



STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES  
AND ENVIRONMENTAL CONTROL


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SECRETARY

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**MEMORANDUM**

TO: Ann S. Visalli, Director  
Office of Management and Budget  
  
Michael L. Morton, Controller General

FROM: David S. Small, Secretary   
Department of Natural Resources and Environmental Control

DATE: April 7, 2016

SUBJECT: Annual Report on the Weatherization Assistance Program

Attached please find DNREC's annual report on the Weatherization Assistance Program as of April 2016 and in accordance with the Fiscal 2016 Budget Bill HB200 Section 231.

Ms. Cheryl Gmuer and staff of Energy & Climate continue to make significant progress and Delaware's Weatherization Assistance Program is currently in full compliance with federal standards.

Please contact us with any questions or concerns.

Attachment

Cc: Kara S. Coats, Deputy Secretary  
Robert J. Zimmerman, Chief Operating Officer  
Philip J. Cherry, Energy & Climate  
Cheryl Gmuer, Energy & Climate

*Delaware's Good Nature depends on you!*

**Annual Report – Program Year 2015**  
**Weatherization Assistance Program**  
**Department of Natural Resources and Environmental Control (DNREC)**  
**Division of Energy and Climate (DEC)**  
**April 15, 2016**

**Introduction**

The annual operating budget passed by the General Assembly requires the Department of Natural Resources and Environmental Control (DNREC) to report to the Controller General and the Budget Director annually by April 15 on the status of the state’s Weatherization Assistance Program. This report complies with that requirement.

The Weatherization Assistance Program (WAP), overseen by the U.S. Department of Energy (DOE), reduces the energy costs for low-income households by increasing the energy efficiency of their homes. In addition, the program makes people’s homes healthier, safer, and more comfortable. The DOE estimates that the average household saves \$437 per year on their energy costs after receiving weatherization services. WAP provides an opportunity to significantly reduce the fuel assistance needed by low-income households, who spend over 14% of their total annual income on energy costs alone. Weatherization is a highly cost-effective investment; for every \$1 invested in the program, WAP returns an estimated \$2.5 to the household and society.<sup>1</sup>

The WAP has been under the jurisdiction of DNREC since early 2011, and is now implemented from within the DNREC Division of Energy and Climate (DEC). Since moving to DNREC, we have re-built the program from the ground up – focusing on providing quality services to low income Delawareans across the State. The DOE WAP requires states to contract with local agencies, otherwise referred to as “Subgrantees” or “local agency providers”, to deliver weatherization services to eligible residents. For the Program Year 2015 (April 1, 2015 thru March 31, 2016), the one Subgrantee serving all of Delaware was Catholic Charities, Inc.

**Synopsis of the Year’s Activities**

The following bullets show a synopsis of the entire Program Year 2015. DNREC continues to comply with the federal standards which change yearly to improve the quality of weatherization workmanship and quality assurance in program management at the local level. In program year 2014, the new Subgrantee, Catholic Charities, completed their first full year in the Delaware Program. There was much training and learning that was accomplished in 2014 making way for Program successes in 2015.

Highlights of the Program Year 2015 are as follows:

- In April 2015, DNREC DEC continued their contractual relationship with Catholic Charities as the sole Subgrantee for the Delaware WAP.
- In late April 2015, DNREC DEC hired a new WAP Program Manager, Cheryl Gmuer, in the Program.
- WAP began revising the WAP Manual which contains all of the policies and procedures for the Delaware implementation of the Program.

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<sup>1</sup> For more information, see DOE’s website: <http://www.waptac.org/WAP-Basics.aspx>

