



April 1, 2018

J. Janelle George
Acting Director for the Office of Community Services
U.S. Department of Health & Human Services
Administration for Children & Families
330 C Street, S.W.
Washington, D.C. 20201

Re: Request for increase in weatherization funding.

Dear Ms. George,

The State of Ohio, Ohio Development Services Agency (ODSA) is requesting the United States Department of Health and Human Services (HHS) waive the maximum percentage limit placed on funds used for weatherization from the Low-Income Home Energy Assistance Program (LIHEAP). Authority to request a waiver appears in Title 45 of the Code of Federal Regulations as amended, The ODSA's waiver request for an increase in the maximum amount of LIHEAP funds to be used for weatherization and other energy-related home repair is detailed below.

45 CFR 96.83(c)(1): Percent of Allocation Transferred to Weatherization

ODSA is requesting a waiver to transfer a total of 20 percent of available LIHEAP funds to be used for weatherization and energy-related home repair for low-income Ohioans. The approval of this waiver request will increase available weatherization funding by approximately \$6.6 million and increase the current transfer from 15 percent to 20 percent.

Comparison of benefit dollars used and households served

45 CFR 96.83(c)(2)(i):

Ohio meets the criteria established in 45 CFR 96.83(C)(2)(i). In fiscal year 2018 the combined total (aggregate) number of households in Ohio's service territory that receive LIHEAP heating, cooling and crisis assistance benefits will not be fewer than the combined total (aggregate) number of households that received such benefits in the previous fiscal year due to the increased transfer of LIHEAP funds. Enrollment has decreased from year to year, but that is a result of fewer applicants and would not be due to the increased transfer of LIHEAP funds. Please see enrollment figures for FY2015-2016, 2016-2017 and estimated enrollment figures for FY2017-2018 below.

45 CFR 96.83(c)(2)(ii):

Ohio does not meet the criteria established in 45 CFR 96.83(c)(2)(ii) and as such will provide additional information to submit a *Good Cause Waiver*. The ODSA anticipates the average benefit amount received by eligible LIHEAP customers will decrease by approximately forty dollars during the Program Year 2017-2018 as compared to the previous program year.

45 CFR 96.83(c)(2)(iii)

Ohio meets the criteria established in 45 CFR 96.83(C)(2)(iii). The U.S. Department of Energy (DOE), Energy Efficiency & Renewable Energy completed a national program evaluation led by Oak Ridge National Laboratory and found the average annual energy cost savings for a single-

family home was \$283. Ohio is in the process of completing an updated evaluation of the effectiveness and cost savings of the WAP program.

Ohio weatherized 3,615 homes in PY2016. Units weatherized included 1,546 homes containing elderly persons, 939 homes containing handicapped persons, 1,150 homes containing children, 3,254 high energy burden homes and 3,255 high energy use homes.

ODSA projects Ohio will weatherize approximately 3,333 homes in PY 2017. Ohio expects to exceed this projection with access to DOE, LIHEAP and leveraged funding sources. Ohio uses the DOE algorithm to calculate energy savings. It is estimated that energy savings will accrue each year during the lifetime of the energy measures and that it will accrue at a rate of 30 years or more for insulation measures.

45 CFR 96.83(c)(3): Grantee’s best estimate of the appropriate household totals for the fiscal year for which the waiver is requested and for the preceding fiscal year.

Program Year:	Households & Funding	Energy Assistance Benefits	Winter Crisis Program	Summer Crisis Program	Total:
FY 2015-2016	Total Households Served:	397,207	118,066	17,900	425,368
	Total Funding Allocation:	\$89,787,854	\$37,585,203	\$2,948,448	\$124,744,880
FY 2016-2017	Total Households Served:	359,483	104,736	23,560	417,155
	Total Funding Allocation:	\$64,814,499	\$30,934,174	\$4,598,818	\$94,782,427
FY 2017-2018 Estimate	Total Households Served:	360,000	120,000	20,000	500,000
	Total Funding Allocation:	56,775,474	35,000,000	4,000,000	\$95,775,474

45 CFR 96.83(c)(4) Grantee’s best estimate of the appropriate benefit totals, in dollars, for the fiscal year for which the waiver is requested and for the preceding fiscal year.

The ODSA is estimating that the benefit total received by households will decrease by forty dollars as compared to the previous fiscal year. Total allocations provided per program component are listed above.

45 CFR 96.83(c)(5): A description of the weatherization activities to be carried out by the grantee in the fiscal year for which the waiver is requested.

The ODSA will continue to utilize fifteen percent of LIHEAP funds to be used in conjunction with the WAP. These funds will be administered under requirements established in the Ohio Home Weatherization Assistance Program State Plan and all applicable Department of Energy and Code of Federal Regulation requirements. All homes will receive a comprehensive, on-site, home energy audit by a trained and qualified inspector. Inspectors are trained through the Ohio Weatherization Training Center (OWTC), Ohio's training and technical assistance provider. In addition to the initial inspection, a final inspection must be completed by a Building Performance Institute-certified Home Energy Professional Quality Control Inspector (QCI).

ODSA's approach to comprehensive home energy audits consists of the following (as applicable):

- Complete visual assessment of existing conditions and insulation levels – note any health and safety concerns.
- Note fuel types, condition and size of space and water heating equipment – designate primary and secondary heat sources.
- Measure the residence for the volume of the living space and square footage of the building envelope.
- Interview the occupant about building characteristics which may be helpful in developing a work plan (i.e. asking if there are any particularly cold areas) and assess lifestyle considerations.
- Perform a blower-door test.
- Conduct pressure diagnostic tests of HVAC system and building zones.
- Perform combustion safety tests.
- Conduct client education, noting opportunities to provide low cost base load energy conservation measures. Review a weatherization-specific scope of work to be completed. Providers conduct consumer conservation education to all weatherization participants. Customer education consists of an energy bill review, home energy tour, basic energy conservation tips, and development of a family energy-saving action plan.

