

New York State  
Weatherization Assistance Program  
Sustainable Energy Resources for Consumers  
Update to Program Year 2022 WAP State Plan

Draft State Plan for Program Year 2022 for the  
Sustainable Energy Resources for Consumers Grant

New York State Homes and Community Renewal  
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## **I. Introduction**

This State Plan (“Plan”) update serves as an addendum to the already in-place Plan for the Weatherization Assistance Program (WAP and the “Program”) for the Program Year (PY) which began on April 1, 2022. All aspects of that Plan remain in effect except those noted in this addendum.

On December 15, 2021, the Weatherization Assistance Program of the United States Department of Energy (DOE) issued “Weatherization Memorandum 084: Sustainable Energy Resources for Consumers (SERC) Grant Application” (revised February 2, 2022), announcing that DOE had \$12 million available for SERC grants based on the Fiscal Year 2020 and 2021 appropriations. The memorandum authorized local weatherization providers to expand the WAP for “materials, benefits, and renewable and domestic energy technologies not currently covered.” Project ideas, included, but were not limited to:

- Air Source Heat Pumps
- Solar photovoltaic panels
- Solar hot water heaters
- Solar thermal air panels (space heating)
- Distributed energy storage
- Heat pump water heaters
- Geothermal heat pumps
- Super-evaporative cooling systems
- Combination boilers and indirect water heaters
- Small-scale residential wind systems
- Cool roofs
- Masonry spray foam insulation

Further, to align with Executive Order 14008, which established the Justice40 Initiative with the goal of delivering 40% of the overall benefits of climate investments to disadvantaged communities, project plans were required to include an explanation on:

- The quality and manner in which the measures incorporate diversity, equity and inclusion goals in the project; and,
- Extent to which the project benefits underserved communities.

New York State WAP applied for a SERC award on the behalf of one of its WAP subgrantees: Cattaraugus Community Action, Inc. (CCA). CCA is a long-standing WAP subgrantee whose proscribed territory includes the whole of Cattaraugus, Allegheny, Wyoming, and Livingston Counties, plus the Seneca Nation of Indians Reservation.

## **II. Funding**

NY has recently been informed by DOE that its WAP Program Years will run from July 1 – June 30 from now on. Previously PYs ran from April 1 – March 31. PY 2022 began on April 1, 2022, but with the change its end date will be extended to June 30, 2023. There will be no additional WAP funding to cover the extension; the extension will however allow for additional production time. PY 2023 will begin July 1, 2023 and end June 30, 2024.

The SERC award from DOE has granted NY a total of \$537,500 for PY 2022, separate from regular WAP and other funds.

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

SERC is 100% funded by DOE.

### **II.2 Funding for PY 2022**

From the total of \$537,500 NY SERC award, \$500,000 will be allocated to CCA for the stated purposes of the grant. SERC awards follow WAP awards, which are structured as 3 annual budget periods. SERC funds must be used in PY 2022 which ends June 30, 2023, though unused funds can be rolled-over into the next PY if so warranted. The additional \$37,500 (7.5%) will be utilized by NY State for administration expenses.

SERC funds are not subject to WAP Average Cost per Unit expenditure limits.

## **III. Budget**

CCA's SERC budget is:

Materials	\$287,000 (\$97,000 agency materials, \$190,000 subcontracted materials)
Labor	\$165,998 (\$60,498 agency labor, \$105,500 subcontracted labor)
Program Support	\$9,502
Subgrantee Admin	\$37,500

## **IV. Program Implementation**

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

HCR will enter into a PY 2022 SERC contract with CCA. CCA will be the only WAP subgrantee receiving a SERC contract for PY 2022, as it was the only subgrantee to propose a project in accordance with the SERC Grant opportunity. HCR submitted a SERC proposal to DOE on CCA's behalf and DOE decided to award the SERC funds to NY and CCA as indicated. DOE requires compliance with the National Environmental Policy Act (NEPA) in

implementation of the SERC award, and may require additional information to be submitted for a NEPA review.

#### **IV.2 Dwelling Unit Production**

CCA has developed a SERC goal of 21 completed units in the counties and Native American reservations that it services for WAP. CCA will consider work on small homes, manufactured housing, and multifamily buildings in its SERC production, but expects to focus on single family homes.