- In August, the new Program Manager and WAP Management Analyst attended training and became certified Building Analysts. Three staff at Catholic Charities (Program Manager, Billing Coordinator, and a new auditor) also completed the Building Analyst certification.
- WAP developed a Training Database to track all workers in the Program and maintain a repository of all the required certifications that each person holds. In addition, WAP utilizes software that accesses a weatherization worker's badge and provides instant information about the person's credentials via QR code reading. The database is automated to notify DNREC of any expiring credentials.
- Hancock Software Inc. provides the software that houses all of the client data for weatherization clients; yet Delaware has not benefitted from complete software implementation which includes incorporating all of the home energy audits and invoicing into the database. In 2015, the Program priority was to obtain the training and experience to move toward complete implementation of the Hancock software to house all of the weatherization data. Complete implementation is slated for June 1, 2016.
- Early in PY 2015, the WAP established regular meetings with the Subgrantee to improve communication and guidance; currently a monthly timeframe.
- In July 2015, the WAP provided updated training for OSHA 10 Construction Safety, Lead-Safe Weatherization, and the Delaware Renovation/Repair/Painting certification to 32 persons.
- New weatherization contractors were brought into the Program by the Subgrantee to better support reaching the goal of 400 completed homes.
- In August 2015, the Department of Occupational Safety and Health Administration implemented a rule requiring weatherization workers to comply with a revised Confined Space Ruling, effective date of January 8, 2016. WAP developed a Confined Space Program and are currently implementing the program.
- In October WAP conducted a formal monitoring of the Subgrantee that entailed office and field monitoring. There were several program functions that the Subgrantee needed to address that came to light through the monitoring. DNREC and Catholic Charities are currently working through these issues.
- In early November, WAP hosted a DOE monitoring visit. The final DOE findings report was received by WAP in early February 2016. The formal WAP response will be sent to DOE in early April 2016 as a Corrective Action Plan. There were no serious deficiencies found; however, several areas of improvement were noted.
- In November 2015, WAP re-initiated the Utility Project. This effort is a resurrection of a project under the same name that had been started in 2012. The Utility Project will collect pertinent data and calculate energy savings as a result of weatherization services installed. Data requirements span multiple years in order to compare pre-weatherization to post weatherization values. A complete 4-year cycle of data is being gathered and preliminary results are expected in June 2016. The goal is to develop methods to accurately estimate energy savings based on actual results.
- In January 2016, the WAP began the transition of all home energy audits into the main Hancock database. That initial training was followed up by a two-day hands-on training in March 2016. A deadline for all home energy audits being in the Hancock database is June 1, 2016.
- In March the WAP was tasked with creating a short video that is comprised of weatherization clients and their feedback on the services that were provided to them. The clients were interviewed on camera by the DNREC Public Affairs Office and the same office will be editing the video for the final product. The video will assist in publicizing the WAP and the good work that we are doing and the benefits to our clients.
- In PY 2015 the State Monitor established quarterly meetings with all of the Delaware WAP home energy auditors. This regular meeting has proven successful in two ways (1) communication and consistency among the auditing group and (2) a vehicle to provide regular training to the auditors.

## Total Expenditures & Itemized List of Funding Sources

Weatherization has traditionally been a federally funded program and has existed since the early 1980's. In Delaware, annual federal funding for the WAP Base Grant program has varied with congressional appropriations over the course of the last 5 years at between \$500,000 and \$1,000,000 per year, not considering the WAP ARRA appropriation of \$13.7M which has been closed out since 2013.

A summary of funding and expenditures is as follows:

- For Program Year 2015, WAP was appropriated \$517,552 of new **DOE funds**. WAP expended \$304,517 (a combination of PY14 funds and PY15) and weatherized 113 Delaware homes. Of the new appropriation \$517,552, the allocated amount for training and technical assistance was \$126,015.
- For 2016, federal appropriations for WAP were released in January 2016. Delaware's allocation for this year is slightly higher than last year at \$572,294. These funds have been applied for and should be available for use by June 2016.
- DNREC receives funds yearly from the Delaware Department of Health and Social Services (DHSS) **LIHEAP** (Low Income Home Energy Assistance Program) appropriation. Under an agreement DNREC has with DHSS, the WAP receives 10% of LIHEAP funds on an annual basis. Use of LIHEAP funds for WAP activities is expressly permitted by federal statute and encouraged by DOE, up to a total of 15% of federal LIHEAP appropriations. For Program Year 2015, (due to the overlap in federal fiscal year and WAP program year) the WAP utilized \$23,326 LIHEAP funds of the \$350,000 that were just received in late March 2016 and must be utilized prior to July 30, 2016. The small amount of LIHEAP funds used went toward weatherizing 5 homes in PY 2015.
- Also contained in the DNREC/DHSS MOU, the agencies have agreed to dedicate 50% of "**Utility funds**" (authorized under 26 Del Code §1014) to the WAP; expected to be approximately \$360,000 per year. DNREC utilized \$256,340 of Utility funds for weatherizing 57 homes within Delmarva Power's service territory during the last program year.
- 10% of the revenues from the **Regional Greenhouse Gas Initiative** (RGGI) are also directed to the WAP under 7 Del Code §6054. The generation of these funds is subject to market forces associated with the sale of CO2 allowances, but may be a significant source of funds for the program moving forward. In program year 2015, DNREC expended \$282,539 of these funds weatherizing 53 homes and these funds greatly supported the administrative functions of the Program when federal funds were exhausted.
- DNREC also receives \$100,000 of **General Funds** for the Weatherization Assistance Program. For FY 15, funds have been dedicated to administrative costs for support of our WAP On-Line database and other administrative costs for the program.

