrin, Weatherization Assistance Program Manager

Derek Schroeder, Lead Policy Advisor for Technical Operations

WAP Funding Outlook - Annual Appropriations

Congress passed the FY 2022 budget in March and the FY22 Program Allocations (WPN 22-2) were released on **April 7, 2022**.

- WAP was appropriated **\$313 million** for FY22, including **\$15 million** for a **Weatherization Readiness Fund (WRF)**.
 - The WRF will provide funds to minimize the number of deferrals currently occurring within the WAP network. WRF must be used in combination with FY 2022 DOE WAP funds.

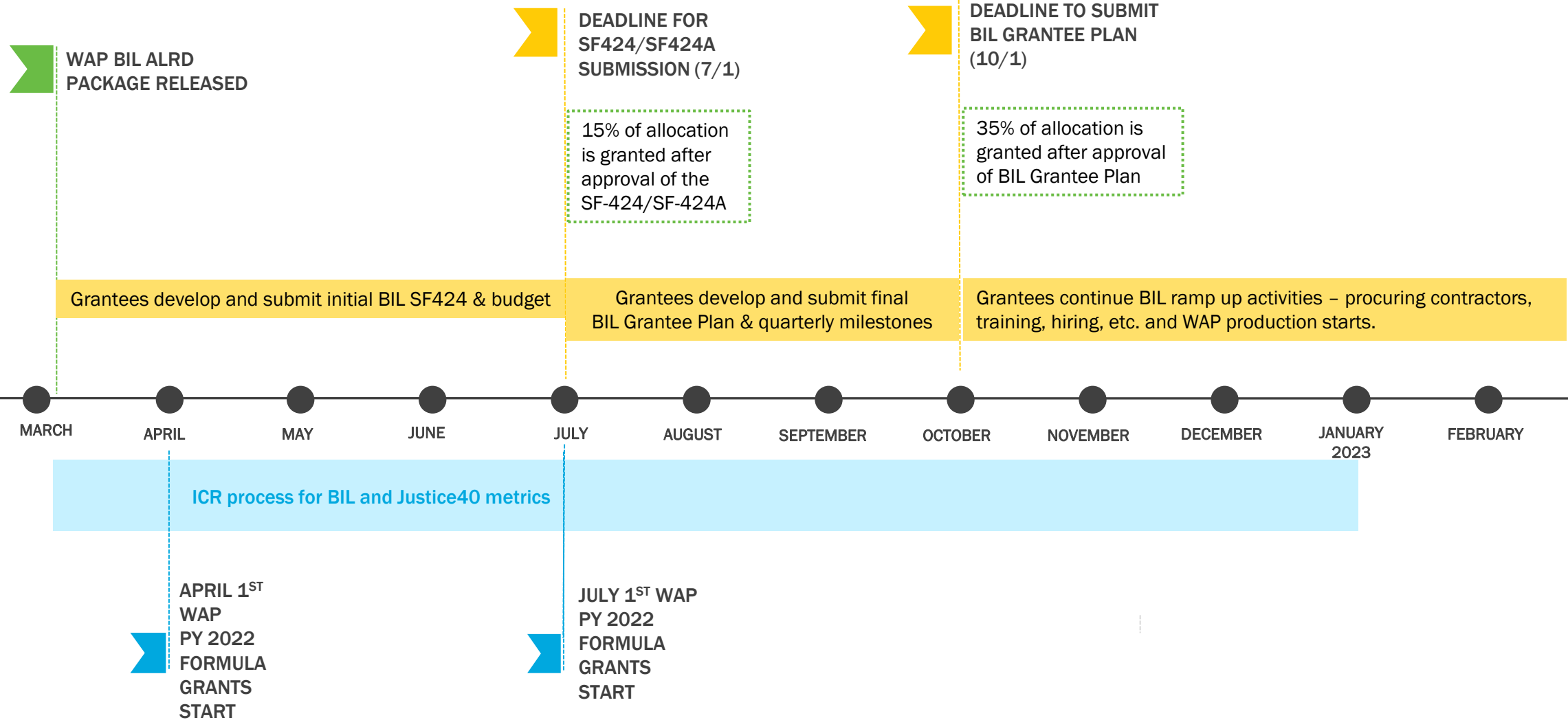
The FY 2023 budget and future annual appropriations are pending Congressional action.

