

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

UNITED STATES DEPARTMENT OF ENERGY

PROGRAM YEAR 2013-2014 WEATHER ASSISTANCE PROGRAM

PUBLIC HEARING

Thursday, May 22, 2014

11:00 A.M.

Ms. Lyn M. Bartges, Weatherization Administrator of
The Weatherization Assistance Program for the
West Virginia Office of Economic Opportunity

Office of Economic Opportunity
Geary Plaza - 2nd Floor Conference Room
700 Washington Street, East
Charleston, West Virginia

GARRETT REPORTING SERVICE
POST OFFICE BOX 20200
CHARLESTON, WEST VIRGINIA 25362

(304) 346-0460

1 MS. BARTGES: Good morning and welcome to
2 the program year 2014 U.S. Department of Energy
3 Weatherization Assistance Program public hearing. A
4 sign-in sheet is being passed around and we ask you to
5 please sign in and note who you represent.

6 I'd like to call to order the public hearing
7 for the U.S. Department of Energy 2014 Weatherization
8 Assistance Program State Plan Application. My name is
9 Lyn Bartges and I am the Weatherization Manager of the
10 Weatherization Assistance Program for the West Virginia
11 Office of Economic Opportunity, and I will be conducting
12 this public hearing.

13 We are meeting this morning to hear comments
14 on the U.S. DOE State Plan application for the
15 Weatherization Assistance Program. A draft of the plan
16 has been available since May 12th on the Office of
17 Economic Opportunity website and by mail. There is a
18 limited amount of copies available here.

19 Title IV of the Energy Conservation
20 Production Act, as amended, authorizes the Department of
21 Energy, or DOE, to administer the Low-Income
22 Weatherization Assistance Program, or WAP. All grant
23 awards made under the WAP must comply with applicable
24 law, including regulations contained in 10 CFR Part 440
25 and other procedures applicable to these regulations as

1 DOE may prescribe for the administration of the program.

2 The Office of Economic Opportunity has
3 provided notice of this public hearing through
4 advertisement in eight newspapers throughout the state,
5 and by e-mail to each of the sub-grantee agencies. It
6 has been posted on the West Virginia Secretary of
7 State's website in compliance with House Bill 2717,
8 which states that a notice must be approved and listed
9 on the online meeting notice database for five business
10 days prior to the hearing. A court reporter has been
11 engaged to prepare a transcript of the public hearing.
12 Any written submission of views and any questions or
13 comments from any of the attendees at the hearing will
14 be recorded and made part of the record.

15 First, I would like to thank all of you for
16 attending.

17 During this presentation I will stop
18 periodically and ask for any questions and comments.
19 When making a comment or asking a question, please state
20 your name and who you are representing. At the end of
21 my presentation there will be additional opportunity for
22 questions and comments. A transcript of this meeting
23 will be prepared and sent to the U.S. Department of
24 Energy for their information, analysis and approval.

25 Are there any questions or comments on

1 anything that I've covered to this point?

2 Then I'll continue. The State Plan details
3 how we plan to deliver the annual 2014 Weatherization
4 Assistance Program in West Virginia this coming program
5 year, which begins July 1st, 2014 and ends June 30th,
6 2015. The plan is the application package to DOE
7 outlining production plans, our approach to a house
8 considered for weatherization, field techniques used,
9 training and technical assistance activities, monitoring
10 protocols, the health and safety plan, and the budget.
11 It provides the yardstick by which DOE will measure and
12 evaluate our performance in terms of production,
13 expenditures and special projects.

14 The format of the plan is based on the DOE
15 application package. Since many of the items included
16 in the State's grant application do not change from year
17 to year, the required application components are divided
18 into two files. The master file information contains
19 the application components that are generally unchanged
20 from the previous year, such as climatic conditions,
21 types of work to be done, client eligibility and service
22 area. The annual file contains all the application
23 components that change annually, such as the budget, the
24 production schedule, and the training and technical
25 assistance activities.

