

Working Document  
Maryland  
Weatherization Assistance  
Program

Program Year 2022 Bipartisan Infrastructure  
Law (BIL) Application  
(Fiscal Year 2023)  
DRAFT

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# Executive Summary

The Maryland Weatherization Assistance Program Plan for Program Year 2022-23 serves as Maryland's application to the U.S. Department of Energy (DOE) for the Bipartisan Infrastructure Law (BIL) Weatherization funds, and as the guide for the allocation of an estimated \$45.7 million in Federal residential energy conservation funding. These funds will assist more than 4300 households across the State. The program is administered by Maryland Department of Housing and Community Development (DHCD), which has primary responsibility for the State's housing and community development programs. DHCD is uniquely positioned to deliver weatherization services, in coordination with other State agencies and our local partners.

The purpose of the Program is to reduce energy and utility costs by installing energy efficiency measures in the homes of income-eligible persons, with priority given to homes occupied by the elderly, persons with disabilities, and families with children. Program funds are targeted to the most efficient and cost-effective efficiency measures, determined from a comprehensive on-site energy audit of the dwelling unit. The Weatherization program reduces the State's overall energy consumption, as well as carbon emissions that contribute to climate change. It also lessens the impact of higher energy costs on low-income families and improves the health and safety of assisted households.

Maryland DHCD implements the program through a network of local providers with expertise in energy efficiency. These program network partners provide energy efficiency services using their own trained staff and by subcontracting work to qualified weatherization contractors. Energy efficiency measures funded by the program range from air sealing and insulating single-family homes to replacement of building-wide mechanical systems in multi-unit apartment buildings. The program assists all types of housing, including detached single-family homes, multifamily apartment buildings, manufactured housing and group homes. Program services are provided in each of the State's 23 counties and Baltimore City.

Weatherization assistance can be invaluable for low-income households in Maryland. The State's climate, with cold, snowy winters and hot, humid summers, generates a high demand for heating fuels and electricity. Many eligible households live in inefficient, often unsafe housing that was built when energy was cheap and plentiful and cannot afford the cost of weatherization work that will lower their utility bills.

DHCD will distribute Program funding in accordance with this Plan. The Plan follows DOE's recommended format: Section One provides an overview of the Program; Section Two discusses the source of funds for Program Year 2022-23; Section Three provides details on the funding allocation formula, the program budget and subgrantee information.

Section Four describes program implementation, including expected production levels, estimated energy savings, other funds and public participation in the development of the plan. Section Five includes Program eligibility requirements, priorities for assistance, the types of work that will be done and details on training, technical assistance and monitoring.

## **Section I - Introduction**

The Weatherization Assistance Program (the “Program”) is administered in Maryland by the Department of Housing and Community Development, through the Housing and Building Energy Programs. The Program provides energy services to income-eligible individuals and families to improve the energy efficiency of their homes and to reduce their household expenditures for fuel.

Priority for weatherization activities is given to households with children, the elderly, and persons with disabilities. Priority is also given to dwelling units occupied by households that have high energy usage, those with high fuel costs in relation to their household income, and to properties where other state and Federal housing resources will be leveraged.

Program services are delivered through a statewide network of local service providers, referred to as “Local Weatherization Agencies (LWAs)” and/or “subgrantees.” Subgrantees include community action agencies, other community-based not-for-profit organizations, and local governmental agencies. Under contract with DHCD, subgrantees conduct outreach and intake, evaluate buildings to be weatherized, install energy-saving measures, identify and mitigate related health and safety concerns, supervise weatherization work performed by staff and subcontractors, maintain client and program files and report on production and expenditures. DHCD has the responsibility for overall monitoring and oversight and provides an ongoing training program to maintain a high level of quality. DHCD requires that subgrantees follow sound internal management policies and provide skilled workmanship, high quality materials, and timely production of units.

Federal rules require states to submit an annual plan for administration of the program. This plan was prepared in accordance with the Final Rule for the Program (10 CFR Part 440), and with available grant guidance issued by DOE.

## **Section II - Funding**

### **II.1 Funding Sources**

DHCD expects to receive funds for the program from DOE. DHCD allocates program funding to each county based on a formula which includes factors related to income-eligible population and climate and sets aside funds to provide a minimum level of funding for each county where the allocation formula did not generate significant program funding.

## **II.2 Funding for the 2022-23 Program Year**

On November 15, 2021, the President signed into law the Infrastructure Investment and Jobs Act (Public Law 117-58), also referred to as the Bipartisan Infrastructure Law (BIL). Under the BIL, the WAP was appropriated \$3.5 billion in funding.

DHCD anticipates a significant increase in funding from previous years. In part, this is because the level of funding for the BIL triggers the 1995 revised allocation formula. These formula changes increase the overall equity of the allocation of funds among the Grantees by providing warm-weather States a greater share of the funding, while protecting existing program capacity in cold-weather States.

DHCD will provide funds to eligible subgrantees based on a formula that measures relative geographic needs, provided the subgrantee is in compliance with applicable State and Federal program requirements and has successfully completed work associated with their prior year allocation.

## **Section III – Budget**

### **III.1 Program Budget**

DOE intends to obligate the BIL funds based on the following milestones, pending that:

- Grantees must submit a PY 2022 WAP Annual Grant Application Package on time for negotiation and award.
- SF 424 and SF 424A must be submitted in PAGE within 30 days of DOE's issuance of the BIL ALRD.
- 15% of total allocation will be granted at time of initial award (after submission and approval of the SF-424 and SF-424A).
- 35% of total allocation will be granted upon DOE approval of the Grantee Plan that identifies the quarterly milestones over the 5-year period of performance (due by October 1, 2022).

Balance of total allocation (50%) is based on the Grantee demonstrating progress in meeting expenditures goals, production targets and reporting requirement compliance.

### **III.2 Funding Allocation Formula**

Program funding is allocated by a formula which factors in the share of low-income households in each county. The factor in the allocation formula is determined by calculating each service area's number of low-income households as a percentage of all such households in the State. This number of income-eligible households was determined by using 2010 US Census Bureau data. This figure was then divided by the total number of such households in the State to yield a percentage of the total low-income households for each county.

Each subgrantee within these counties has signed an agreement to provide services to their designated service area.

Allocations to individual subgrantees will be subject to a review of each subgrantee's production and expenditures during the program year and adjusted downward or incrementally funded where DHCD determines that the initial allocation may exceed subgrantee capacity.

Subgrantees that do not show adequate monthly progress in expenditures and unit production will not be eligible to access any additional funds that become available during the program year and may be subject to reduced allocations in the future.

### **III.3 Subgrantee Selection**

DHCD anticipates adding additional subgrantees in the near future. Existing subgrantees generally receive funding each

year during a grant period unless the subgrantee withdraws, or DHCD monitoring of the subgrantee indicates serious, irresolvable problems. DHCD monitoring examines the overall compliance of subgrantees with rules on expenditure of grant funds, production, work quality, and compliance with Federal and State laws, regulations, policies, and procedures. When serious concerns arise, a determination is made regarding the subgrantee's ability to continue providing weatherization services.

When DHCD determines that additional subgrantees are needed, selection of a new subgrantee is based on a proposal submitted to DHCD, which is evaluated by program and fiscal staffs, as well as testimony offered at a public hearing in accordance with 10 CFR Part 440.15(d). In accordance with these minimum guidelines, a potential new subgrantee must:

- be a not-for-profit, legally incorporated organization, or a unit of local government, or the designated representative of an Indian tribal organization;
- be in legal and financial compliance with requirements and regulations established under State and Federal law;
- provide a list of the current board of directors or governing body, bylaws and other documents concerning the structure and operation of the organization;
- provide proof that the organization has been responsive to the needs of the community by citing the programs and services in the energy or human services area that it has implemented; or, be able to demonstrate that the organization has the potential to provide such services in an efficient and responsible manner;
- demonstrate special expertise for providing energy conservation programs including management capability, technical skills, outreach capabilities, etc.; show experience in housing and construction management-oriented programs;
- submit a detailed budget and narrative work plan showing how the project will be carried out. The budget should list all personnel, including volunteer and paid staff, who will be associated with the program. The work plan will detail how the project will be implemented. Potential weatherization subgrantees must also show a production and expenditure plan, specifying whether subgrantee crews, subcontractors or a combination of the two will be used. New subgrantees will be expected to meet or exceed the work plan goals they propose.