#### **IV.3 Energy Savings**

WAP requires that weatherization work is determined based on an energy audit, where measure must meet a savings-to-investment-ratio (SIR) threshold to be allowed, along with some health and safety measures. SERC allows for WAP to cover WAP-allowable costs (i.e., those meeting the SIR requirement) while expanding beyond the SIR-related measures to utilize new technologies that are more expensive than those identified by the energy audit.

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

SERC funds will be leveraged with regular WAP funds in order to maximize the benefit to the residents. Other means of leverage as indicated in the WAP State Plan will also be encouraged.

#### **IV.5 Public Hearings on the State Plan**

Pursuant to 10 CFR Part 440.14 (1), HCR is following a public process to receive input on the proposed SERC State Plan update. The public hearing will be held on Tuesday, October 18<sup>th</sup>, 2022, from 10:30 AM to 12:30 PM at conference rooms at each of these 4 offices:

- Albany: Hampton Plaza Ballroom, 38-40 State Street, Albany
- New York City: 641 Lexington Avenue, 5<sup>th</sup> Floor, Manhattan
- Syracuse: Conference Room, 620 Erie Boulevard West, Suite 312, Syracuse
- Buffalo: Electric Tower, 535 Washington Street, Suite 105, Buffalo

This meeting will also be held as a WebEx video meeting hosted by the Weatherization Assistance Program. Please visit our website at <https://hcr.ny.gov/weatherization-providers> for the information needed in order to access this meeting.

Copies of the hearing notice are available on the website listed above and have been published in English and Spanish in the Albany Times Union.

Copies of the SERC State Plan update may be obtained directly by writing to: Homes and Community Renewal, Weatherization Assistance Program, 38-40 State Street, Albany, New York 12207. The Plan is available on the HCR web site at <https://hcr.ny.gov/weatherization-providers>. Comments on the SERC State Plan update will be accepted through October 25, 2022.

## IV.6 Miscellaneous

CCA's SERC proposal is intended to target eligible homes in IRS-designated Qualified Opportunity Zones (QOZ) and Native American Territories (NAT) in their 4-county service area for enhanced weatherization that will combine the full benefits of the WAP with new technologies whose environmental and climate benefits exceed traditional WAP materials. New technologies and materials may include air source heat pump domestic hot water tanks, electric hot water tanks, air source cold climate heating and cooling units, solar photovoltaic systems, and ground source geothermal heat pump systems.

SERC funds will be utilized towards a goal of addressing the economic needs of low-income and traditionally underserved communities by addressing their energy efficiency needs as it is related to the economic and health status of those residents served. CCA will use targeted outreach to QOZs and Native American Territories (though production may not necessarily be exclusive to those areas) with enhanced weatherization opportunities, as well as serving those residents with traditional WAP.

Targeting the residents of QOZs and NATs will promote the goals of the federal Justice 40 Initiative, with equity goals that go beyond the stated goals of WAP, including:

- Reducing the energy burden on eligible residents in economically distressed and traditionally underserved communities, with priorities given to the elderly, disabled, and families with children;
- Addressing the needs of high energy users by improving the weatherization of their homes and replacing aging systems with new efficient technology;
- Promoting clean energy that may not produce a savings-to-investment ratio (SIR) that would allow it to be utilized under the limitations of the WAP alone;
- Targeting designated low-income communities and traditionally underserved communities by utilizing SERC in QOZs and Native American Territories;
- Improving health outcomes of the community served by the installation of traditional WAP health and safety measures, such as smoke detectors, carbon monoxide detectors, and air-quality improvements, with the additional benefits of pollution reduction through the use of green technologies;
- Pursuing an overall societal benefit by replacing fossil fuel-using appliances in the homes served and reducing greenhouse gas emissions;
- Improving the economic conditions of the clients served by reducing their energy costs, allowing them to spend a smaller percentage of their income on energy, and improving the economic conditions of their communities with the building improvements installed.

Milestones:

The first task upon the issuance of the grant will be outreach to the targeted communities. This will entail contacting tribal organizations and homeowners in QOZs with information on the program. Once interest is established, CCA will begin accepting applications and confirming WAP eligibility. Once applications have been accepted, walk-throughs of proposed work sites

can take place. This will allow rough estimates to be made about the level of work required for each home and an approximate cost. CCA will use these estimates to determine how to best manage the contract to reach the goal of at least 21 units served.