1 Are there any questions or comments?

2 I will now discuss the funding and budget
3 for the 2014 DOE Annual Grant as outlined in the State
4 Plan.

5 On January 17, 2014, the President signed
6 into law the 2014 Omnibus Bill for 2014. This Bill
7 appropriated \$174 million dollars to the Department of
8 Energy for the Weatherization Assistance Program. The
9 allocation for this year's grant from DOE for West
10 Virginia is \$2,516,949. This is divided into two
11 allocations: Program Operations in the amount of
12 \$2,063,898, and the Training and Technical Assistance,
13 or T&TA, allowance amount of \$453,051. The Program
14 Operations allocation is used for the administration of
15 the program and the delivery of weatherization services.

16 This year, DOE has increased the T&TA
17 Allowance to meet the demand for training at the state
18 and local sub-grantee level. In recent years, DOE has
19 mandated required certifications, such as OSHA 10 and
20 30, Lead Renovator, Client Educator, and for Program
21 Year 2015 Quality Control Inspector. With this
22 increased demand for training and certifications, T&TA
23 funds were increased to cover the expenses for training
24 to lessen the burden on the local sub-grantees.

25 DOE will use the funding formula outlined in

1 10 CFR 440.10 for the allocation of funds nationwide.
2 The formula is based on several factors such as the
3 number of low income households, Heating and Cooling
4 degree days, and the residential energy expenditures for
5 each state. West Virginia will use census data from the
6 most recent census, 2010, in a funding formula
7 consisting of the number of low income homes and the
8 land area of each county of a sub-grantee's service
9 area.

10 As stated in the Weatherization Program
11 Notice regulations, if major program changes are made
12 after the initial public hearing for the State Plan,
13 then an additional hearing may be required. Also, any
14 change in the distribution of funds not addressed in the
15 initial hearing will necessitate another public hearing.

16 For Program Year 2014, the statutory
17 10 percent of administrative funds will be divided
18 equally between the sub-grantees and OEO. The state
19 will retain 5 percent of the grant for their
20 administrative costs, and 5 percent will be made
21 available to program sub-grantees as per DOE guidance.

22 Again this year, OEO is providing some
23 relief to the sub-grantees by allowing for an audit line
24 item, allowing these charges to come off the top of the
25 grant, if the sub-grantee meets the threshold contained

1 in A-133, and 2 CFR 200 as of 12/26/14. The cost of
2 these audits was previously charged to the already
3 over-burdened administrative cost category and sometimes
4 resulted in financial audits of less than adequate
5 quality. These costs will be actual costs of the
6 weatherization portion of the audit.

7 The Program Year 2014 Grant is the second
8 year of the three-year grant cycle. Due to the
9 procurement thresholds and other factors OEO is
10 requesting to carry-over unspent training funds to be
11 utilized for the training and mandated certifications
12 for the network this program year.

13 Are there any questions or comments on what
14 I've covered to this point?

15 I will now discuss the network and
16 production. The service network will remain the same as
17 last year. Funds will be distributed to twelve
18 Community Action Agencies serving all fifty five
19 counties in West Virginia. Agency information and
20 funding amounts can be found in the Annual Plan section.
21 Based on these funding figures, it is projected that
22 approximately 226 dwelling units will be weatherized
23 with the use of DOE funds during Program Year 2014. The
24 West Virginia WAP will give priority to identifying and
25 providing weatherization assistance to elderly persons,

1 60 years of age or older, persons with disabilities, and
2 households with children 18 years of age or younger.
3 Priority can also be given to households with a high
4 energy burden defined by the West Virginia WAP as
5 20 percent or more of the household income is utilized
6 to pay for energy usage. Another factor considered when
7 prioritizing clients is the time spent on the wait list.
8 All priorities are weighted the same with regards to the
9 points they receive.

10 During this program year the West Virginia
11 WAP will also incorporate identification and targeting
12 of high energy users. For example, where energy usage
13 is above average as a result of household composition
14 and/or unusual needs for energy, OEO will work in
15 collaboration with West Virginia WAP utility partners
16 for identification.

