

PENNSYLVANIA - DCED
DOE WAP State Plan 2010-2011

Introduction

The Energy Conservation in Existing Buildings Act of 1976, Title IV of the Energy Conservation and Production Act (referred to as “the Act”), authorized the Federal Energy Administration, now part of the Department of Energy (DOE), to establish a Weatherization Assistance Program to aid low-income households, with emphasis on those who are elderly or disabled, to decrease fuel consumption and related energy costs.

The program is intended to reduce national energy consumption and to reduce the impact of higher fuel costs on low-income families. Funds are provided to facilitate a number of energy conservation measures, including but not limited to, building shell air-sealing, hot water conservation measures, attic and foundation insulation, heating system modifications and electric base load measures.

DOE allocates weatherization assistance by a formula that considers relative need for weatherization assistance among the states. The formula takes into account the number of low-income households, the percentage of total residential energy used for space heating and cooling, and the number of heating and cooling degree days in each state.

The American Recovery and Reinvestment Act (ARRA) Pennsylvania State Plan of August 2009, provides a comprehensive plan for Pennsylvania to increase weatherization activity while improving overall energy reduction performance inspections. The following represent the primary strategies of ARRA that we will be incorporated into the regular DOE plan:

- Enhanced and increased oversight and monitoring (10% inspections by the state and 100% inspections by the subgrantees)
- Procurement (utilize COSTARS)
- Performance-based funding
- Diagnostic energy audits
- Training and certification for weatherization workers
- Prioritization of high-energy use households as eligible clients

Performance-Based Funding

In the Commonwealth of Pennsylvania, the Secretary of the Department of Community and Economic Development (hereinafter referred to as the Department), as the designee of the governor, applies for, receives and administers these funds. These funds have been distributed by the Department on a formula basis to non-profit subgrantees such as Community Action Agencies, local governments and redevelopment authorities. The Department will work with the DOE to begin a shift to performance-based funding.

Pennsylvania ARRA state plan strategies will inform and dictate the transformation of the regular DOE plan to a performance-based program. Fifty percent (50%) of the 2010-11 allocation of funds will begin with the distribution formula and, over the course of the 2010-11 plan year, will be allocated based upon specific performance quality metrics agreed to by the DOE and the Department. These metrics will be clearly stated to all interested parties and supported by signed contracts. Performance will begin with compliance and focus on the categories of quality, reporting and energy reduction.

The mission of the Weatherization Assistance Program of the Commonwealth of Pennsylvania is to minimize the adverse effects of high energy costs on low-income citizens. Such adverse effects include a diminished ability to maintain utility services, including oil and coal deliveries, and to keep residences at temperatures necessary for health and comfort. This mission has been expanded with the advent of ARRA funds to include:

- Coordinating comprehensive energy reduction efforts
- Developing a skilled energy conservation workforce
- Diminishing harmful emissions
- Reducing Pennsylvania's reliance on fossil fuels
- Improving the housing stock in the Commonwealth

Several strategies will be utilized to accomplish this mission including the continued development of a state-wide training infrastructure, a detailed data base and reporting system and an innovative approach to field monitoring and inspection. These innovations will result in higher quality weatherization services; including heating system modifications, energy education and other energy conservation services to low-income households.

Each federal fiscal year a state plan is required for continued participation in the weatherization program. This document constitutes the proposed Pennsylvania State Plan for the Weatherization Assistance Program for program year 2010-2011. As such, it establishes the number of homes to be weatherized within the limits of available resources; specific energy conservation measures to be undertaken; eligibility requirements, implementation strategies, and other DOE program requirements. The organization and content of the proposed plan are derived directly from DOE regulations as contained in the Federal Register, 10 CFR Part 440, Final Rule, published February 1, 2002, and subsequent DOE instructions. Guidelines issued to subgrantees within the annual weatherization work plan will outline the allowable costs for weatherization activities and services. A budget to allocate costs for these measures and the proposed production is attached.