The Nation Energy Assessment Tool (NEAT), Manufactured Home Energy Audit (MHEA) and Energy Audit using the Queens Information Package (EA-QUIP) are the energy audit tools approved and authorized by the U. S. Department of Energy for single-family houses, manufactured homes and multifamily buildings in Ohio. Energy audits are required for analysis of all buildings weatherized in Ohio under the WAP.

The current waiver request for an additional 5 percent transfer of LIHEAP funds will be used for a complimentary program to Ohio's WAP. The Ohio Home Weatherization Assistance Program Enhancement will serve to enhance energy efficiency efforts currently done by the WAP. The additional 5 percent transfer (approximately \$6.6 million) will target installing specific measurers in households that are at or below 175 percent (LIHEAP Income Guidelines) of the federal poverty guidelines. These households may have been deferred previously for weatherization services or are targeted to receive weatherization services within the current WAP program year. The specific measurers to be installed will include: furnace repair & replacement, replacement of knob-and-tube wiring, ventilation measurers (i.e. ASHRAE fans) and minor roof repair. Utilizing these additional funds for these specific measurers will allow the WAP program to serve homes that would have been deferred due to costs and to install more energy conservation measurers in homes weatherized.

45 CFR 96.83(c)(6): Wavier request made available for timely and meaningful public review and comment

Ohio House Bill 49 as enacted by the 132nd General Assembly became effective on June 29, 2017. Since that time, the ODSA has sought feedback from WAP providers and LIHEAP providers. Feedback regarding the use of the additional 5 percent transfer has been provided via agency board meetings, agency in-person listening sessions, phone calls, the weatherization Policy Advisory Council meetings and public hearing events. Listening sessions were conducted July 19, 2017, October 11, 2017 and January 24, 2018. A public hearing was conducted on January 26, 2017 and on March 28, 2018. All listening sessions and public hearing opportunities were announced to stakeholders and the general public.

The ODSA received feedback requesting the additional 5 percent transfer be utilized to serve homes previously deferred and used to install measures that cannot always be determined cost-effective via an energy audit but are necessary to weatherize the home. Based on feedback received, the ODSA developed the HWAP Enhancement program (as described above).

45 CFR 96.83(e)(1): Good Cause Waiver

Ohio does not meet all the criteria in 45 CFR 96.83(c)(2)(ii) and as such is requesting a *Good Cause Waiver*.

45 CFR 96.83(e)(1)(i)&(ii)

Income levels and eligibility criteria are based of the federal poverty levels for LIHEAP heating and crisis assistance applications and have not changed from Fiscal Year 2016 to Fiscal Year 2017. Applicants must be at or below 175 percent of the federal poverty level.

The benefit level for the heating assistance (non-crisis) program will decrease by an average of forty dollars per household with the additional transfer of 5 percent of LIHEAP funds and due to the fact that the LIHEAP federal allocation to ODSA was 90% of the previous fiscal year allocation. The ODSA is requesting a *Good Cause Waiver* to transfer the additional 5 percent of LIHEAP funds despite decreasing the average benefit level for heating assistance. The ODSA has demonstrated (please see responses to 45 CFR 96.83(c)(2)(iii)) the effectiveness of weatherization services provided to LIHEAP eligible households and respectfully requests HHS grant the *Good Cause Waiver*.

Weatherization measures, including energy-related health and safety measures and repairs, weatherization-related repairs, and the installation of low-cost/no-cost materials, as well as the delivery of consumer conservation education, are preventative and long-term in nature. Weatherization measures reduce energy burden through energy conservation measures, eliminate structural hazards (thereby protecting building occupants), and preserve the efficacy of weatherization materials. Installation of low-cost/no-cost materials (for example, compact fluorescent light bulbs, low-flow showerheads, and faucet aerators) and delivery of consumer conservation education provide opportunities for weatherization recipients to take a direct role in learning and implementing energy-efficiency measures and long-term behavior change.

The goal of the waiver request is to reduce the long-term energy and heating bills of low-income families. The National Evaluation of the WAP concluded that weatherization returns \$2.78 in non-energy benefits for every \$1.00 invested by the program. Those non-energy benefits combined with the cost reduction estimated to be received by low-income households results in greater economic and social benefits for the community.

45 CFR 96.83(e)(1)(iii)

The ODSA did not change opening or closing dates for the LIHEAP programs nor did the outreach efforts change from one fiscal year to the preceding fiscal year. Emphasis is placed on providing information on all programs funded under the LIHEAP Act to households which contain high home energy burdens; the elderly; individuals with disabilities; and families with young children. The following outreach activities are conducted to assure eligible households are aware of all LIHEAP assistance available:

- Provide intake service through home visits or by telephone for the physically infirm (i.e. elderly or disabled).
- Place posters/fliers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
- Publish articles in local newspapers or broadcast media announcements.
- Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- Mailings to past recipients of LIHEAP.
- Inform low-income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.
- Execute interagency agreements with other low-income program offices to perform outreach to target groups.

45 CFR 96.83(e)(1)(iv)

There are no other actions that led or will lead to a reduction in the number of applications for LIHEAP heating and crisis assistance in FY 2016-2017 compared to FY 2017-2018.

In conclusion, the ODSA requests approval of this *Good Cause Waiver* request from the United States Department of Health and Human Services to allow an additional 5 percent of the State of Ohio LIHEAP allocation to be transferred for weatherization services. We believe this request meets the criteria established in 45 CFR 96.83.

Sincerely,

David Goodman
Director, The Ohio Development Services Agency