17 OEO has developed a point system to rank
18 clients using the prioritization criteria in the data
19 management system that tracks all clients, dwellings and
20 weatherization work. In this way, DOE-mandated target
21 populations can be prioritized to receive services. OEO
22 may modify the prioritization system throughout the
23 program year within the parameters of the program. The
24 intent will be to conserve the maximum amount of energy
25 possible while serving the needs of each community. By

1 utilizing the data management point system, clients can
2 be served in a more efficient manner.

3 Any questions? I'll continue.

4 West Virginia WAP plans to continue to
5 actively pursue non-Federal resources to supplement the
6 program throughout the development of leveraging
7 projects and partnerships. The West Virginia WAP
8 expects at least a dollar return for every dollar
9 invested in leveraging project activity. Weatherization
10 leveraging activities in West Virginia WAP since 2002
11 have consistently and successfully produced a greater
12 number of dollars leveraged than expended every year on
13 leveraging activities.

14 OEO will have a staff member that will
15 continue to oversee leveraging activities. For Program
16 Year 2014-2015, OEO plans to utilize a part of the
17 annual Training and Technical Assistance DOE allocation
18 for leveraging activities.

19 It is anticipated that continued leveraging
20 activities will enable the West Virginia WAP to enhance
21 and expand comprehensive low-income weatherization
22 services and be viewed as a leader in energy
23 conservation technology and a viable partner in
24 conservation projects.

25 It is a goal of the West Virginia WAP to

1 continue to aggressively pursue all funding possible to
2 support and build upon the weatherization program in the
3 State of West Virginia. This pursuit may include but
4 not be limited to grants, foundation funds, and other
5 non-Federal partnerships.

6 The weatherization program will continue to
7 utilize Low-Income Home Energy Assistance Program, or
8 LIHEAP funds from the West Virginia Department of Health
9 and Human Resources, or DHHR, in the operation of the
10 program. OEO has plans to work with DHHR to identify
11 additional allowable measures and costs that could be
12 supported by LIHEAP funding outside of DOE regulations
13 and requirements. OEO plans to revise the current
14 LIHEAP agreement to provide more flexibility within the
15 program and the ability to address issues that may not
16 be able to be addressed with DOE funding due to certain
17 restrictions. Currently the most notable exceptions of
18 LIHEAP funding are the three supplemental components:
19 Electrical upgrade, Weatherization Related Home Repair,
20 and the Energy Crisis Intervention Program, or ECIP,
21 which historically have been approved measures of the
22 Grant Agreement OEO has with DHHR.

23 During Program Year 2013-2014, OEO also
24 pursued and was granted an amount of LIHEAP funds for a
25 Healthy Homes/Weatherization Plus Health Pilot Project.

1 There are three projects currently being undertaken by
2 West Virginia WAP sub-grantees differing in scope and
3 objectives. Depending on the success and outcomes of
4 these projects, OEO may pursue additional LIHEAP funds
5 for Healthy Homes/Weatherization Plus Health for Program
6 Year 2014-2015.

7 Through participation of rate-case energy
8 advocacy intervention activity at the Public Service
9 Commission of West Virginia, the West Virginia Community
10 Action Partnership continues to work and advocate for
11 utility weatherization leveraging partnership
12 initiatives.

13 Thanks to these efforts, OEO and the
14 weatherization program continue to partner with utility
15 companies in West Virginia to supplement and expand the
16 weatherization program. For the Program Year 2014, the
17 weatherization program will have several utility
18 programs running concurrently: Dominion Hope Gas will
19 continue to provide \$100,000 per year until the
20 company's next rate case. AEP, doing business as
21 Appalachian Power Company and Wheeling Power Company,
22 will provide \$500,000 for the program, with anticipated
23 additional funding for 2015, for the APCO Low Income
24 Weatherization Demand Side Management Program, which has
25 been extended through March 24, 2015. The utility

1 company, First Energy Corporation, doing business as Mon
2 Power Company and Potomac Edison Company, will continue
3 to have a commitment for an Energy Efficiency Program of
4 \$250,000 for Program Year 2014. Another program called
5 TrailCo, T-R-A-I-L-C-O, which stands for the
6 Trans-Allegheny Interstate Line Company, Electric
7 Efficiency Partnership, will continue in 2014, the fifth
8 year of an agreed upon five-year settlement of \$500,000
9 per year. The Low-Income Checkup Audit Program, or
10 L-I-C-U-A-P, LICUAP, has been approved for five years
11 for a total of \$2,785,919. 2014 will be the third year
12 of the program. All of these leveraged programs are
13 explained in more detail in the State Plan.