Agency Funding

Fifty percent (50%) of the 2010-11 funds will be allocated to subgrantees by the following formula: Fifty percent (50%) of the funds based on each agency's service area percentage of low income population to the state total low income population at 200% of

the Federal Poverty Guidelines; thirty percent (30%) on the heating degree days to the state total; and twenty percent (20%) of the funds on the subgrantees' current funding level. The Department will hold fifty percent (50%) of the subgrantee funds to allocate based on performance quality metrics over the contract period.

In program year 2009-2010, income eligibility for the PA WAP was set at 200% of Federal Poverty Guidelines. In addition, the allowable average cost per dwelling unit was increased to \$6,500. These changes will be continued this program year.

For the 2010-2011 program year, Pennsylvania is eligible to receive a regular formula grant of \$11,519,998 of which \$9,497,871 is the program allocation and \$2,022,127 is training and technical assistance (T/TA). The program allocation is divided into an allocation of \$8,921,872 to subgrantees for administrative costs/program services and \$575,999 to the Department for state administrative costs. Of the T/TA funds, \$1,000,000 is allotted to the agencies and the balance remains with the state for the support of the Weatherization Training Center (WTC) at the Penn College of Technology in Williamsport to support the subgrantee and/or state agency training needs i.e. publications, Hancock Energy System (HES), etc.

Administration of any additional funds made available under the Low-Income Home Energy Assistance Program (LIHEAP) will be administered under DOE rules, unless specifically prohibited by the Department of Health and Human Services (DHHS) regulations or as authorized by DHHS through the Pennsylvania Department of Public Welfare for crisis interface activities. In the event additional DOE funding becomes available this program year, the Department will modify this plan in accordance with applicable DOE regulations and procedures. The Department understands that changes to the initial DOE funding allocations, approved subgrantees, or scope of services not provided in this plan may necessitate an additional public hearing and subsequent DOE approval.

Enhancements, Innovation

In an effort to further improve program effectiveness, significant changes are being instituted in cooperation with DOE and the network of participating agencies. Many of these changes reflect successful approaches, strategies and priorities implemented in the 2009-2010 ARRA program as outlined in Pennsylvania's ARRA plan.

Initiatives to be undertaken in the 2010-2011 program year will include the following:

- Elevated standards for quality installation techniques
- A robust monitoring approach emphasizing; quality, compliance, documentation, reporting and accountability
- Continuous improvement in the application of the priority measures for weatherization by using a diagnostic approach employing the latest technology and methodology to institute change

- Utilization of HES as the software platform to measure agency performance and to ensure that weatherization treatment measures meet best practices
- In 2007-2008, the Department incorporated procedures to identify high energy usage households and this factor was included in combination with each of the other priorities (i.e. elderly, disabled and households with children) as a weighting factor to determine the overall highest priority households. The Department made further refinements during the 2009-10 program to enhance these procedures by incorporating Pennsylvania Public Utility Commission supplied lists of utility high energy users in the DOE job prioritization.
- The Department will work with Oak Ridge National Laboratory (ORNL) to align the program with national evaluation standards and secure a budget estimate for a state-specific evaluation. The national evaluation results will be incorporated into the Department's ongoing program evaluations performed under contract with Penn State University.
- The Department contracted with Penn State University for the establishment of a program evaluation system for DOE and ARRA. Data will be collected from utilities to measure and evaluate energy savings at the subcontractor level and report on cost per household energy savings.
- The Department will evaluate consumer satisfaction through a survey of ARRA and WAP clients to detail subgrantee's performance, program flaws, and program areas needing improvement. This feedback will be provided to agencies, their subcontractors and the state to generate system improvement.

The Office of Energy Conservation and Weatherization, with the assistance of the Department's Information Technology Staff, will deploy and refine a data-base reporting system from the HES. The HES software system complies with DOE and LIHEAP requirements. Local agencies will access the system and enter real-time data. This management tool will allow agencies and Department staff to track information related to all weatherized units. It also incorporates the recently adopted "priority point system". The system is now fully operational and populated with statewide data. Statewide training has been provided to all appropriate agency staff. The Department will introduce system-wide enhancements and customization during this program year.

Monitoring, Training and Technical Assistance

The overall monitoring approach and a description of the monitoring instruments are maintained as "on-file information" at the Department.