Bipartisan Infrastructure Law (BIL) or IIJA

The BIL was signed into law on November 15, 2021

- The Office of the Under Secretary for Infrastructure will administer DOE BIL programs totaling more than \$62 billion
 - WAP will be housed in the Office of State and Community Energy Programs
- Sec. 40551 provides **\$3.5 billion for WAP**
 - **\$3.16 billion** distributed to local communities through formula allocations
 - DOE is working with Grantees to develop and implement five-year plans
 - Additional funds will be made available via competitive opportunities; Announcements tentatively planned in fall 2023
 - Sustainable Energy Resources for Consumers - \$70 million
 - Enhancement and Innovation - \$25 million

Weatherization BIL Timeline



Considerations for BIL Implementation

- **Workforce development** remains an industry-wide challenge. Recruitment and retention of new contractors and agency employees will be critical for success.
- Average cost per unit is **\$8,009** for the five-year award period and BIL grants are subject to the statutory cost-effectiveness guidelines (SIR 1.0 or greater)
- Addressing **deferrals** – there is no DOE Readiness funding for the BIL grant.
- **Federal procurement rules** in 2 CFR 200 must be followed for all federal awards.
- **Davis Bacon Act (DBA)** wage requirement will apply when work is performed on multifamily buildings with 5 or more units.
 - DOE is exploring a DBA electronic tool for certified payrolls.

Recent DOE Policy Changes

- **WPN 22-5: Expansion of Client Eligibility**
 - Provides categorical eligibility for HUD means-tested programs
 - Applies to all housing types, including three types of multifamily properties assisted by HUD
- **WPN 22-8: Streamlining the Energy-Audit Process**
 - Optional regional priority lists for single family, manufactured homes and low-rise multifamily buildings (3 stories or less) provide an alternative to measuring the Savings-to-Investment Ratio on each building
- **WPN 22-9: Managing Multiple Funding Streams**
 - Clarifies the flexibility provided to braid leverage funds and install measures with an SIR <1.0 while remaining compliant with DOE rules

Justice40 Initiative

What is Justice40?

A government-wide initiative to deliver 40% of the overall benefits of federal investments to disadvantaged communities (DACs).

- Executive Order 14008

Measuring Benefits: Weatherization DAC Definition

A geographically dispersed set of low-income households, as defined by 10 CFR 440.22(a) and Weatherization Program Notice 22-5, experiencing the common condition of poverty.

DOE Office of Economic Impact and Diversity, [Justice40 Initiative | Department of Energy](#)

See also [Executive Order 13985](#) and the [DOE Equity Action Plan](#)