14 Any questions or comments on anything I've
15 covered so far?

16 The primary goal for the weatherization
17 program is to implement cost-effective weatherization
18 procedures to conserve energy and to assess and correct
19 related health and safety hazards for the well-being of
20 clients, their dwellings, and weatherization personnel.
21 With more advanced diagnostics and installation
22 techniques utilized in the West Virginia WAP, it is
23 increasingly necessary to take steps to ensure That
24 program measures do not cause or exacerbate health and
25 safety problems for workers or clients. Each home

1 weatherized will be individually assessed to determine
2 the existence of potential hazards to weatherization
3 personnel or clients. The weatherization program this
4 year will continue to incorporate the DOE Health and
5 Safety Plan into our program.

6 When conditions within the home are such
7 that the health and safety of the client, crew, or
8 subcontractor will be jeopardized prior to providing
9 assistance, weatherization must not proceed until such
10 problems are remedied. In some cases, mitigation of
11 problems may be beyond the scope of the weatherization
12 program. In these instances the client must be notified
13 in writing and referred to alternative resources for
14 resolution of the problem.

15 In those instances where the existing
16 conditions are perceived to pose a threat to the crew or
17 contractor's health and safety, the West Virginia WAP
18 allows for a deferral of weatherization work until the
19 identified condition is made acceptable.

20 The West Virginia WAP will budget Health and
21 Safety in a separate category and thereby exclude such
22 costs from the DOE average unit cost calculations for
23 this year, which is \$6,987, adjusted.

24 For the 2014-2015 Program Year, West
25 Virginia is requesting to utilize up to 15 percent of

1 the Program Operation funds for Health and Safety
2 expenditures. West Virginia WAP will use its data
3 management system to implement a limit on Health and
4 Safety costs charged to DOE on a per-job basis. Any
5 health and safety costs over 15 percent will be charged
6 to LIHEAP funding, upon approval from the West Virginia
7 DHHR, the LIHEAP grantee. This separate category will
8 also allow these costs, capped at an average of
9 15 percent, to be isolated from energy efficiency costs
10 in program evaluation.

11 Incidental Repair Measures, or IRM, will be
12 capped at \$500 on a per-job basis. Incidental Repair
13 Measures are those repairs necessary for the effective
14 performance or preservation of weatherization materials.
15 If IRMs exceed \$500 and cumulative Savings-to-Investment
16 Ratio is equal to or greater than 1, the sub-grantee may
17 request special approval from the Weatherization
18 Administrator. The West Virginia Weatherization
19 Assistance Program has developed a spreadsheet
20 identifying allowable measures to be installed under
21 health and safety and allowable measures to be installed
22 as incidental repairs.

23 Any questions on anything I've covered so
24 far?

25 I'll now continue with the Training and

1 Technical Assistance and Monitoring plan.

2 Training and Technical Assistance activities
3 are intended to maintain or increase the efficiency,
4 quality, and effectiveness of the weatherization program
5 at all levels. Activities are designed to maximize
6 energy savings, minimize production costs, and improve
7 program management and field quality of work, and/or
8 reduce the potential for waste, fraud, abuse and
9 mismanagement. The state assesses training needs
10 regularly as part of a constant process as the program
11 year progresses. This process and the related training
12 plan are flexible and OEO incorporates information from
13 the process into the training plan as needed. OEO
14 assesses the training needs of its sub-grantees through
15 monitoring, trend analysis, Biannual Training Needs
16 Assessment Surveys, communication with national experts
17 regarding new technologies and/or standards or
18 practices, the West Virginia DOE Project Officer, DOE
19 contracted representatives, the Office of Inspector
20 General, and guidance as provided by the U.S. Department
21 of Energy.