The Department will continue to use the current "Monitoring Guidelines and Procedures" for this program year. This document is designed to provide standardized monitoring procedures and instruments, and will improve clarity of programmatic requirements for subgrantees, including on-site monitoring protocols. The document is critical to agencies and to the Department's monitoring and compliance efforts.

Twelve full-time staff located across the state will conduct on-site monitoring of weatherization subgrantees. The staff will be supervised by three managers located in

Harrisburg. Nine positions will be funded under the ARRA Weatherization Program and three positions will continue to be funded by DOE.

In accordance with DOE requirements, each of the 42 subgrantees will be monitored at least once during the 2010-2011 program year. Some agencies will be monitored two or more times. A minimum of 60 visits will be conducted during the 2010-2011 program year for monitoring, training and technical assistance to subgrantees and subcontractors.

Innovations in Training and Technical Assistance Activities

Training by the Department for subgrantee staff will be expanded and improved. Increased ARRA funding will result in an increased WAP workforce and an expansion of training opportunities for weatherization workers. The Department in partnership with the Department of Labor & Industry (L&I) has developed a statewide weatherization training program to generate skilled employment opportunities for residents from all regions of the Commonwealth.

To accomplish necessary training requirements, the Department and L&I have created six new geographically distributed training centers in addition to the existing training center at Penn College in Williamsport. This will ensure that all workers (current and future) will have easy access to training sites. Penn College has more than doubled its training capacity and has added staff to provide additional technical support to the State's weatherization training program. More than 700 current and future hires will be trained by state-certified instructors and will utilize a standardized state-certified curriculum.

The program will continue to require consistent training standards for all weatherization employees. Upon completion of training, workers will receive a state-issued certification of completion, indicating that the worker has acquired the appropriate level of knowledge and skill related to his or her work category (e.g. installer, crew chief, or auditor, etc.) Certification standards have also been established for workers currently providing weatherization services. As an alternative to successful completion of the training program, experienced weatherization workers have the option to demonstrate competence in mandatory skill areas via a test-out process.

In program year 2010-2011, the Department will utilize \$ 2,022,127 of DOE appropriated funds for training and technical assistance activities. Of this amount, up to \$1,000,000 is allocated to subgrantees for approved training and technical assistance activities established by the Department, with particular emphasis on increasing technical skills at the subgrantee level. Training to meet EPA lead-safe requirements, enhancing consumer education, and participation in state and national seminars, conferences and workshops are included in the 2010-2011 program.

The \$1,022,127 representing the state's portion of Training and Technical Assistance (T&TA) funds will be used as follows:

- 1) Operation of the State Weatherization Training Center at Penn College of Technology (WTC), Williamsport, Pennsylvania to provide in-field training to address the needs of subgrantees at the local level, based on needs identified through monitoring and T&TA activities.
- 2) WTC will administer training activities, centralized registration, oversight, quality assurance, dissemination of curricula, student record keeping, and reporting to the Department.
- 3) WTC will update the Weatherization Field Guide and provide training and technical assistance to meet training needs identified by the Department.

Additional Training & Technical Assistance funds will support additional services sponsored by the Department such as:

- Provide additional training resources for subgrantees focusing on subgrantee agency operations, requirements and compliance with DOE.
- Establish an intranet site with statewide weatherization program news, information, guidance, reports and directives
- Provide technical assistance to subgrantees related to HES and other operational issues

Leveraging Activities

Efforts to leverage federal funding will include obtaining non-federal resources to supplement the program and to expand services for weatherization-eligible clients. Leveraging activities in Pennsylvania will continue to be focused on intervening in Public Utility Commission rate cases; helping to incorporate new and advanced technology in the program; monitoring Universal Service and Energy Conservation Programs, participating in PUC activities and other statewide energy collaborations, and working with the Sustainable Energy Fund Board.

The Department will continue the leveraging of utility funds through the coordination of treatment costs with Electric Distribution Companies (EDCs). Subgrantees have contacted the EDCs in their service territory and have established procedures for the coordination of base load treatment costs. The central focus of the leveraging is base load treatment measures with a focus on appliance exchanges. The base load treatment measures completed by the sub grantees are individually invoiced and billed to the EDCs. This program year the leveraging will be enhanced through the establishment of direct contracts between the Department and the EDCs. These efforts will allow the leveraging of EDCs funds and unspent WAP base load funds to be used for the treatment of additional households.