In accordance with 10 CFR Part 440.15, when selecting new subgrantees the State is required to give preference to existing subgrantees that are currently administering an effective program. Additional consideration is given to subgrantees located in an adjacent service area. This helps maintain existing experienced subgrantees and provides for economies of scale in allocating administrative costs.

### **III.4 Subgrantee Labor**

Maryland contracts with subgrantees to deliver program services at the local level. These subgrantees have various systems in place to provide weatherization in their service areas. All subgrantees use in-house staff for some components of the program, such as outreach, energy auditing, or inspections. Many subgrantees use subcontractors to perform some of the weatherization work, such as attic and sidewall insulation and window installation.

## **Section IV - Annual File/Program Implementation**

### **IV.1 Subgrantee Contract**

DHCD enters into annual contracts with each subgrantee to provide weatherization services for the grant period. These contracts are divided into defined budget periods, referred to in the contract as "program years," and will include all current requirements for annual production, expenditure, closeout, and reporting. These contracts include DOE funds only; payments made during the year are based on funds encumbered at the start of the budget year.

DHCD maintains copies of executed contracts and amendments to confirm subgrantee acknowledgement of current-year

terms and conditions. Each subgrantee will be required to complete all work and expend all funds by the end of the Program Year.

The minimum number of units to be weatherized will be specified in the contract with each subgrantee. Statewide, DHCD expects the average cost per unit to be approximately \$6,000.

Each subgrantee will be allowed to use 7.5 percent of their allocation for administrative costs.

DHCD will provide training and technical assistance funds directly to subgrantees and, through separate agreements, to providers that meet the DOE and National Renewable Energy Lab’s (NREL) accreditation requirements for the WAP.

**IV.2 Dwelling Unit Production**

During Program Year 2022, DHCD expects to weatherize 671 dwelling units. This production level is based on the estimate of units to be completed by each subgrantee. The average cost per unit (ACPU) for each individual subgrantee will be determined based on a review of prior year costs. The statewide ACPU will be approximately \$6,000, but individual subgrantee ACPU may be higher or lower than this figure.

Subgrantees will generally be allowed to use up to 20% of contract funds to address health and safety deficiencies in assisted units, but in higher-cost areas a higher percentage may be allowed on a case-by-case basis.

**IV.3 Energy Savings**

DOE requires states to provide an estimate of the energy savings that can be expected from the program, based on an algorithm that DOE provides; this is summarized in the following chart.

<b>Estimated Energy Savings</b>	
<b>Average savings per unit</b>	<b>29.3 mmBtu</b>
<b>Energy Savings</b>	<b>19,660</b>
<b>Units to be weatherized</b>	<b>671</b>
<b>Average cost per unit</b>	<b>\$6,000</b>

**IV.4 Leveraging and Coordination with Other Programs**

Subgrantees provide a variety of services for low-income clients as a part of their overall mission, and they are adept at leveraging other resources to coordinate with weatherization services. Most put together a package of services to assist low-income clients with other housing and social service needs as part of providing Program services. DHCD actively supports leveraging and coordination with other programs to supplement funding for the Program.

DOE guidance permits grantees to use a portion of the grant to undertake leveraging activities, to generate additional non-Federal resources for Weatherization. DHCD intends to use leveraged funds in parallel to the DOE Program instead of including these funds in the WAP Plan budget. DHCD subgrantees will leverage approximately \$12 million in other funds in 2022.

## **IV.5 Policy Advisory Council**

Pursuant to 10 CFR Part 440.17, DHCD has established a Policy Advisory Council (PAC) to assist in the development and operation of the Program and provide advice in the development of the State Plan. The PAC is broadly representative of subgrantees, energy advocates, State agencies, and other organizations that represent low-income persons in Maryland. PAC members are well-versed in energy and housing issues. A list of current PAC members and their affiliation is included in the Annual File.

During the program year, the PAC will meet quarterly, with agendas covering a range of issues of concern to subgrantees, low-income clients, and program partners. DHCD typically provides updates on funding, program rules, coordination with other programs, and related issues at PAC meetings. When needed, additional meetings will be scheduled.

## **IV.6 State Plan Public Hearings**

Pursuant to 10 CFR Part 440.14 (1), DHCD followed a public process to receive input on the proposed State Plan. Prior to the issuance of the draft Plan, all current subgrantees and the Policy Advisory Council were given the opportunity for input towards its development. A public hearing on the 2022 BIL State Plan will be held on September 27, 2022, with public notice provided more than 10 calendar days prior to the hearing date.

The hearing is conducted by video conference. Interested parties are able to present testimony. Information on accessing the meeting is available on the WAP website at <https://dhcd.maryland.gov/Residents/Pages/wap/default.aspx>. The hearing notice was published on the DHCD website at <https://dhcd.maryland.gov/Pages/default.aspx>.

Copies of the proposed State Plan are made available to all current subgrantees and to other interested parties. The draft Plan is posted on the DHCD website at <https://dhcd.maryland.gov/Residents/Pages/wap/default.aspx> as is the final version upon approval. Comments on the plan are accepted through the date of the public hearing.

## **IV.7 Miscellaneous**

Recipient Business Officer is the representative authorized to act on behalf of the Grantee to negotiate the award. All DOE official correspondence related to the award will be addressed to the Recipient Business Officer which is designated as Michael Lafferty, Sr. Program Manager, Energy Programs; Michael.Lafferty@maryland.gov.

Recipient Principal Investigator is the technical representative authorized to act on behalf of the Grantee as project manager for the award. The Recipient Principal Investigator is the prime point of contact for the DOE Project Officer during the project period of performance and will receive a copy of all DOE official correspondence related to the award, which is designated as Kiahnna Burney, Program Manager, Energy Programs; Kiahnna.Burney@maryland.gov; 301-429-7793.

# **Section V - Master File/Program Management**

## **V.1 Eligibility**

### **V.1.1 Approach to Determining Client Eligibility**

DHCD has developed a process to ensure that assisted units meet the eligibility requirements of 10 CFR 440.22(a), with respect to income eligibility. Subgrantees are required to collect third-party documentation from each assisted household to

confirm income and must keep documentation on file to support eligibility determinations. Pursuant to 10 CFR 440.22 (2), some households are deemed categorically eligible if they contain a member who has received cash assistance payments (i.e., TANF, SNAP, SSI) under Title IV or XVI of the Social Security Act or applicable State or local law at any time during the 12-month period preceding the determination of eligibility for weatherization assistance.

Additionally, WPN 22-5 Expansion of Client Eligibility in the Weatherization Program was issued on December 8, 2021. This program notice is specific to expanding categorical income eligibility to include HUD's means-tested programs' income qualifications at or below 80% of area median income. With this update, the new categorical income eligibility list for DOE is:

- households that contain a member who has received cash assistance payments (i.e. TANF, SNAP, SSI) at any time during the 12 month period preceding eligibility.
- households that receive energy assistance
- households that participate in HUD's means-tested programs

Income eligibility is verified using one of three methods, depending upon the type of building or whether the household is claiming categorical eligibility: 1) households that reside in buildings that have received assistance from certain HUD programs are considered eligible for Program assistance without additional documentation (pursuant to DOE Notice WPN 22- 5); 2) households residing in any other building that claim categorical eligibility by participation in another assistance program that has eligibility requirements that are as restrictive as those of the Program must provide documentation from the administrator of the other program establishing participation; or, 3) all other households must provide third-party documentation of income (i.e., pay stubs, statements from income providers) to support income claimed.

#### Eligibility basis

DHCD has adopted the income eligibility guidelines used in the LIHEAP Program as the standard for the Program for households with nine or fewer persons. This limit – 60% of State median income – is higher in Maryland than the 200% of federal poverty option for households with fewer than ten persons and provides opportunity for participation by more households in the State. For families of 10 or more persons, the 200% of poverty level is higher than 60% of State median income, and DHCD sets the eligibility threshold for those households at the higher (200% of federal poverty) level. This threshold has been selected in accordance with Federal LIHEAP rules and with 10 CFR 440.22(3).

DHCD's process is consistent with DOE Regulations, which allows States to use LIHEAP eligibility criterion as the basis of eligibility under WAP, provided that the LIHEAP basis is at least 200 percent of the poverty level. This approach to determining client eligibility is specific to Maryland's WAP only.

Client eligibility for LIHEAP is determined by the Department of Human Services (DHS), Office of Home Energy Programs (OHEP), which administers LIHEAP.