## Planned & Proposed Activities PY 2016

- For the WAP program year commencing on April 1, 2016, we will use a combination of federal WAP Base Grant funds, RGGI WAP funds, Utility funds and LIHEAP funds to weatherize approximately 360 homes in Delaware. Our 2016 General Funds will be dedicated to continued administrative costs of the program.
- The Weatherization program is continuing with the two collaborative efforts begun in 2015, as follows:
  1. A partnership with the State Division of Public Health was started in late 2014 to provide weatherization services to clients of a new DPH/HUD effort to address lead paint issues in homes of low income Delawareans. Through our cooperative program, DPH will be doing advance lead paint remediation work prior to clients receiving weatherization services under the WAP. Currently, there is one client scheduled for a home energy audit in March 2016 and four possible clients that have applied for weatherization.
  2. We are working with the Sustainable Energy Utility (SEU) to allow the SEU to do home repair work in advance of weatherization work. So many of the homes WAP visits are "deferred" due to leaking roofs or other structural issues we cannot address with weatherization funds. Through this new agreement with the SEU, they will make the needed repairs and make the

home weatherization-ready. This program was launched in the fall of 2015 and looks to the 2<sup>nd</sup> quarter of 2016 to begin working on the deferred clients' homes.

In planning for the next Program Year, the following are the anticipated activities:

- Training – late April 2016 will be a week-long weatherization techniques for mobile homes with 35 weatherization contractors attending.  
**Confined Space Awareness** training in late April as part of the mobile home training.  
**Crawlspace Training** in June 2016 will be a one-day training for all weatherization Workers and staff.  
**Crew Leader Training** in August 2016 for 6 persons that manage and lead the weatherization teams in Delaware.  
**Single-family Home** weatherization training proposed for the fall 2016.
- Administrative – Complete the implementation of **Hancock software** by having all weatherization data from intake to contractor invoicing in the Hancock database by June 2016.  
Complete the implementation of the **Confined Space Program** by June 2016.  
Provide preliminary numbers for the **Utility Project** by June 2016 and refined calculations by December 2016.  
Increase the homes weatherized through the **Delaware DPH/HUD** partnership.  
Foresee weatherizing 50 homes that are rehabilitated into weatherization-ready homes by the SEU that would have normally been deferred.
- Funding – Fully expend the \$578,694 **DOE Base Grant** by March 31, 2017 on completed weatherized homes. March 31, 2017 is the end of the 4-year grant cycle.  
Fully expend the \$350,000 **LIHEAP** funds by July 30, 2016.  
Expend \$1,000,000 of **RGGI WAP** funds for completed weatherized homes.  
Utilize 1,000,000 of **RGGI WAP** funds to support all other Program needs.  
Use the **General Funds** toward WAP administration.  
Utilize \$200,000 of **Utility** funds for completed Delmarva Power weatherized homes.

### **Estimated Energy Savings**

In the interim while developing better techniques for calculating energy savings, WAP uses a DOE estimation for energy savings. The total number of completed homes is multiplied by 29.3MBtus. The estimated savings for PY 2015 are for 228 completed homes multiplied by 29.3MBtus which is 6680 MBtus.

### **Reporting metrics required by DOE**

- The number of Delaware citizens served by the Delaware WAP for PY 2015 is: 76 elderly, 152 children, 78 disabled, 2 Native Americans, plus the other home occupants totaling 496 citizens.
- The DOE requirement to have all final inspectors certified with a Quality Control Inspector certification is still being met in Delaware. Delaware has three certified individuals, two auditors employed with the Subgrantee and the State Monitor employed by DNREC.
- State and local quality monitors have been on-site during various aspects of weatherization work, prior to a final inspection, on over 50% of all homes weatherized to date. DOE requires only 10% of homes to be monitored after the final inspection and those monitorings are conducted by the State Monitor. In PY 2015, the State Monitor conducted 10 formal monitorings. The State Monitor conducts regular, unannounced in-progress inspections during installation work throughout the year.
- The WAP Program is creating jobs - over 40 individuals were employed in the program through the last program year, including contractors, office workers, and staff at the Subgrantee providing services.
- Contractors working in the program were selected based on the highly specialized weatherization skills required. The contractors continue to receive extensive and specialized training in all aspects of weatherization work, including DOE required safety training. Training is well funded by DOE and there is a 2016 training plan established to ensure that the WAP meets the Program expectations.

- All clients are certified eligible for services under DOE rules and required documentation is included in both paper and electronic files at the Subgrantee.
- All completed homes receive a detailed final inspection by a Quality Control Inspector. Any incorrect or incomplete work is resolved before final billing.