22 The West Virginia WAP has made an important
23 transition with regards to training provided to the
24 sub-grantee network over the last program year.
25 Trainings and certifications have and will continue to

1 be provided by Interstate Renewable Energy Council, or
2 I-R-E-C, IREC accredited and certified Weatherization
3 Training Centers within close proximity to West
4 Virginia.

5 The first major training priority will be to
6 ensure that all program personnel, grantee and
7 sub-grantee, performing inspections on completed
8 dwelling units are Home Energy Professional or HEP
9 Quality Control Inspector Certified, QCI.

10 The second major training priority is to
11 ensure that sub-grantee personnel that perform energy
12 audits are HEP Energy Auditor, EA, certified.
13 Sub-grantee personnel that participated in the
14 DOE/National Renewable Energy Laboratory, or NREL
15 Building Performance Institute Pilot Exam Program during
16 the Program Year 2012-2013 and have to retake the
17 written, field, or both exams are scheduled to have
18 completed those requirements resulting in certification
19 by June 30, 2014. HEP QCI and EA training and
20 certification for additional personnel, grantee and
21 sub-grantee, will be provided to ensure that the grantee
22 and sub-grantees have qualified personnel in those
23 positions as per DOE WPN 14-4. Training and
24 certification for HEP Certifications for Crew Leader and
25 Retrofit Installer Technician will be provided after

1 other training priorities have been accomplished and as
2 funding allows.

3 OEO places great emphasis on maintaining
4 workforce credentials for both grantee and sub-grantee
5 staff and build upon such credentials. Credentials,
6 certifications and certificates are all tracked for
7 grantee and sub-grantee staff in the database management
8 system. Credentials, certifications and certificates
9 are reviewed, and training, continuing education, and
10 re-testing is planned and performed as necessary to
11 ensure grantee and sub-grantee staffs maintain all
12 necessary credentials. This process will also ensure
13 all sub-grantee certified staff achieve the proper skill
14 levels to meet the core competencies recommended for
15 each position.

16 Are there any comments or questions on
17 anything covered so far?

18 Then I'll continue with monitoring.
19 Monitoring is one of the most significant and intricate
20 procedures undertaken by OEO. OEO must adhere to
21 multiple funding bodies' guidelines, as well as
22 construct and adhere to state-specific guidelines and
23 protocols structured in a way to facilitate successful
24 and functional program management throughout the State
25 of West Virginia. Monitoring is a systematic process of

1 gathering and evaluating information, as well the
2 physical visitation of sites, in order to support and
3 assess the sub-grantees and their programs in terms of
4 performance, capacity, and compliance. As a pass
5 through entity of federal dollars, OEO ensures that
6 grant funds are expended in accordance with applicable
7 law, including regulations contained in 10 CFR Part 440,
8 DOE Financial Assistance Rule 10 CFR Part 600,
9 Weatherization Program Notices or WPNS, and other
10 policies and procedures that DOE may issue.

11 OEO will conduct a monitoring of each
12 sub-grantee at least once a year, provide a written
13 report to the sub-grantee, and maintain both electronic
14 and physical files related to monitoring which are
15 accessible to DOE during its monitoring visits.

16 OEO will also conduct periodic off-site
17 desk-monitoring utilizing the database management system
18 used to track all weatherization work, at times coupled
19 with the statistical management tool and related
20 analytical spreadsheets used to track production,
21 expenditures, and other performance indicators. This
22 process will serve as a pre-monitoring activity as well
23 as routine review and oversight as needed. The
24 desk-monitoring activity is utilized to confirm that
25 measures are performed and tracked according to program

1 standards, and that diagnostic and health and safety
2 tests are performed and documented correctly. It is
3 also used to ensure all documentation for a client and
4 dwelling are maintained and completed properly and
5 accurately. This process allows for the identification
6 of trends that may convey a training need, or specific
7 jobs that may need to be monitored due to documentation
8 of measures.