DHCD is a subrecipient of LIHEAP funds received from DHS OHEP for the Maryland Energy Assistance Program (MEAP). Through DHCD's partnership with DHS, OHEP provides direct access to the OHEP database for a monthly list of low income households that have been certified as eligible by the OHEP intake staff. DHCD retrieves the list and assigns cases to the subgrantees. An executed copy of the certified eligible application of each client is maintained at DHS and is accessible upon request by DHCD.

In addition to the applications provided by DHCD, subgrantees must effectively conduct outreach and client intake to solicit applications from eligible households of potential weatherization projects. Subgrantees are required to document the household income as part of the client file. All applications certified eligible expire 12 months from the date of certification and must reapply.

#### Qualified aliens

DHCD uses the OHEP application certification process to determine eligibility for services and citizenship status is requested on the application. An individual with Qualified Alien status is counted as a household member when determining WAP eligibility. Income from a NonQualified Alien household member must be documented and included as household income. The NonQualified Alien is not counted as a household member. All information must be documented in the client file by the subgrantee. LIHEAP/MEAP eligible households are referred to DOE WAP.

### **V.1.2 Approach to Determining Building Eligibility**

DHCD requires that both household income eligibility and building eligibility are established before any work is done on a building. Subgrantees must document and verify clients who are homeowners and obtain landlord permission for clients who are tenants prior to beginning work.

Building eligibility is confirmed prior to the start of an energy audit. Building owners must provide documentation to confirm ownership of the building to be assisted. Procedures for confirming eligibility in buildings with rental units and in certain other types of buildings are described below and in more detail in the Program Operations Manual (POM).

#### Historic Preservation

Subgrantees are required to complete, prior to any weatherization activity, a State Historic Preservation (SHPO) review for units that are in excess of 45 years old at the time the work takes place, units that are historic properties, or units that are in a designated historic area.

DHCD has entered into a programmatic agreement with Maryland Energy Services to facilitate historic reviews of projects assisted with Program funds. The agreement covers the 2022 Program Year.

#### Re-weatherization

Subgrantees are required to retain records that allow them to determine which dwellings have been previously weatherized, including the date weatherization activities were completed. Homes previously weatherized with federal funds less than fifteen years ago are not eligible for re-weatherization utilizing federal funds. This includes WAP, LIHEAP, HUD, and USDA.

The statewide energy software system provides verification of units that have been previously weatherized. Previously weatherized units are maintained in DHCD's Hancock program management database. All aspects of the completed unit are easily identified by subgrantee, funding source, cost and measures completed. If the unit is in the database, the software will acknowledge a duplicate address and deny further access to proceed without DHCD authorization. If a residence is not in the Hancock database, each agency shall visually identify a previously weatherized unit upon audit. At that point, if previous weatherization work has been completed, the file is denied and processed according to those guidelines per the POM.

Examples of evidence of previously weatherized homes would include but are not limited to:

- Cellulose in the attic at R30 or better (check the attic access). Look for signed and dated certificate as to who insulated and when (date is required).
- Signs of air sealing in the attic. In most cases, only WAP would have air sealed top plates, etc. Older Wx units may have cellulose and no baffles.
- Hot water tank wraps.
- Air sealing in the rim/band areas. Also, evidence of fiberglass batts in the rim and band areas.

All units that are eligible to be re-weatherized will receive a new energy audit. Units that are re-weatherized will be counted toward the per unit average cost but must be tracked separately from newly weatherized units.

Homes ineligible for weatherization are still eligible to receive assistance and services such as client education to assist with energy management and evaluation of installed weatherization materials.

Homes not eligible for weatherization may become eligible if the home has been damaged from an act of God and/or a federally declared natural disaster that has occurred post weatherization of the home as per DOE WPN 12-7.

### Eligible structures

The dwelling must have a physical address in Maryland. Eligible structures may include a stationary mobile home, house, building consisting of apartments, group of rooms, or a single room occupied as separate living quarters (including historic properties), and qualified shelters or other group facilities. Prior approval from DHCD is required for group homes, shelters, and single room occupancy situations.

A qualified dwelling is eligible for weatherization services if it:

1. Is occupied by an eligible household; and
2. Has not been previously weatherized with federal funds less than 15 years ago; and
3. The dwelling does not require deferral (this does not necessarily prevent the building from receiving WAP services in the future if all deferral conditions are satisfied within a reasonable time).

Government institutions, halfway houses, nursing homes, recreational vehicles (RVs), cars, trucks, boats, nonstationary campers and trailers, and tents are not eligible dwellings and are not eligible for weatherization services. Properties having only a commercial use are not eligible for weatherization. Commercial use spaces of mixed use buildings are not eligible for weatherization. However, the owner of the commercial space could have weatherization work performed on the commercial space at the same time as residential weatherization activities occur provided the owner pays the contractor directly with nonfederal funds.

DHCD does not have an approved multifamily energy audit. Projects having buildings containing in excess of 4 units per building will be reviewed on a case by case basis and submitted to the DOE Project Officer for approval.

National Historic Preservation Act DHCD has an approved SHPO Programmatic Agreement in place and on file with DOE for measure approval and review requirements for properties that are in excess of 45 years old. A program comment was issued by the ACHP on March 11, 2013 pursuant to 36 CFR 800.14 (e), published in the Federal Register on March 14, 2013, and extends the duration of the existing 44 Programmatic Agreements – and any future agreements that may be executed under the prototype Programmatic Agreement – until December 31, 2020. An amendment to the agreement has been executed to extend the expiration date an additional 10 years, through December 31, 2030.

Most weatherization measures do not require further review. If the proposed work is not an excluded activity listed in Exhibit I of the PA, the subgrantee or Energy Auditor must provide the following project information to the DHCD historical review contractor.

- Digital photographs showing general views of all sides of the exterior of the building.
- Digital photographs showing the features that will be affected by the proposed work (e.g. the window to be repaired for example).
- List the work to be undertaken, for example; replace damaged main entry solid wood door with acceptable insulated fiberglass door.

No work may begin until the project has been reviewed and approved in writing by the DHCD historical review contractor. Once approved or denied, the DHCD historical review contractor will notify the subgrantee and DHCD with the results of the review by email and the project is released in Hancock.

## Rental units and multifamily buildings

DHCD's policy regarding rental units is outlined in DHCD's Program Operations Manual (POM), and generally states:

1. Subgrantees must obtain landlord permission for clients who are tenants prior to beginning work.
2. Benefits of the services accrue primarily to the low income tenants,
3. Tenants receiving services provided by weatherization work are protected, for a minimum of one year, against rent increases due to the weatherization work that was completed.
4. No undue property enhancements occur as a result of the weatherization process. DHCD seeks landlord contributions for weatherization improvements when feasible.

Landlords must sign the Building Owner Agreement (see DHCD Program Operations Manual) for work to occur within said building. This form also states the criteria for accruing benefits to the tenants, including the provision for not raising rents for a negotiated period of time, but not less than one (1) year. However, rents are allowed to be raised for cause not related to the received weatherization. Undue property enhancements are prohibited with DOE funds. Improvements are limited to cost effective energy saving activities and associated incidental repairs, where the SIR of the combination of improvements does not fall below 1.0.

Weatherization services are generally required to occur as a whole building system; meaning, the whole building, is to receive weatherization services whether a multi-unit building or single family home. There are very few cases where it is appropriate for individual units within a multi-unit building to receive services. Such instances must be submitted to DHCD for review. DHCD will submit the project to the DOE Project Officer if the individual unit project appears to be warranted.

Eligibility for multi-unit projects is determined using the 50%/66% rule per CFR 440.22(2). Not less than 66 percent (50 percent for duplexes and four-unit buildings, and certain eligible types of large multifamily buildings) of the dwelling units in the building must be income eligible.

Additionally, WPN 22-5 Expansion of Client Eligibility in the Weatherization Program was issued on December 8, 2021. This program notice is specific to expanding categorical income eligibility to include HUD's means-tested programs' income qualifications at or below 80% of area median income. With this update, the new categorical income eligibility list for DOE is:

- households that contain a member who has received cash assistance payments (i.e. TANF, SNAP, SSI) at any time during the 12 month period preceding eligibility.
- households that receive energy assistance
- households that participate in HUD programs

Customer participation in HUD programs must be verified. The method of verification of eligibility must be included in each client file (ex. client application, interagency list of recipients, shared systems database, etc.). Keep in mind that demographic information is still required. The DOE priorities for service (elderly, disabled, families w/ children, energy burdened, high energy users) must be documented and followed.