In program year 2010-2011, the Department will review its leveraging approach to determine which activities have been most cost effective in leveraging non-federal resources and in expanding availability of services for weatherization-eligible clients.

Policy Advisory Council

In accordance with 10 CFR, Section 440.17, the Department has established a Weatherization and Energy Conservation Policy Council to advise the Department on issues related to the administration of the weatherization program. The annual state plan is reviewed by the Policy Council, and where feasible, its comments and recommendations are included prior to submission of the annual Plan to the Department of Energy. The Policy Council includes representatives of electric utilities, utility associations, subgrantees, energy advocacy groups, social service agencies and other governmental agencies. In 2011, two subcommittees will be used to review and make recommendations on training and technical issues.

The current Policy Council membership roster is included in the attachment section of this plan.

Public Hearing

A public hearing on this plan will be held at the Commonwealth Keystone Building, 400 North Street, Harrisburg, Pennsylvania, on May 24, 2010. Notice of the Hearing was filed with the Legislative Reference Bureau and was published in the Pennsylvania Bulletin on May 8, 2010. A copy of the Hearing Notice, Transcript, and any written comments will be submitted at a later date as an attachment to this plan.

DOE WAP State Plan Allocations 2010-2011

AGENCY	Initial 50% Allocation	Estimated Units
SOUTH CENTRAL <i>(Adams, Franklin & Cumberland)</i>	\$120,551.00	15
STEEL VALLEY <i>(Allegheny)</i>	\$121,543.00	16
ACTION HOUSING <i>(Allegheny, Washington & Greene)</i>	\$372,566.50	48
ARMSTRONG.	\$65,484.00	8
BEAVER.	\$85,824.50	11
BEDFORD / FULTON	\$64,988.50	8
BERKS.	\$112,613.00	15
BLAIR	\$84,832.00	11
TREHAB <i>(Bradford, Sullivan, Susquehanna, Tioga & Wyoming)</i>	\$106,164.00	14
BUCKS.	\$109,140.50	14
CAMBRIA.	\$100,211.00	13
NORTHERN - TIER <i>(Cameron, Elk, Potter & McKean)</i>	\$81,855.50	11
CARBON	\$57,051.00	7
CENTRAL PENNSYLVANNA <i>(Centre & Clearfield)</i>	\$115,093.50	15
CRAWFORD.	\$77,886.50	10
DAUPHIN COUNTY.	\$100,211.00	13
DELAWARE	\$129,480.50	17
GECAC <i>(Erie)</i>	\$81,359.00	11
ERIE County Wx.	\$80,367.00	10
FAYETTE.	\$98,722.50	13
HUNTINGDON	\$55,066.50	7
INDIANA	\$72,925.50	9
JEFFERSON / CLARION.	\$62,508.00	8
SEDA COG <i>(Juniata, Mifflin, Snyder, Union, Columbia, Montour & Perry)</i>	\$126,504.00	16
LACKAWANNA.	\$120,054.50	16
LANCASTER HDC. <i>(Lancaster, Lebanon, Chester)</i>	\$214,312.50	28
LAWRENCE	\$73,917.50	10
LEHIGH / NORTHAMPTON.	\$154,285.50	20
LUZERNE.	\$160,734.00	21
LYCOMING / CLINTON	\$91,281.00	12
MERCER / BUTLER	\$115,590.00	15
MONROE.	\$72,430.00	9
MONTGOMERY	\$124,023.50	16
NORTHUMBERLAND	\$73,917.50	10
PHDC <i>(Philadelphia)</i>	\$388,442.50	50
SCHUYLKILL.	\$82,847.50	11
TABLELAND <i>(Somerset)</i>	\$69,453.00	9
WARREN / FOREST / VENANGO	\$81,359.00	11
WAYNE / PIKE	\$76,894.50	10
WESTMORELAND.	\$132,953.00	17
YORK.	\$105,171.50	14
ECA <i>(Philadelphia)</i>	\$340,320.50	44
TOTAL	\$4,960,936.00	642

Weatherization Policy Advisory Council Members List

May 2010

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