Within two months of the start of the contract, a HCR inspector will discuss the status of the outreach, application, and contract management of the SERC project with CCA's Weatherization Director. Concerns will be raised and addressed, if any are found. The limitations of the targeted areas will be reviewed so that SERC funds are focused on these identified communities as proposed.

CCA will begin its SERC contract with an advance of as much as 15% of the award, as is consistent with the WAP. Advance funds will only be issued after the review by HCR fiscal staff of CCA's cash on hand and proposed use of the advance. (I.e., the amount to be spent on materials, labor, program support, and admin.) After the initial advance, CCA will submit monthly certified financial reports for reimbursement of costs consistent with WAP policy. WAP funds used for the SERC project will be paid in the same manner. HCR fiscal staff will review the appropriateness of each payment based on the submitted costs and an aged payables report required of the Subgrantee to make sure that subcontractors are being promptly paid.

Once applicants are accepted, energy audits of the homes can take place. The energy audits will be used to determine a WAP workscope for each home. In addition, the Energy Auditors and Weatherization Director will, in conjunction with subcontractors with expertise on the new technologies cited, determine the best use of SERC and WAP to fully address the homeowners' weatherization needs pursuant to energy savings and environmental benefits.

Procurement will take place once the techniques and required materials are determined. Procurement will follow HCR/DOE rules, including certification of non-collusive bidding, small purchase requirements, sealed bids, competitive proposals, and MWBE consideration of bidders, among other requirements. Procurement practices will be reviewed by HCR program and fiscal staff and new bids may be ordered if procedures aren't in accordance with program rules.

CCA proposes completing 21 units by June 30, 2023.

HCR monitoring of SERC projects will be consistent with its practices in monitoring WAP, and will include a minimum 10% final inspection and quality assurance of processes on materials that are not normally covered as part of WAP.

## **V. Program Management**

### **V.1 Eligibility**

As previously stated, WAP eligibility criteria will be used. Additionally, SERC will target QOZs and NATs to maximize those populations that have been traditionally underserved and are in low-income designated areas, though SERC funds do not necessarily have to be used exclusively in QOZs and NATs.

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

CCA serves a 4-county area that includes Cattaraugus, Allegheny, Wyoming, and Livingston Counties and contains 3 NATs.

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

CCA will target QOZs and NATs in their outreach and attempt to utilize SERC funds to the maximum extent possible in those areas, but the SERC funds do not necessarily have to be used in those areas exclusively. Consistent with WAP, additional priority will be given to homes with high energy burdens, and those that include children, elderly, and disabled residents.

## **V.4 Climatic Conditions**

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

HCR 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. Any materials used must meet the specifications listed in 10 CFR Part 440, Appendix A, or otherwise be approved by DOE for use in the Program. 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.

In addition, SERC will allow for enhanced weatherization that will combine the full benefits of the WAP with new technologies whose environmental and climate benefits exceed traditional WAP materials. New technologies and materials may include air source heat pump domestic hot water tanks, electric hot water tanks, air source cold climate heating and cooling units, solar photovoltaic systems, and ground source geothermal heat pump systems. Measures installed with SERC will not have to meet SIR requirements. Completed units will receive an average of \$22,000 SERC + \$8,009 WAP + Health and Safety and Leveraged funds.

## **V.6 Analysis of Effectiveness**

HCR will analyze the effectiveness of CCA's SERC program utilizing WAP's standards for evaluating a subgrantee's ability to deliver WAP, which include Quality Control Inspection requirements, Program and Fiscal Monitoring, and Vendor reviews. In addition, HCR will monitor CCA's ability to meet its milestones, production goals, and targets for SERC funds.

This monitoring will be accomplished in the following manner:

- examination of CCA's outreach to the targeted communities



- review of client data to verify appropriateness of selection
- detailed review of energy audits and worksopes
- monitoring procurement
- a final review of overall success in meeting the stated goals of the SERC proposal

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

Health and safety goals as benefits of WAP are covered in detail in the WAP State Plan. Additionally, the SERC award will provide community wide benefits, as areas targeted will produce fewer carbon emissions with the emphasis being lessened on fossil fuels and green technologies being installed.

## **V.8 Program Management**

Covered in the WAP State Plan.