- Only those properties owned, operated and managed by HUD Public Housing Agencies (PHAs) and referenced in the notice on the HUD Web page are 100 percent income eligible.
- All other privately owned multifamily buildings (not owned/managed by HUD PHAs) receiving project-based assistance: Subgrantees must determine the percentage of units in each building that are income eligible. Subgrantees should refer to the lists that are linked in the program notice.
- All other privately-owned multifamily buildings (not owned/managed by HUD PHAs) that house residents receiving tenant-based assistance: Subgrantees must determine the percentage of income-eligible residences by either contacting the building owner/manager to obtain such Section 8 Housing Choice Voucher records or by individually verifying which residents hold such vouchers.

## Deferral process

In accordance with WPN 22-7 and DHCD's Health and Safety Plan and Program Operations Manual, units may be deferred on a case by case basis. Subgrantees are required to consult with a DHCD Quality Assurance Inspector before deferral and completely list the cause(s) for deferral on the DHCD Deferral form, upload it to Hancock and notify the client per the guidelines in the POM.

Subgrantees should strive to work with applicants to resolve conditions where a deferral has been issued. Subgrantees are expected to pursue reasonable options and referrals on behalf of the dwelling owner and to exercise appropriate judgment in dealing with challenging situations. Subgrantees should not defer service due to the presence of a hazard without pursuing reasonable options to identify other resources to address the identified hazard(s). Whenever appropriate, educational information on how to address the hazard should be shared with the occupant. An example of educational materials is the EPA booklet "Renovate Right." The subgrantee will select the deferred option in the Hancock Energy Software database so that the information is maintained electronically in the client file.

Deferral Examples may include, but are not limited to:

1. There is a question about the reported household size.
2. There is a question about the reported income.
3. The client has known health conditions that prohibit the installation of insulation and/or other weatherization materials.
4. The client is uncooperative, abusive, or threatening to the crew, subcontractors, auditors, inspectors, or others who must work on or visit the house.
5. Illegal activities are being conducted in the dwelling unit.
6. There are health and safety issues beyond the scope of the WAP that prevent the installation of weatherization measures.
7. The customer refuses work items that have a higher Savings to Investment Ratio (SIR) value than remaining measures. Subgrantees shall then defer all services to the customer.
8. A building cannot be adequately weatherized with available funds. Adequate, means all necessary and appropriate measures to make the weatherization successful without causing harm to occupants, workers, the building or other installed measures.

### **V.1.3 Definition of Children**

The Federal Weatherization Program rule provides flexibility in the definition of "children" for purposes of determining household eligibility and requires states to specify the age at which dependents are considered "children" for this purpose. Consistent with this guidance and past practice, Maryland will define children as dependents not exceeding 17 years of age. This definition will help more households in need of assistance to qualify.

### **V.1.4 Approach to Tribal Organizations**

Assistance is made available to all low-income residents of the State without regard to tribal organization status, to the extent that funding is available.

## **V.2 Areas to be Served**

DHCD competitively selects local governments or 501c3 nonprofits for WAP services with preference given to local government applicants in accordance with CFR 440.15. From those agencies or 501c3 nonprofits selected by the competitive process, DHCD will select certain supplementary agencies or 501c3 nonprofits to provide support in a jurisdiction in the event that performance is substandard.

DHCD's network of subgrantees provides weatherization services statewide. If it has been determined that a Subgrantee cannot fulfill their contractual obligations, steps may be implemented to redistribute allocated funds to other Subgrantees. These funds will be redistributed to the nearest Subgrantee, if feasible, to provide services in the same general geographical area. When sufficient applicants are available, DHCD designates a primary agency and a secondary agency in each county.

DHCD will identify capable subgrantees to provide or be positioned to provide supplementary support in anticipation of potential changes in subgrantee infrastructure and/or performance. Reallocating funds or supplying referrals to these 'backup' subgrantees will allow DHCD to quickly mitigate any potential impacts or interruptions in service to areas where subgrantees experience problems delivering the desired level of production or quality of weatherization services.

### **V.3 Priorities for Assistance**

Subgrantees are required to provide weatherization services to clients based on the priorities defined in the DOE regulations, 10 CFR 440.3, to ensure that the most vulnerable households are serviced first. It is the subgrantees responsibility to administer weatherization services based on the priorities however to assist with this requirement, DHCD has implemented the Client Priority Score, an automated algorithm provided by the Hancock Software. The Client Priority Score will assign points to each client based on data inputs and then determine the order in which services should be delivered to each household. Once the score is determined, each household will receive a "WAP Rank". Clients will be automatically filtered and listed in Hancock by the highest to lowest WAP Rank.

The priority score is defined below. In cases where all priorities are equal, time on the waiting list shall be used as the final deciding factor:

1. Priority for Elderly: Four (4) priority points are given to each elderly person residing in the household. Elderly is defined as age 60 or older.
2. Priority for Children: Four (4) priority points are given to each child under 5 residing in the household.
3. Priority for Persons with Disabilities: One (1) priority point is given to each person with disabilities residing in the household.
4. High Residential Energy Users: One (1) priority point is given to high residential energy users.
5. Priority for Households with a High Energy Cost Burden: Up to four (4) priority points can be given to households with a high energy cost burden. The high energy burden calculation percentage is defined as the total annual household energy cost divided by the total annual household income across all fuel sources.
  - Group 1 - 0-10% - One (1) priority point
  - Group 2 - 11-15% - Two (2) priority points
  - Group 3 - 16-20% - Three (3) priority points
  - Group 4 - 21%+ - and clients with no income - Four (4) priority points

Additionally, at-risk clients with valid medical documentation as described in the Health and Safety Plan, will receive the highest priority. Subgrantees may also schedule work with reduced regard to priorities where projects are able to coordinate work with other funding sources.

## **V.4 Climatic Conditions**

The state of Maryland has two distinct climates. Average temperatures in western Maryland are 65 °F in July and 28 °F in January. Average temperatures in eastern Maryland are 75 °F in July and 35 °F in January.

The average heating degree hours are thirty year averages utilized by our Hancock Energy Software for our program. In counties without reporting stations and some without complete data for thirty years, data from nearby stations was used.

## **V.5 Type of Weatherization Work to be Done**

DHCD permits subgrantees to conduct activities that are authorized by Program rules and guidance. Any material listed in Appendix A of 10 CFR Part 440 may be installed, provided the measure has been determined to be cost-effective pursuant to the protocols set forth by DOE, is based on an analysis of the building (see Section V.5.2, below) and can be installed in a safe manner without compromising the health or well-being of occupants of the dwelling unit.

Generally, work conducted in assisted buildings includes air sealing, insulation, heating system repairs, window or furnace replacement, electric base load reduction measures, and work items that mitigate energy-related health and safety hazards. Other than health and safety work, only those measures with a savings-to-investment ratio of 1.0 or greater can be installed by subgrantees. In other words, the cost of installing an energy conservation measure in a building must not exceed the savings that can be expected during the expected life of the installed work.

DHCD encourages use of renewable energy systems, alternative energy sources, and other “green” practices in its housing and energy programs. DHCD will consider installation of renewable energy systems and green building materials on a case-by-case basis, or as part of a pilot program when proposed by subgrantees. Installation of renewables will only be permitted when consistent with DOE guidance and justified by an SIR of 1.0 or greater, or by other allowable considerations. Any materials used must meet the specifications listed in 10 CFR 440, Appendix A, or otherwise be approved by DOE for use in the program. Subgrantees proposing installation of renewable energy systems will be required to obtain prior approval from DHCD. DHCD will then obtain prior approval from DOE before authorizing any sub-grantee to use WAP funds for such measures.

### **V.5.1 Technical Guides and Materials**

The language in the Weatherization Grant Agreement states the following: "WHEREAS, the Program is also governed by the State Regulations set forth in COMAR 05.04.14 (the “State Regulations”), the Program Operations Manual (the “Manual”) and the Weatherization Field Guide/SWS (“Field Guide”). The Energy Conservation and Production Act (the “Act”), Federal Regulations including the Special Terms and Conditions (the “DOE Terms”), State Regulations, Field Guide and the Manual are hereinafter referred to collectively as the Program Guidelines and are incorporated herein;" Upon execution of the agreement, subgrantees acknowledge the expectations and SWS specifications for work quality and performance.