Justice40 Implementation Plan

Maximizing Benefits: Policies and Procedures

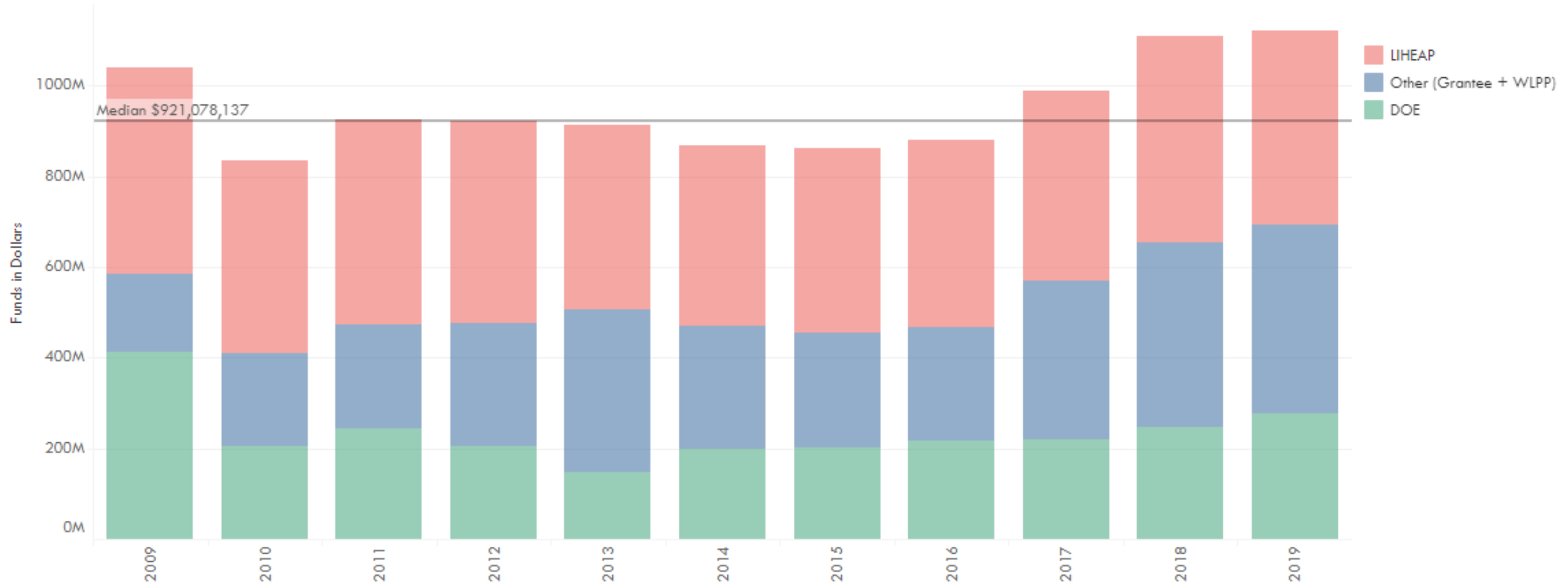
As one of twenty-one Justice40 pilot programs identified by the Office of Management and Budget (OMB), WAP developed “a draft implementation plan describing the agency’s plan to maximize benefits of the covered program in disadvantaged communities...” [OMB M-21-28](#), Interim Implementation Guidance for the Justice40 Initiative

Selection of WAP implementation plan goals to maximize benefits:

- Target high energy burden households
- Lower deferral rates
- Increase deployment of renewable energy
- Encourage community-scale weatherization
- Encourage and enhance braiding of leveraged funds

Leveraged Funds in WAP

Figure 6: WAP Funding Over Time 2009–2019



Source: [WAP Annual Funding Surveys – NASCSP](#)



THANK YOU!

WAP for the Multifamily Market



Why WAP for MFAH?

Underserved Market

- ✓ **Few States serve this huge LMI market: Due to myriad regulatory, technical, and financial barriers**
 1. Different DOE requirements for MF program approval:
 - Owner cost share
 - Tenant benefits
 - DOE approvals / TREAT modeling s/w
 - Davis Bacon for BIL funds.....
 2. Different local contractors and technologies e.g. central HVAC and DHW systems
 3. Understanding of MFAH owner requirements such as timing of rehab, UA considerations, Agency obligations, and stakeholder approvals



Why WAP for MFAH?