9 The monitoring performed by OEO will be
10 broken down into three components which may be performed
11 at different times if necessary, and may have differing
12 frequency depending on quality of sub-grantee
13 performance in each focus area. The three focus areas
14 are: Programmatic and Management Monitoring, Field
15 Monitoring, and Fiscal Monitoring.

16 Our training and technical assistance plan,
17 projects, and monitoring procedures are explained in
18 greater detail in the State Plan.

19 Are there any comments or questions on
20 anything covered so far?

21 Then I'll continue. As noted in DOE WPN
22 10-12, DOE, in coordination with the Advisory Council on
23 Historic Preservation, ACHP, and the National Conference
24 of State Historic Preservation Officers, NCSHPO, has
25 developed a Prototype Programmatic Agreement to address

1 historic preservation requirements for the WAP. Our
2 program is evaluating all Section 106 reviews utilizing
3 guidelines set forth in a Letter of Understanding with
4 the West Virginia Division of Culture and History State
5 Historic Preservation Office, or SHPO. All measures
6 that fall outside the Weatherization Assistance Program
7 exempt from the Weatherization Section 106 review are
8 being approved by the West Virginia SHPO.

9 Our intention is to work very closely with
10 our State SHPO Office and to utilize the Prototype
11 Programmatic Agreement, PA, to overcome the challenges
12 before us, while still meeting all guidelines of the Act
13 as outlined by National Historic Preservation Act. We
14 have a two-year Letter of Understanding with West
15 Virginia SHPO through December 10th, 2014. By working
16 in conjunction with our State Historic Office, this will
17 not only build a strong partnership that will prove
18 advantageous to our respective organizations, but also
19 to the West Virginia families that we serve.

20 In the event of a declared Federal or State
21 disaster, DOE has allowed for expenditures under the
22 weatherization program. Weatherization crews may return
23 to a unit reported as a completion to DOE that has been
24 damaged by fire, or act of God to be re-weatherized,
25 without regard to date of weatherization. Local

1 authorities must deem the dwelling units salvageable as
2 well as habitable, and if the damage to the materials is
3 not covered by insurance or other form of compensation.

4 Another aspect of the weatherization program
5 is Renewable Energy Systems. Assistance under the WAP
6 may be provided for renewable energy systems. 10 CFR
7 Part 440.18, Allowable Expenditures, incorporates the
8 renewable energy system provisions and specifies a
9 ceiling of \$3,000 per dwelling for labor, weatherization
10 materials, and related matters, subject to annual
11 adjustments. Because the total average cost per unit
12 exceeds the renewable measures allowance, the major
13 effects of the regulation are to provide criteria and a
14 procedure for integrating renewables into the WAP, and
15 to establish a process for evaluating petitions to use
16 new or innovative renewable energy systems in the WAP.

17 Any renewable energy system measures
18 implemented by a sub-grantee must have OEO written
19 approval prior to work being performed.

20 I have now concluded my formal presentation.
21 Are there any questions or comments on either the last
22 part of my presentation or any other part of the
23 presentation as well?

24 Before concluding I'd like to thank our
25 director, Julie Alston; our deputy director, Mary Pat

1 Peck; the weatherization staff, especially Kevin Wynn
2 and Russell Tarry, for their work, long hours and input
3 in the development of this plan. I'd also like to thank
4 everyone for attending.

5 If there are no more comments, the hearing
6 is adjourned.

7 Whereupon no further proceedings were had.

8 --o0o--

9 STATE OF WEST VIRGINIA,
10 COUNTY OF KANAWHA, to-wit:

11 I, Judith A. Greene, Registered Professional
12 Reporter, do hereby certify that the foregoing is a true
13 and correct transcript of the public hearing had in the
14 matter of the Department of Energy Annual State Plan
15 Application for the Plan Year 2014-2015 on May 22, 2014,
16 as reported by me in stenographic notes.

17 Given under my hand this 22nd day of May, 2014.

18

19

20

21

22

23

24

25



Registered Professional Reporter