The Maryland Field Guide was distributed electronically to each agency on August 30, 2018. The Program Operations Manual was distributed electronically to each agency on February 22, 2022. The most current State Plan, Field Guide and Program Operations Manual (POM) can be found at DHCD's website <http://dhcd.maryland.gov/Pages/EnergyEfficiency/default.aspx>

Local Weatherization Agency (LWA) staff will perform a comprehensive energy audit of each home to identify the problems in the building that promote air movement, heat loss and heating system inefficiency. The auditor will use the blower door, furnace efficiency testing equipment and other devices to determine the levels of efficiency and any health and safety issues with existing combustion appliances. The auditor will also assess health and safety issues requiring

abatement prior to service delivery. Local agency staff will use the DOE approved energy audit tool to model the house and determine the most cost-effective measures. The audit tool will model the house and based on a number of custom factors specific to each home, will determine the best measures for treating the problems identified in the energy audit, including the selection of materials best suited for correcting the deficiencies. Detailed technical guidance for audit procedures can be found in the POM.

Decisions as to which Energy Conservation Measures (ECMs) are to be installed are determined by the DOE approved energy audit results and WPN 19-4 Attachment 7 "Appendix A" and in accordance with the Field Guide and SWS.

### **V.5.2 Energy Audit Procedures**

Weatherization subgrantees in Maryland can use the Hancock Energy Audit Tool (HEAT) energy audit to analyze building energy usage and set priorities for weatherization work in single family dwelling units and multi-unit developments of buildings with 4 and fewer units not centrally heated/cooled. Additionally, the use of the MHEA audit is approved for manufactured or mobile homes.

DHCD is not approved for auditing multi-family buildings in excess of 4 units or where units are centrally heated/cooled. DHCD will submit multifamily projects to DOE for approval on a case by case basis.

### **V.5.3 Final Inspection**

100% of WAP units receive a quality control inspection by the subgrantee to ensure that all work meets specifications per DOE guidelines, CFR.440, the POM, and the DHCD Maryland Field Guide. The Maryland Field Guide includes applicable SWS by which the QCI is required to assess each project.

Units are not reported to DOE as complete until the project passes a subgrantee final inspection.

Quality Control Inspectors must possess an active Home Energy Professional Quality Control Inspector certification verifying the individual has the required DOE credentials to conduct an inspection.

The purpose of the Quality Control Inspection is:

- To provide services in a manner that meets the highest level of professionalism and to comply with standards established by DHCD, DOE, and the industry; and
- To provide services in a timely fashion and with the highest level of resource accountability possible in accordance with the scope of work provided.

The following are mandatory for QC Inspectors:

- Each person performing a Quality Control inspection on a WAP job must be certified as a Home Energy Professional Quality Control Inspector. The Subgrantee is responsible for ensuring that all Quality Control Inspectors are adequately trained and credentialed. Proof of QCI certification is required from every Subgrantee. Copies of certifications must be sent to DHCD before QCI activities are authorized.
- Quality Control Inspectors must be independent of the work they are inspecting. The Quality Control Inspector cannot be the same individual who audited the property or performed any of the work for the property they are inspecting without the written consent of DHCD. Exceptions will be granted on a case by case basis.

It is the responsibility of the Quality Control Inspector to ascertain the completeness and quality of work of each dwelling unit before certifying in the Hancock system that the unit is complete and submitting an invoice.

Every client file must contain a signed Quality Control Inspection Form that certifies that the unit has had a final QC inspection and meets the required standards.

Quality Control Inspections must contain these elements at a minimum:

- Perform a blower door test to verify results of air infiltration reduction achieved;
- Perform combustion efficiency and combustion appliance zone (CAZ) testing of the central heating system (fossil fuels) and all combustion based appliances.
- Perform a walkthrough inspection of the property to verify the comprehensiveness of audit, installation of materials as recorded on the Work Order per the Maryland DHCD Field Guide, POM and DOE regulations. Verification that all measures meet SWS objectives is mandatory.
- Document customer comments and obtain customer signature on the appropriate forms which verify the work performed; and E. Certify completeness and quality of all items listed in the work scope in HEAT.

### Quality Assurance Inspections

WAP Quality Assurance (QA) Inspectors are required to review not less than 5% of units completed by each subgrantee, and provide T&TA on a continuing basis equally. Ten percent of units completed will be inspected for those agencies who have been granted an exception to the Independent Quality Inspector policy. If production for the agency is slipping, or the QA Inspector finds a pattern of missing or inferior work in their random sampling, a higher percentage or all dwelling units of that agency may be inspected, with increased T&TA until the jobs are considered resolved and the agency is back on track to meet production goals. Continued poor quality work may result in suspension of reimbursement for jobs, suspension, and ultimately termination of contract if issues cannot be resolved.

All DHCD QA Inspectors are HEP certified Quality Control Inspectors. New hires already have their QCI certification or will test for certification within 60-days of hiring.

DHCD QA staff will primarily inspect only those units that have been certified as complete in the Hancock system by the Quality Control (QC ) Inspector. However, random in-progress inspections will also be performed.

If a unit is rated "Poor" the contact person at the agency will be notified via email by the QA Inspector and an automated email from HEAT advising of the QA Inspector results. The agency must access HEAT and create a work order of all outstanding items. The software will email the subgrantee informing that a call back work order has been created. Once the outstanding items are completed and certified by the QC Inspector, the call back work order is completed and the software will email the QA Inspector that the unit is ready for reinspection.

DHCD understands that "Poor" rated units will occur periodically. However, after a comprehensive inspection that has been certified by the subgrantees QC Inspector, measures rated "Poor" by WAP QA Inspectors should be relatively minor and infrequent. When QA Inspectors see a pattern of "Poor" rated units, inspection rates will increase from 10% to up to 100% until DHCD QA staff can verify that the trend has been interrupted by T&TA and subsequently improved performance.

Ongoing T&TA by DHCD QA Inspectors from audit to closeout stage is available if an agency wants to verify that their audit standards are acceptable, if challenges arise in the field, or if workmanship seems to be slipping.

Visits to correct units that were rated, "Poor" must be scheduled within five days. Failure to adhere to this policy could result in the withholding of referrals, stopping payment on current invoices and, in extreme cases, suspension or removal from the WAP. If multiple "Poor" rated units are identified, DHCD will insist that all outstanding "Poor" units be resolved and request a corrective work plan from the agency to ensure future satisfactory work. Units rated "Poor" based on Health and Safety issues must be resolved within 24-72 hours depending on the seriousness of the issue as determined by DHCD Quality Assurance Inspector.

To briefly clarify standard QA inspection protocols, please note the following:

- A unit will be rated poor if materials reported as installed cannot be found
- A unit will be rated poor if measures were not installed to industry standards or to HEAT audit
- No unit will be rated poor for missed opportunities regarding air infiltration reduction unless the inspector uses a blower door and can verify that substantial air leakage still exists;
- A unit may be rated poor if major WAP services or leveraging opportunities were missed (e.g., no attic insulation installed and could have been, no furnace work performed etc.) and the file does not indicate why the service was omitted.
- A unit will be rated poor if health and safety measures are still required to protect the family.

### Enforcing HEP QCI Standards

As the Maryland weatherization program integrates the HEP QCI into the standard training regimen required by DOE, it is imperative that DHCD's Quality Assurance team enforce the standards and practices identified in the QCI training. All current DHCD inspectors will be HEP QCI certified inspectors and newly hired DHCD inspectors must receive training and certification in order to perform independent Quality Assurance inspections. In the course of routine QA inspections they will review work against the SWS standard along with the Maryland Field Guide and the policies in the Maryland Weatherization Program Operations Manual (POM).

When a QA inspection reveals that the LWA QC inspection has failed to meet the standards prescribed by the SWS, HEP QCI training, Maryland Field Guide, and the POM, DHCD will follow a progressive chain of correction to address the failure. Failure to meet the prescribed standards will be categorized as either "Health & Safety" or "General". The action taken will vary depending on the category of the failure.

### QC Fail Health & Safety:

1. Any identification of a QC failure that results in a Health and Safety issue will trigger delivery of T&TA for the LWA Inspector who performed the QC inspection. DHCD's QA Inspector will contact the LWA and schedule an onsite T&TA tailored to the issue identified. The issue will be corrected on site and the correction will be verified by the QA Inspector. The incident will be documented in Hancock.
2. A second identification of a QC failure that compromises Health and Safety will result in additional T&TA to include the principles of the LWA and the other field staff who interacted with the job. The issue will be corrected onsite and the correction will be verified by the QA Inspector. The incident will be documented in Hancock.
3. If DHCD identifies a third QC failure that compromises Health and Safety within 6 months of the first failure, DHCD will suspend the QC Inspector from performing QC inspections. The issue will be corrected onsite and the correction will be verified by the QA Inspector. The incident will be documented in Hancock. The Subgrantee will be required to provide additional training for the suspended inspector as specified by the QA Inspector.