➤ Can cost 50% less / Expanded Scope

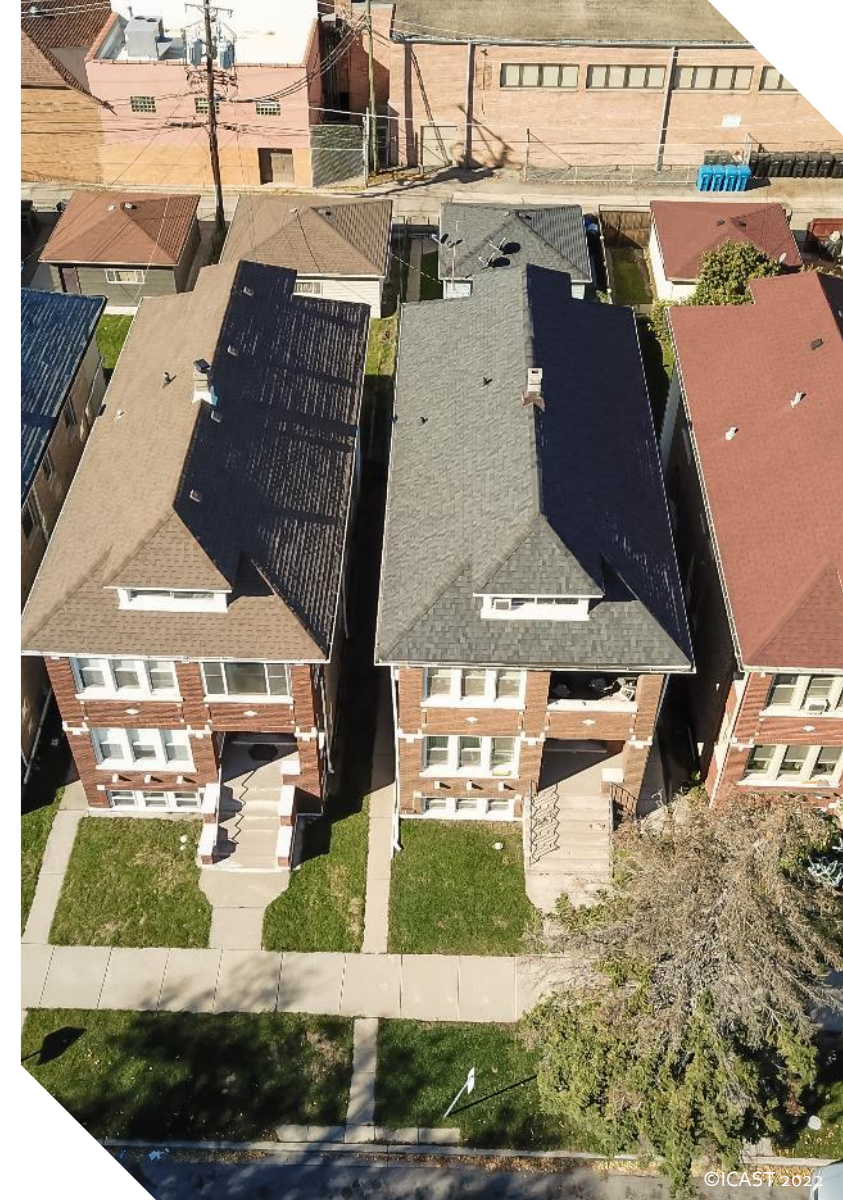
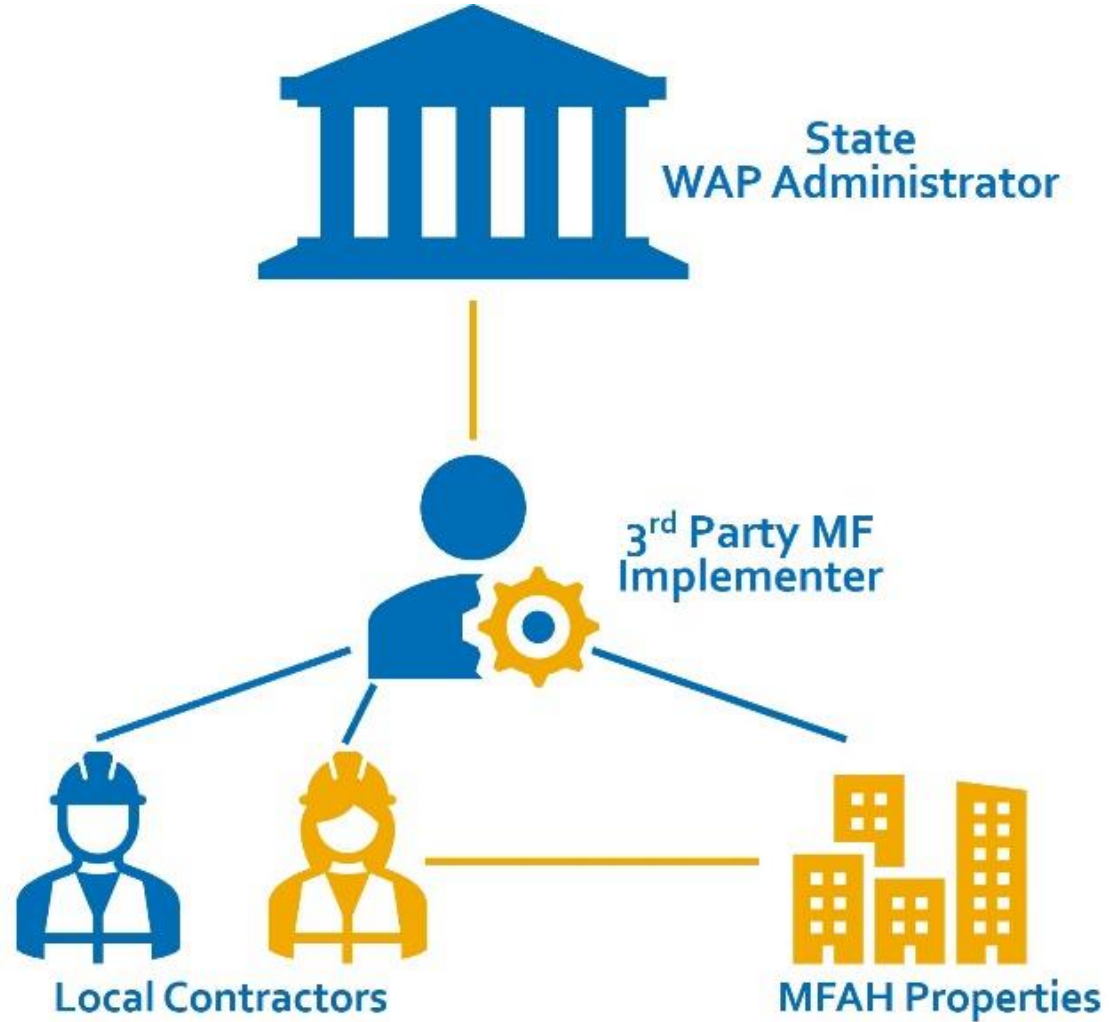
- ✓ Volume efficiencies (dozens of households in one contract),
- ✓ owner cost share (DOE requirement)
- ✓ smaller footprint of apartments (v/s SF homes)
- ✓ Braiding of other funding
 - Utility rebates
 - Related programs e.g. Healthy Homes
 - Govt. Incentives (ITC, Tax deductions, depreciation,...)
 - Green Loans (Fannie, Freddie and FHA)
 - Philanthropic Grants
 - Energy Financing

