Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 11-14
EFFECTIVE DATE: September 19, 2011

SUBJECT: UPDATED SUBGRANTEE SELECTION GUIDANCE. THIS DOCUMENT SUPERCEDES WPN 96-4 ISSUED JANUARY 26, 1996

PURPOSE: To issue updated guidance for Grantees and Subgrantees of the Department of Energy (DOE) Weatherization Assistance Program (WAP) regarding Subgrantee selection issues. This guidance includes a discussion of issues related to programs impacted by the American Recovery and Reinvestment Act of 2009 (Recovery Act).

SCOPE: The provisions of this guidance apply to Grantees or other entities named in the Notification of Grant Award as the recipient of financial assistance under the DOE WAP.

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act, as amended, authorizes DOE to administer the WAP. All grant awards made under this Program shall comply with applicable law including regulations contained in 10 CFR Part 440, the Energy Policy Act of 2005, the Energy Independence and Security Act of 2007, the American Recovery and Reinvestment Act of 2009, and 10 CFR Part 600, the DOE Financial Assistance Rule.

BACKGROUND: Since the inception of the Program, procedures for annual selection, replacement, or termination of community action agencies (CAA's) or other public or non-profit organizations (known collectively as "Subgrantees"), are set forth in the WAP regulations at 10 CFR 440.14 and 440.15. With Recovery Act funding nearly expended by many Grantees and the potential for lower annual appropriations for the WAP, the number and type of Subgrantees needed by a Grantee may change. In developing annual plans both this year and in future years, Grantees must ensure that the proper procedure is followed as outlined in this notice.

GUIDANCE: All Grantees planning to reduce the number and/or composition of Subgrantees as a part of downsizing the Grantees' programs are required to comply with the requirements of 10 CFR 440.14 (State Plans) and 10 CFR 440.15 (Subgrantees). Grantees are reminded that 440.15(a)(3) states that, "preference is given to any CAA or other public or nonprofit entity which has, or is currently administering an effective weatherization program." Subgrantees that are CAA's or other public or non-profit entity are reminded that "preference" as stated in the regulations does not constitute a "guarantee" they will be selected in any future year by a Grantee.

When not selecting a current Subgrantee under a future award a Grantee must provide a detailed analysis as part of its public hearing on the State Plan and provide all affected Subgrantees with an opportunity to be heard during the hearing. This analysis must specifically address 10 CFR 440.14(b)(6)(i) and (ii) which states a proposed State plan must include "(i) [a]n analysis of the existence and effectiveness of any weatherization project being carried out by a Subgrantee; and (ii) [a]n explanation of the method used to select each area served by a weatherization project." Also, to the extent a Grantee terminates financial assistance under a subgrant agreement for a grant period it must follow 10 CFR 440.15(e) which requires States to follow established State procedures that provide notice of the State's reasons for termination and afford the Subgrantee an adequate opportunity to be heard and/or terms in the agreement between the Grantee and Subgrantee.

DOE will perform appropriate oversight and review role in assessing whether or not Grantees have followed the applicable regulations and procedures addressed above when eliminating a Subgrantee or downsizing the Grantee's WAP network.

CONCLUSION: The Weatherization network has achieved a high level of performance in delivering on the goals of the Recovery Act. WAP is the 8th largest creator of jobs in the Recovery Act portfolio. More than 603,000 low-income homes are projected to be weatherized by the end of the March 2012. This network can be proud of these two achievements. DOE will continue to work closely with Grantees as they begin the process of ramping down their operations in response to reduced future funding. If there are additional questions or concerns, Grantees should contact their DOE Project Officer.

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