### QC Fail General:

1. The first QC failure that results in poor work under the "general" measure category will be addressed with a QA "poor" and an email sent through Hancock ordering correction with an additional explanation of the deficiency. The explanation will reference specific sections of the Maryland Field Guide and the POM. The incident will be documented in Hancock.
2. A second occurrence will trigger a T&TA tailored to the specific issue. T&TA will be delivered onsite and will reference specific sections of the Maryland Field Guide and POM. Correction of the deficient work will be verified onsite by the DHCD QA Inspector. The incident will be documented in Hancock.
3. A third occurrence will result in additional T&TA to include the principles of the LWA and the other field staff who interacted with the job. The issue will be corrected onsite and the correction will be verified by the QA Inspector. The incident will be documented in Hancock.
4. A fourth occurrence of a poor QA will lead to suspension of the QC Inspector. The issue will be corrected onsite

and verified by the QA Inspector. The incident will be documented in Hancock. The Subgrantee will be required to provide additional training for the suspended QC Inspector as specified by the QA Inspector.

## V.6 Analysis of Effectiveness

DHCD conducts an analysis of the effectiveness of each subgrantee's program each year, per 10 CFR 440.14(c)(6)(1) and maintains documentation on this analysis on file.

This analysis is based on on-site monitoring, regular desk audits and management reviews as well as other available information. Subgrantee productivity is measured by reviewing subgrantee production (as reported in the Energy Software Database) against contract production schedules each month when subgrantees request payment. DHCD's Quality Assurance staff also conducts analyses to ensure that all subgrantees are administering the Program in an optimal manner and to set priorities for training and technical assistance.

The effectiveness of the local agency is assessed on their ability to meet production goals, pass QA inspection without re-occurring "Poor" ratings, produce accurate quarterly financial reports, effectively use the HEAT and Hancock tools, and by a compilation of data obtained by annual State monitoring visits to review local agency administrative, programmatic and quality control inspection activities.

These are assessed using these formats and compiling results in an ongoing effort to determine program effectiveness.

Quarterly reporting deliverables and discussion between DHCD Fiscal and Sr. Management and individual partners including:

- Expenses by each fund source
- Average cost per unit (ACPU)
- Administration and Program expenses
- Health and Safety average
- Number and dollar amount of projects in the pipeline
- Projections for monthly production for the next quarter
- Financial reports including the General Ledger.

Weekly reviews at HBEP staff meetings on LWA current status on these items:

- Quality Assurance results and T&TA visits
- Partner capacity and ability to meet production goals
- Consistency in the use and continuous updates in the HEAT and Hancock tools
- The percentage of contracted funds expended
- High levels of Subgrantee staff turnover

Annual State monitoring visits as referenced in the monitoring section:

- DHCD will conduct comprehensive monitoring of each local agency at least once a year using the most up to date DOE Monitoring Guidelines and Checklist. The comprehensive monitoring visit will include review of:
  - Client files
  - Fiscal record management and annual audit review
  - Energy Audits/Work Orders
  - Program coherence (including compliance with 10CFR440, 2CFR200, relevant OMB circulars and Weatherization Program Notices)
  - Subgrantees records including Procurement, Regulation, Insurance, Inventory and Report files
  - Inspection of at least 5 percent of the completed units or up to 10% when including units in the process of

- being weatherized.
- The Subgrantee will be briefed on the observations and findings generated by the monitoring visit while onsite, and DHCD will provide a written assessment of the monitoring process to the Subgrantee within 30 days, along with recommended next steps or corrective action if needed. Part of the findings or recommendations from the monitoring visit may include provision of technical assistance, additional recommendations for training and additional guidance and oversight related to fiscal recordkeeping and processes. Any Subgrantees who receive a monitoring report with findings or recommendations for additional training will be contacted for a follow up monitoring visit. Subsequent monitoring visits or technical assistance visits will be provided on a regular basis until any outstanding issues have been resolved.

## **V.7 Health and Safety**

The primary goal of the Weatherization Assistance Program is energy conservation. However, installing energy conservation measures sometimes requires subgrantees to address health and safety problems that may exist in client's homes. If not done correctly, installing certain measures can also create or worsen other health and safety conditions.

Many of the buildings that are weatherized in Maryland have serious deficiencies that can affect the health and safety of both occupants of assisted units and staff performing weatherization work. Health and safety work is only done in units where energy efficiency measures are also being installed. Specific information on DHCD health and safety protocols is included in the Health and Safety Plan.

## **V.8 Program Management**

### **V.8.1 Overview and Organization**

The Weatherization Assistance Program in the State of Maryland is administered by Maryland's Department of Housing and Community Development (DHCD), a cabinet level agency of state government and Maryland's affordable Housing Finance Agency. DHCD's mission is to work with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work and prosper. Part of this mission involves working to ensure that Maryland citizens have housing that is safe and affordable, in neighborhoods that are vibrant and desirable.

DHCD utilizes funding from a variety of State and Federal sources to accomplish this mission, with energy efficiency programs playing a key role in the preservation of affordability and safety in housing. The Weatherization Assistance Program (WAP) is housed within DHCD's Housing and Building Energy Programs (HBEP), which also administers the EmPOWER Low Income Energy Efficiency Program (LIEEP), a low income energy efficiency program similar to WAP that is funded through a ratepayer surcharge for customers in territories of participating utility companies. The HBEP unit also administers a market rate energy efficiency lending program funded through the U.S. Department of Energy's Better Buildings program. The HBEP unit receives additional funding to support low income weatherization activities through the Maryland Energy Assistance Program/Low Income Home Energy Assistance Program (MEAP/LIHEAP) provided by the Maryland Department of Human Services.

The Housing and Building Energy Programs is a unit within DHCD's Division of Development Finance, and operates with a Director and Deputy Directors, program managers, a compliance officer, administrative staff, an intake team and a quality assurance inspection team that serves all programs. Specific staff titles and their responsibilities are as follows:

Program Manager – Manages daily operations, coordinates monitoring activities, negotiates and resolves program and fiscal audits, establishes program policies and supervises WAP staff. Oversees field operations of the local network, coordinates special training and technical assistance opportunities, implements new technologies and special projects.

Quality Assurance Officer – Conducts quality assurance evaluations, assists in overseeing field operations, coordinating training and technical assistance opportunities, leverage activities and assists in policy development.

Compliance Officer – Assists in the oversight of the program, analyzing data, managing and accounting for expenditures of subgrantee program fund allocations and ensuring compliance of fiscal program regulations. Operates the contract reimbursement system, performs data entry, and performs contract processing, procurement and other administrative duties.

## **V.8.2 Administrative Expenditure Limits**

The total amount available to the subgrantees for administrative funds is at least 7.5% of the state's grant; however, any Sub-grantee that receives a grant of less than \$350,000 can be provided up to another 7.5% of their allocation for administrative expenses provided the subgrantee meets any one of the following criteria:

- Skills Development Needed -The subgrantee has one or more employees who have less than one full year of weatherization experience.
- Participation in Special Projects -The subgrantee is currently participating in any special project at the request of, or with the approval of, the State or Federal Weatherization Office (DHCD or DOE).
- Other Demonstrated Hardship - The subgrantee has demonstrated extraordinary hardship, the nature of which is so severe that it jeopardizes the ability of the subgrantee to operate an effective weatherization program at the 7.5 percent administrative level.

## **V.8.3 Monitoring Activities**

DHCD will follow the approach outlined in WPN 20-4 under "Grantee Monitoring of Subgrantees".

### Ongoing Field Monitoring and T&TA

Not including inspection visits, WAP Quality Assurance Inspectors spend 10% of their time providing Training and Technical Assistance to subgrantees. If a subgrantee wishes to verify that their standards are acceptable, if challenges arise in the field, or if workmanship is unsatisfactory, DHCD QA Inspectors can immediately identify and address any issues with the subgrantees through the provision of technical assistance or additional training. Early identification and ongoing support limits unspecified and sudden drops in quality and production, and ensures a workforce that is well trained and producing consistently at a high level.

