

## Winds of Change Blow for WAP

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Change is in the forecast for Community Action Agencies (CAAs) that participate in the Weatherization Assistance Program (WAP). The [Consolidated Appropriations Act, 2021](#) (the “Act”), signed into law on December 27, 2020, included the Energy Act of 2020, which reauthorized WAP through FY2025. The reauthorization included funding for the program at \$330 million for FY2021, and \$350 million for each fiscal year from FY2022 through FY2025. In addition, it included multiple changes that will impact elements of program administration and eligibility moving forward.

In January 2021, the Department of Energy (DOE) addressed two of the key programmatic changes from the Act in [WAP Memorandum 075](#). First, as part of the reauthorization, the cap on administrative expenses, previously 10 percent of the award, was increased to 15 percent. The share that may be claimed by the grantee, usually the state weatherization office, may not exceed 7.5 percent, while a subgrantee’s share must be at least 7.5 percent of that total. CAAs that are WAP subgrantees should expect and plan for these additional administrative funds for program use.

Second, the Act included a significant change related to re-eligibility for weatherization services of homes that have previously been weatherized under WAP or other federal programs. Prior statutory language that contained a specific date range for determining re-eligibility was replaced with new language that allows homes previously weatherized under WAP or “other federal programs” to be “reweatherized” after 15 years. In [WAP Memorandum 075](#), the DOE clarified that “other federal programs” includes all Federal funds such as LIHEAP, HUD, or USDA used for weatherization activities. As a result, homes that were weatherized under WAP or these federal programs are eligible for WAP services again after 15 years. DOE further directed grantees to include in 2021 Application Instructions the process it will require subgrantees to use for tracking homes that are weatherized under all federal programs.

The Act also included three other notable changes that were not specifically addressed by DOE in WAP Memorandum 075. The Act expanded the statutory definition of “weatherization materials” to include “renewable energy technologies and other advanced technologies” (see 42 U.S.C. § 6862(9)(J)). This addition offers service providers a new, greener category of materials to consider for use in weatherization efforts. The Act also established that DOE may now consider improvements in health and safety of occupants of dwellings as well as other non-energy benefits when developing program standards, assessing cost effectiveness, and issuing regulations (42 U.S.C. § 6863(b)(4)). The Act added a new statutory section that enables DOE and state WAP agencies to direct an entity to periodically review its use of contractors and, as appropriate, encourage expanded use of them. Funding may also be used to help train

contractors in providing weatherization services in accordance with rules issued by DOE (42 U.S.C. § 6864c).

Lastly, the Act added another statutory section that details a handful of new purposes for which weatherization funds may be used to enhance the WAP program and encourage innovation. Either 2, 4 or 6 percent of the total appropriations for any given year, up to \$25 million, may be used for these purposes. The statute establishes thresholds used to determine the applicable percentage for each appropriation (42 U.S.C. § 6864d). Purposes include increasing weatherization assistance to low-income individuals and families by making homes more weatherization-ready through various efforts, such as structural and electrical work, and installing energy efficient technologies as well as smart devices in homes. The new section also promotes renewable energy, the dissemination of new methods and practices among entities providing weatherization assistance, and the hiring and retention of individuals from the communities served as well as from communities or groups that are underrepresented in the home energy performance workforce, including religious and ethnic minorities, women, veterans, individuals with disabilities, and individuals who are socioeconomically disadvantaged.

CAAs that provide WAP services should account for these updates as they plan for future program delivery and make any necessary changes to comply with the new statutory changes and guidance.

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