



April 1, 2021

TBD  
Director for the Office of Community Services  
U.S. Department of Health and Human Services  
Administration for Children and Families  
330 C Street, S.W.  
Washington, D.C. 20201

Re: Request for increase in weatherization funding

Dear TBD,

The State of Ohio, Ohio Development Services Agency (Development) is requesting the U.S. 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), as previously requested and approved in 2018, 2019 and 2020. Authority to request a waiver appears in Title 45 of the Code of Federal Regulations, as amended. Development'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**

Development is requesting a waiver to transfer a total of 25 percent of available LIHEAP funds to be used for weatherization and other energy-related home repair for low-income Ohioans. The approval of this waiver request will increase available weatherization funding by approximately \$15.4 million.

**Comparison of benefit dollars used and households served:**

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

Ohio does not meet the criteria established in 45 CFR 96.83(c)(2)(i). In fiscal year 2021 the combined total (aggregate) number of households in Ohio's service territory that receive LIHEAP heating, cooling, and crisis assistance benefits could potentially 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. Ohio has seen a decline in enrollment with the exception of the 2020 Summer Crisis Program. The decrease is a result of fewer applicants and is not due to the increased transfer of LIHEAP funds. Ohio made changes to the 2020 Summer Crisis Program including extending the time period for applying, broadening the eligibility criteria and dedicating additional funds to the program. The transfer of additional funds for weatherization will require Ohio to administer a Summer Crisis Program similar in funding level to previous years. Ohio anticipates receiving additional funds through the Consolidated Appropriations Act 2021 which will be in part dedicated to utility assistance and will help to ensure customers in need receive assistance. Please see enrollment figures for program year 2017-2018, 2018-2019, 2019-2020 and estimated enrollment for 2020-2021 below.

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

Ohio meets the criteria established in 45 CFR 96.83(c)(2)(ii). In fiscal year 2021, the combined total (aggregate) amount, in dollars, of LIHEAP heating, cooling, and crisis assistance benefits received by eligible Ohioans will not be less than the combined total (aggregate) amount received in the preceding fiscal year. Please see enrollment figures for program year , 2017-2018, 2018-2019, 2019-2020 and estimated enrollment for 2020-2021 below.

**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 that the average annual energy cost savings for a single-family home was \$283. In program year 2019 there were 2,681 homes weatherized in Ohio. Units weatherized included 854 homes containing elderly persons, 971 homes containing handicapped persons, 854 homes containing children, 2,500 high energy burden homes, and 2,500 high energy use homes.

Development projects Ohio will weatherize approximately 3,600 homes during program year 2020. 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 measurers and that it will accrue at a rate of 30 years or more for insulation measures.

**45 CFR 96.83(c)(3):**

Please see below Development's estimate of the household totals for the fiscal year for which the waiver is requested and for the preceding fiscal years.

**45 CFR 96.83(c)(4):**

Please see below Development's estimate of the benefit totals, in dollars, for the fiscal year for which the waiver is requested and for the preceding fiscal years.

<b>Program Year:</b>	<b>Households &amp; Funding</b>	<b>Heating Assistance Benefit</b>	<b>Winter Crisis Program</b>	<b>Summer Crisis Program</b>	<b>Total Bill Payment Assistance</b>	<b>Average per Household</b>
PY 2017-2018	Total Households Served:	332,381	97,866	19,643	340,979	\$301.47
	Total Funding Allocation:	\$69,920,104	\$28,683,992	\$4,189,448	\$102,793,544	
PY 2018-2019	Total Households Served:	258,665	85,386	20,502	266,094	\$389.51
	Total Funding Allocation:	\$73,632,029	\$25,826,475	\$4,188,300	\$103,646,804	
PY 2019-2020	Total Households Served:	254,830	82,335	34,044	269,858	\$430.83
	Total Funding Allocation:	\$80,810,521	\$25,592,087	\$9,860,116	\$116,262,724	
PY 2020-2021 Estimate	Total Households Served:	300,000	90,000	20,000	290,000	\$413.79
	Total Funding Allocation:	\$80,000,000	\$35,000,000	\$5,000,000	\$120,000,000	

**45 CFR 96.83(c)(5):**

Please see below Development's description of weatherization activities to be carried out in the fiscal year for which the waiver is requested.