“Poor” rated units must be scheduled for resolution by subgrantees within five working days. Issues impacting occupant health and safety must be resolved within 24-72 hours, depending on the seriousness of their nature. Subgrantee failure to adhere to this policy could result in the withholding of referrals, backcharges, stopping payment on current invoices and, in extreme cases, suspension or removal from the WAP. DHCD requires that all outstanding “Poor” units be resolved in a timely manner and may request development and implementation of a corrective work plan, additional training, or additional T&TA for the Subgrantee. When DHCD QA Inspectors recognize a trend in units rated "poor", they may request that the subgrantee auditor attend QA Inspections to provide immediate onsite T&TA with corrective action.

### Program Oversight and Monitoring

DHCD will conduct comprehensive monitoring of each local agency at least annually using the most up to date DOE Monitoring Guidelines and Checklist. The comprehensive monitoring can take place in-person, virtually, or any combination thereof. The comprehensive monitoring visit will include review of:

- Client files
- Fiscal record management and audit review

- Energy Audits/Work Orders
- Program coherence (including compliance with 10CFR440, 2CFR200, relevant OMB circulars and Weatherization Program Notices)
- Subgrantees records including Procurement, Regulation, Insurance, Inventory and Report files
- Inspection of at least 5 percent of the completed units or up to 10% of units when including units in the process of being weatherized.

The Subgrantee will be briefed on the observations and findings generated by the monitoring visit while onsite, and DHCD will provide a written assessment of the monitoring process to the Subgrantee within 30 days, along with recommended next steps or corrective action if needed. Part of the findings or recommendations from the monitoring visit may include provision of technical assistance, additional recommendations for training and additional guidance and oversight related to fiscal recordkeeping and processes.

Any subgrantees who receive a monitoring report with findings or recommendations for additional training will be contacted for follow up. Subsequent follow up and/or technical assistance will be provided on a regular basis until any outstanding issues have been resolved. Sensitive or significant noncompliance findings will be reported to DOE immediately. A detailed review of local agency records and inspections will be maintained by DHCD and be available at the request of DOE.

The results of this annual monitoring should be considered during annual planning and will be available at DHCD for DOE staff to review during their Grantee program monitoring visits. Subgrantee failure to adhere to this policy and/or resolve monitoring findings could result in the withholding of referrals, backcharges, stopping payment on current invoices and, in extreme cases, suspension or removal from the WAP.

#### **V.8.4 Training and Technical Assistance**

The Maryland Weatherization Network is comprised of LWAs and contractors with varying degrees of historical experience performing weatherization and related home renovation and human services. Maryland DHCD staff conducts ongoing assessments and tracks subgrantee effectiveness through desk monitoring, final inspections and field monitoring results. These activities are key in the evaluation of subgrantee performance and contracted resources engaged in service delivery. DHCD is working with the subgrantees in developing a process between productivity and energy savings to incorporate the development of T&TA activities.

DHCD considers all performance related reporting in developing a comprehensive training strategy.

Individual subgrantee training needs and results are continuously tracked and training and monitoring is systematically adjusted to meet demands for all phases of administrative and production effectiveness and improvement goals.

The Department of Energy (DOE) allocates Training and Technical Assistance (T&TA) funding to support State program operations such as analysis, measurement and documentation of program performance, skill development, and local monitoring, to improve program effectiveness. To ensure consistent delivery of high quality weatherization services, DOE through a network of Weatherization Professionals, identified and developed a set of core competencies for the various staff positions that implement the Weatherization Program including the types of training required to increase levels of core competencies for these job categories. Increasing competency levels and workforce expertise helps assure that every home weatherized receives appropriate, properly installed cost-effective measures.

All training will be in compliance with DOE guidance, MD's SWS-Aligned Weatherization Field Guide and the current year State Plan/Master File and be provided quarterly throughout the year on an as needed basis.

In an effort to ramp up MD's workforce, DHCD is developing a plan to attract, retain, and/or transition a local workforce needed to meet the demand for workers and enable the project goals. This can be done in part, by working with workforce

partners, community colleges, potential supportive services, and use of Registered Apprenticeships or other joint, labor-management partnerships training programs.

To increase Maryland's WAP network expertise, numerous program training opportunities have been conducted with the goal to maximize energy savings, minimize production costs, improve quality of work, and foster management expertise, while reducing the potential for waste, fraud abuse and mismanagement. T&TA funds are primarily used to train State and local Weatherization staff on program operations, management, and technical topics. Staff members receive training at national and regional conferences, regional and state training centers, state and Subgrantee provided workshops, and in the field.

Subgrantees are required to have qualified weatherization staff (and contractors, as may be applicable) fully trained in the performance of individual functions.

Through monitoring review and assessments, the state coordinates with Subgrantees to determine types of training needed to strengthen Wx services. Based on the need of the Wx network, the state will continue to periodically provide training and workshops.

Subgrantees must ensure that Wx staff and contractors maintain required levels of training and certifications. DHCD requires that subgrantees evaluate their Wx workforce to determine the types of training needed. Each subgrantee's policy shall be to encourage its staff, and that of its contractors, to attend training to strengthen worker competencies and skills.

The state allocates funding directly to the subgrantees for local staff, and sometimes contractor personnel, to attend program related training. To facilitate contractor training, subgrantees are allowed to pay a per diem for contractor personnel to attend training when it is designated as mandatory and has prior state approval. Subgrantees may charge the cost of training to the T&TA category and the employee's time for participation in the event under the labor category (Program Ops). Costs associated with training contractors that work within the Weatherization Program may also be charged to T&TA. Before being reimbursed, each program participant must show successful completion of the course with the earned certificate. These certificates are kept on file at DHCD to ensure that they are active and compliant with training deadlines.

The current Maryland WAP workforce is comprised of Grantee, Subgrantee and Contractor level Building Performance Institute (BPI) Certified Home Energy Professionals (HEP):

- Grantee Certified Quality Control Inspectors (QCI)
- Subgrantee Certified Auditors
- Subgrantee Certified QC Inspectors
- Contractor Certified Auditors
- Contractor Certified QC Inspectors
- Contractor Crew Leader
- Contractor Installers

#### Program Year 2022 Comprehensive Training

Projected T&TA budgets have been structured to allow continued reassessment and supplemental training as determined necessary. DHCD will reimburse all Quality Control Inspector and Energy Audit personnel for the HEP Quality Control Inspector and HEP Energy Auditor training and testing. DHCD will pay for classes up to three attempts at testing for each inspector and will encourage participation by subcontractors in good standing with subgrantees that have been carefully screened and have agreed to execute retention agreements.

All Comprehensive training will be provided by an IREC accredited training center that will provide NREL, JTA aligned, training in close proximity to Maryland and deliver both single family and multifamily curriculums. Ongoing evaluation of resources will be conducted to evaluate and determine opportunities for best outcomes and cost effectiveness, prior to

procurement of services. DHCD has completed its competitive bid process and has contracted with a service provider to train, test, and provide technical assistance to the network.

Program Year 2022 Comprehensive Training plan seeks to train as follows:

<b>Training Plan</b>			
<b>JTAs</b>	<b>Currently certified and/or has met JTA requirements</b>	<b>JTA Training Planned for PY2022</b>	<b>Total</b>
Retrofit Installer (RI)	167	38	<b>205</b>
Crew Leader (CL)	34	19	<b>53</b>
Energy Auditor (EA)	52	14	<b>66</b>
Quality Control Inspector (QCI)	23	12	<b>35</b>
<b>Total</b>	<b>276</b>	<b>83</b>	<b>359</b>

<b>Percentage of Overall Trainings</b>	
Comprehensive Trainings	65
Specific Trainings	35

<b>Breakdown of T&amp;TA Training Budget</b>	
Percent of Budget allocated to Auditor/QCI Trainings	40
Percent of Budget allocated to Crew/Installer Trainings	50
Percent of Budget allocated to Management/Financial Trainings	10

The following designates standard position based training for specific program personnel:

DHCD Quality Assurance Inspectors must all be certified as HEP Energy Auditor and Quality Control Inspectors. Additionally, all must have at least OSHA 10 and Certified Renovator credentialed status.

Weatherization Network Training and Capacity

Task specific training requirements:

Installers shall have:

- Certification of completion of the BPI HEP Retrofit Installer Technician (RIT) or skills, knowledge and abilities as outlined in NREL Job Tasks Analysis for the RIT
- Certification of EPA Lead Repair Renovation and Painting (LRRP) training, and
- Occupational Safety and Health Administration issued 10-hour Construction Safety certification card.