➤ Easier to Scale Up or Down

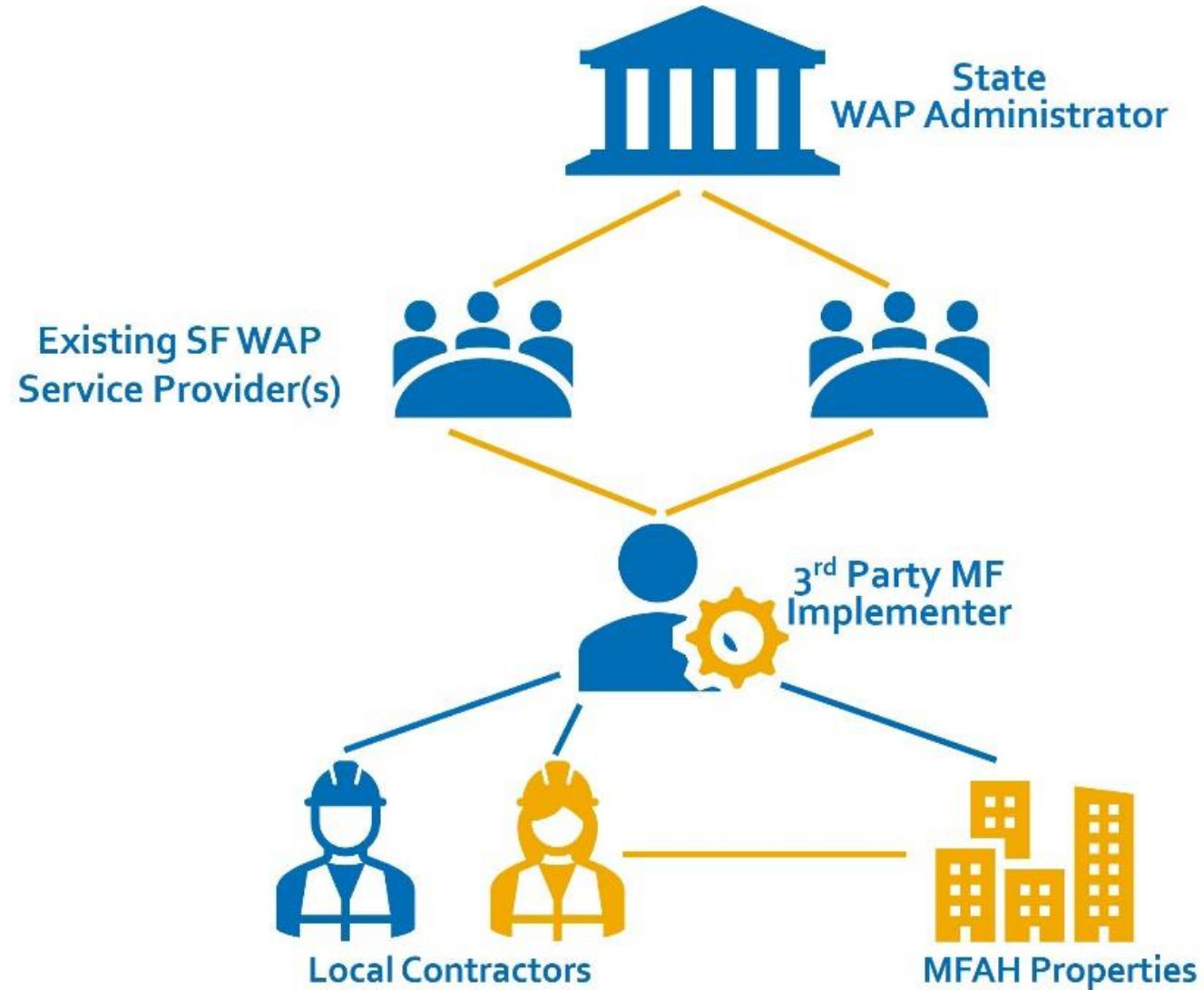
- ✓ Upgrades implemented by local MF contractors



Service Model



Service Model



Spending BIL funds

Expand Capacity or Hire Turn-Key Service Provider:

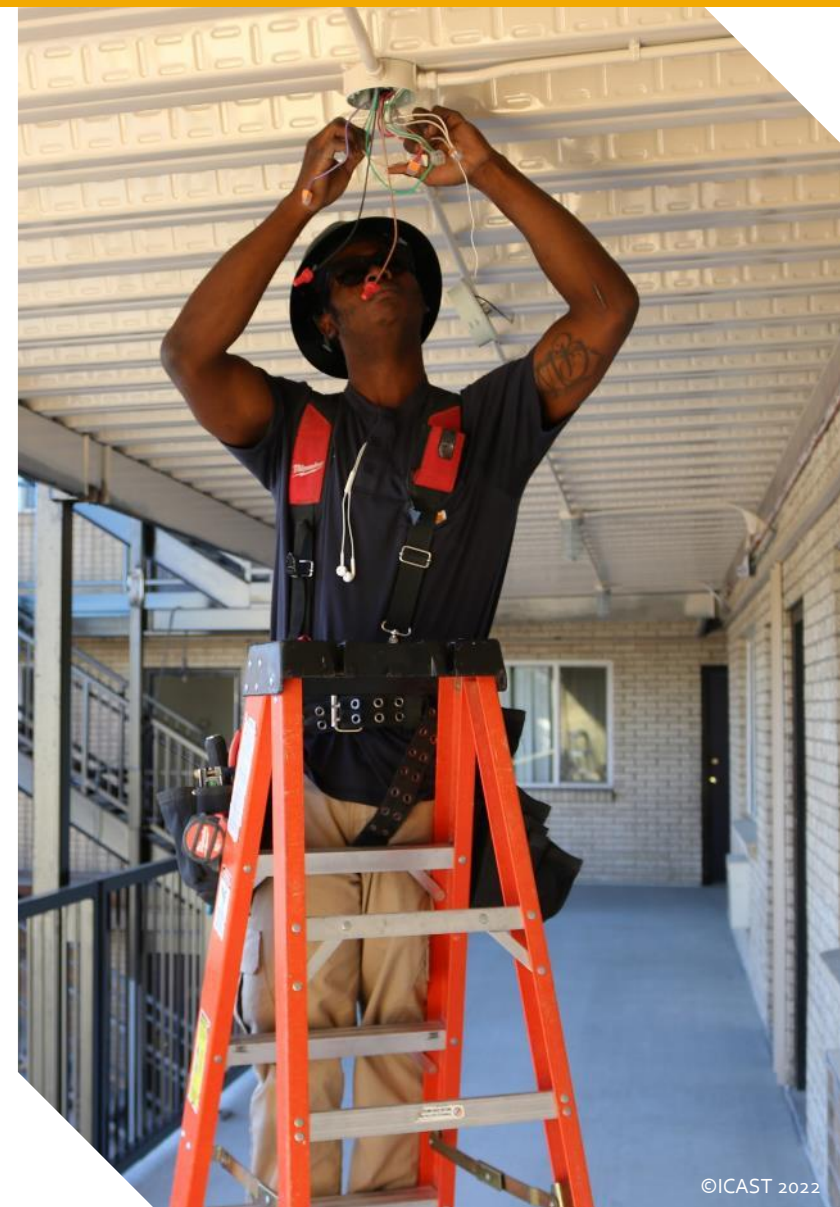
- ✓ Identify and income qualify MFAH properties that are willing to invest in EE upgrades for their tenants
- ✓ Conduct site assessment and develop TREAT model to create Scope of Work (SoW) with $SIR > 1$
- ✓ Gain required approvals & Financing from MFAH owner
- ✓ Hire & manage local contractors to meet BIL requirements
- ✓ Conduct QCI and issue Cert. of completion
- ✓ File necessary reports and invoices to ...





Who We Are

- 20+ year-old national 501C3 nonprofit
- **Market Served:** MF Affordable Housing
- **Scale:** ~100 staff in 20 states.
2022: 35,000 LMI households and
2025: 100,000 LMI households
- **Motivation:** Provide economic, environmental, and social benefits to LMI communities
- Winners of WAP Innovation and SERC awards
Help min. three (3) states launch MF WAP



Thank You!

Questions?

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Thank you!

Questions?



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