Development will continue to utilize 15 percent of LIHEAP funds to be used in conjunction with the Home Weatherization Assistance Program (HWAP). These funds will be administered under requirements established in the HWAP state plan and all applicable DOE and Code of Federal Regulations 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, an Interstate Renewable Energy Council accredited training and technical assistance provider. In addition to the initial inspection, a final inspection must be completed by a Building Performance Institute Home Energy Professional Quality Control Inspector.

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

- Complete a 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 heating 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 test of the building zones;
- Perform diagnostic and combustion safety tests of heating, ventilation, and air conditioning system;
- Review a weatherization specific scope of work to be completed; and
- Conduct client education, noting opportunities to provide low-cost base load energy conservation measures.
  - 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 an energy saving action plan.

DOE approved audits are required for analysis of all buildings weatherized in Ohio under the HWAP.

The current waiver request for an additional ten (10) percent transfer of LIHEAP funds will be used for a complimentary program to the HWAP. The HWAP Enhancement first began in 2018 and serves to perform energy efficiency efforts that cannot be done solely with the HWAP. The additional ten (10) percent transfer (approximately \$15.4M) will target installing specific measures in households that are at or below 175 percent of the federal poverty guidelines (mirroring the LIHEAP guidelines). These households may have been deferred previously for weatherization services or are targeted to receive weatherization services within the current HWAP program year. The specific measures to be installed include: heating system repair and replacement, electrical repair and replacement, ventilation measures, minor roof repair, pest infestation treatment, weatherizing multi-family buildings, completing cooling work for households with a member 60 years of age or older or with a documented medical condition, energy efficient refrigerator/freezer replacement, and minor plumbing repairs and replacement. Utilizing these additional funds for these specific measures will allow the HWAP to weatherize and install energy conservation measures in homes that would have been deferred. During program year 2019, the HWAP Enhancement program served 1,875 homes and currently for program year 2020, 632 homes have been served.

Weatherization measures, including energy-related health and safety measures and repairs, weatherization related measures and repairs, 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 cost-effective materials 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 utility bills of low-income families. The National Evaluation of the weatherization program concluded that weatherization returns \$2.78 in non-energy benefits for every \$1.00 invested (<https://weatherization.ornl.gov/wap-recovery/>). Those non-energy benefits combined with the estimated cost reduction received by low-income households results in greater economic and social benefits for the community.

**45 CFR 96.83(c)(6):**

Ohio Amended Substitute House Bill Number 6 as enacted by the 133<sup>rd</sup> General Assembly became effective on October 22, 2019. This legislation requires the Director of Development to submit a completed waiver request to expend twenty-five (25) percent of LIHEAP funds for weatherization. Since that time, Development has sought feedback from HWAP subgrantees and stakeholders. Feedback regarding the use of the additional ten (10) percent transfer has been provided via virtual listening sessions, phone calls, stakeholder meetings, HWAP Policy Advisory Council meetings, and public hearings. Development conducted listening sessions with the weatherization network beginning in December 2020 during a Policy Advisory Council (PAC) meeting prior to drafting the 2021 HWAP State Plan. Additional listening sessions were held during the HWAP PAC Meeting on January 14 and March 24, 2021, during the winter Ohio Association of Community Action Agencies conference on January 28, 2021, and during a virtual public hearing held on March 22, 2021.

Based on the feedback received, Development is modifying and may further modify the current HWAP Enhancement program to include additional measures that cause homes to be deferred from the HWAP.

In conclusion, Development requests approval of this Standard Waiver request from the HHS to allow an additional ten (10) percent of Ohio's LIHEAP allocation to be transferred for weatherization services. Development believes this request meets the criteria established in 45 CFR 96.83.

Sincerely,

Matthew McClellan  
Assistant Director, The Ohio Development Services Agency