Crew Leaders shall have:

- Certification of completion of the BPI HEP Crew Leader (CL) or skills, knowledge and abilities as outlined in NREL Job Tasks Analysis for the CL Certification of completion of the BPI HEP RIT or skills, knowledge and abilities as outlined in NREL Job Tasks Analysis for the RIT
- Certification of EPA Lead Repair Renovation and Painting (LRRP) training, and
- Occupational Safety and Health Administration issued 10-hour Construction Safety certification card.

Energy Auditors shall have:

- Certification of completion of the BPI HEP Energy Auditor (EA) This requirement applies to any energy auditor whose existing BPI Building Analyst or Envelope Specialist certification is expiring or has expired, and to new energy auditors who have not held any BPI certifications. The only exception to this requirement applies to energy auditors that currently have an active BPI Building Analyst or BPI Envelope Specialist certification, in which case those certifications are acceptable until they expire.
- Certification of EPA Lead Repair Renovation and Painting (LRRP) training, and
- Occupational Safety and Health Administration issued 10-hour Construction Safety certification card.

Quality Control Inspectors shall have:

- Certification of completion of the BPI HEP QCI
- Certification of EPA Lead Repair Renovation and Painting (LRRP) training, and
- Occupational Safety and Health Administration issued 10-hour Construction Safety certification card.

Regular Comprehensive Training will be provided every three years for the position based positions listed above. To maintain QCI certification, retesting on a 3 year cycle is required. The written exam can be skipped and only the field test retaken if the holder of the certificate has acquired sufficient Continuing Education Units (CEUs) according to BPI's policy. Current policy requires at least 30 qualifying CEUs to maintain certification without retaking the written exam. Certified professionals renewing certification for the third (3rd) consecutive basis (9 years) or anytime thereafter can bypass both the written and field exams. View BPI's QCI Certification Scheme Handbook for more details about maintaining certification.

#### Program Year 2022 Specific Training:

DHCD has initiated the process to competitively contract with a service provider to train, test, and provide technical assistance to the network.

#### Field TTA:

In addition to classroom training, DHCD spends a significant amount of time on Training and Technical Assistance in the field. Quality Assurance Inspectors meet regularly onsite with subgrantees to provide hands on training and support for weatherization measures installation and standards, and comprehensive energy audit advice. References such as the Maryland DHCD Field Guide, the Standard Weatherization Specifications, BPI protocols and the POM are all used in a working format.

Hancock Energy Software / HEAT:

Successfully using the Hancock/HEAT system is a key component to being a successful subgrantee within the program.

DHCD staff are available to troubleshoot process issues, and provide onsite trainings year round to ensure accurate and efficient use of Hancock. T&TA funds may be used for most any training activity which will clearly improve the quality of the subgrantee's Wx work. Such training would include, but not be limited to:

Program Admin/Training:

Training is important in all aspects of WAP, including the nontechnical and administrative functions. Some examples include:

- Program management and Weatherization program supervision
- Financial management including budgets, claims, Wx financial rules
- Client services including program application/eligibility policies & procedures
- Client energy education and delivery of Wx information
- Procedural training on program forms, including WAP (Hancock, HEAT) software

Weatherization Services Training: Training related to specific Wx functions is key to effective service delivery. Areas of expertise include training in:

- Energy Audit & Final Inspection: techniques, tools, testing used in all of the technical aspects of Wx; evaluation skills, building science; audit software/forms training.
- Wx Installation: tools, techniques, & materials used in installation of Wx measures; carpentry, spray foam techniques, ventilation; plumbing and electrical safety.
- Crew Supervision: technical training on every aspect of Wx; supervisory skills & human relations; specialized site safety training such as OSHA and lead safe work practices; proper use of protective equipment (PPEs) and MSDS.
- Mechanical Systems: tools, techniques, parts and materials used in various areas of the installation of Wx mechanical measures; worst case draft testing (CAZ), combustion appliances, plumbing and electrical; other specific mechanical work; state certification. Manufactured Home Training for Auditors, Inspectors and Installers: tools, techniques, and materials used in auditing, inspecting, and installations including special aspects to weatherizing manufactured homes.
- Comprehensive training on SWS aligned MD Field Guides: overall training on protocols and technical information needed for Wx work.
- H&S Training: Wx work must be conducted in such a way as to avoid current and future harm to the client and other residents, and Wx workers. H&S training is vital, including some of the following areas:
  - Indoor Air Quality: all training on the recognition and mitigation of IAQ issues, including mold, moisture, volatile compounds, and so forth.
  - Combustion Appliance Safety
  - OSHA: worker safety training for new subgrantee staff and contractor staff
  - Lead Safety: EPA lead safety regulations and EPA Certified Renovator course; Maryland regulations; Lead safe work practices
- Lead Safety Training Requirement: Unless there is existing evidence that a home has been certified lead free, or the work is below lead threshold limits, lead safe work practices in accordance with the SWS and EPA protocols must be applied to all pre-1978 target housing. The EPA LRRP rule requires that such work must be conducted under supervision of a Certified Renovator. (Note that EPA rules apply to all work, not just weatherization.)

#### TRAINING RESPONSIBILITIES:

A meaningful training curriculum works when all of the stakeholders participate fully in both the training, and in suggesting ways in which the curriculum may be designed and improved.

Subgrantee Responsibilities: The subgrantee is responsible for tracking compliance to training requirements for all individuals at the local level, and for reporting on training participation in the State monitoring process. Subgrantees should also provide information and suggestions regarding the training curriculum as local needs are identified.

**Training Plan and Budget:** Prior to the development of the State Plan, the State works with Subgrantees to determine training needs and plan for that Program Year's State sponsored training activities. Subgrantees may submit additional requests to the State for training activities not outlined in the State Plan. Subgrantees may also obtain training for their staff and/or contractors through their T&TA funding. Subgrantee sponsored training requires a training request and State approval.

**Training Compliance Monitoring:** It is the subgrantee's responsibility to maintain records confirming that all certification, licensing, and training are current. Subgrantees must maintain an inventory of all training attended by individuals working on the weatherization program, whether it is with the subgrantee itself or its contractors. Subgrantees must also track all contractors' licenses for all contractors working in areas that require licensing. The State will monitor the participation by subgrantees and subgrantee contractors to ensure compliance with certification, licensing, and training requirements. Wx measures installed by untrained personnel, whether employed by the Subgrantee or by its contractors, may result in questioned and/or disallowed costs for the entirety of Wx work completed on a unit.

**Retention Agreement:** Pursuant to DOE's Weatherization Program Notice 12-1, dated January 31, 2012, T&TA funds may also be used to train contractors at the subgrantee level participating in the Program. In making the determination to pay for contractors' training, subgrantees must secure a retention agreement in exchange for the training. The retention agreement shall require that contractors will work in the Program for a specific amount of time and must align with the cost of the T&TA provided.

**Contractor Responsibilities:** Given the continuous evolution of residential Wx practices, it is important for all individuals to maintain a strong knowledge of current best practices in the industry. Maryland's contractors agree in contractual assurances that their Wx employees will participate fully in training appropriate to their work, as required by the subgrantee and the State. Contractors are also required to maintain current and proper licenses, and certifications, as required by law for their particular work. Client education is one of the most important parts of the audit process because it has been proven to significantly increase the potential for energy savings in the homes that are weatherized.

## **V.9 Energy Crisis and Disaster Relief**

The purpose of Maryland's Department of Energy (DOE) disaster planning and relief is to provide emergency services to low income individuals and families affected by a disaster as determined by a Presidential or Gubernatorial order declaring either a Federal or State Emergency. DOE WAP has a very limited role in any disaster response. Funds are limited to eligible weatherization activities and the purchase and delivery of weatherization materials. To the extent that services are in support of eligible weatherization (or permissible re-weatherization) work for eligible households, such expenditure is allowable.

MD WAP will weatherize homes in accordance with program rules and regulations. Acceptable uses of DOE WAP funding during Disasters include:

- Replacement of prior weatherization materials in compliance with 10 C.F.R § 440.18(f) (2) (ii), which permits replacement if the materials are not paid for by the insurance.
- Incidental repairs to make the installation of weatherization materials effective in compliance with WPN 12-09 Incidental Repair Measure Guidance (debris removal is included in disaster replacement).
- Cost to eliminate health and safety hazards necessary to the installation of weatherization materials.
- Energy-related health and safety as identified in the MD Health and Safety Plan outlined in the Master File. Health and Safety expenditure could be increased by DHCD for crisis damaged units as applicable.

Additional guidance is provided in the DOE WPN 12-7 which can be found at <https://www.energy.gov/sites/default/files/2015/12/f27/WAP-WPN-12-7.pdf>