

STATE OF NEVADA HOUSING DIVISION PY 2015 (SFY 2016) DRAFT STATE PLAN

U.S. DEPARTMENT OF ENERGY LOW-INCOME WEATHERIZATION ASSISTANCE PROGRAM (SFY: July 1, 2015 – June 30, 2016)

10 CFR 440.14(a) NOTICE OF PUBLIC HEARING (See ATTACHMENT)

10 CFR 440.14(b) DOE FUNDING FOR SERVICE PROVIDERS (SUBGRANTEES)

Per DOE Weatherization Program Notice 15-2 Effective January 16, 2015, funding is estimated to be \$797,304 with up to \$171,498 available to the Nevada Housing Division and its Subgrantees for Training and Technical Assistance. For purposes of this document, Program Year (PY) 2015 and State Fiscal Year (SFY) 2016 are used interchangeably.

The Nevada Housing Division (NHD) anticipates providing Weatherization Assistance to all areas of the state. Statewide weatherization funding will be allocated proportionate to the number of eligible households residing within the six service areas based on estimates of the population with incomes below the federal poverty guideline. The overall statewide weatherization funding percentages are as follows: City of Las Vegas and Southern Rural Clark County 48%, City of Henderson 4%, City of North Las Vegas and Northern Rural Clark County 20.5%, Washoe County 15.5%, Eastern Rural Nevada 6% and Western Rural Nevada 6%. The Eastern Rural Service Area is comprised of 10 counties, several of which do not qualify for the Utility (FEAC) funding. Therefore, by mutual agreement, HELP of Southern Nevada and Las Vegas Urban League have agreed to trade \$37,500 each of DOE funds for an equal amount of FEAC funds. RNDC's FEAC allocation will be reduced by \$75,000 so the overall percentage based on population is still 6% of all funds allocated.

DOE Funding Allocations are as follows

Service Area/Subgrantee	DOE Funding
N. Las Vegas and Northern Rural Clark County/ Las Vegas Urban League	\$102,497
Las Vegas and Southern Rural Clark County/ HELP of Southern Nevada	\$290,299
City of Henderson/ HELP of Southern Nevada	\$27,317
Washoe County -Community Services Agency (CSA)	\$105,852
Eastern Rural - Rural Nevada Development Corporation (RNDC)	\$115,975
Western Rural - Nevada Rural Housing Authority (NRHA)	\$40,974
Total	\$682,914

10 CFR 440.14 (c)(1) PRODUCTION AND EXPENDITURE SCHEDULE [See 10 CFR, Part 440.14 (c)(1)]

10 CFR 440.14(c)(2) CLIMATIC CONDITIONS

The climatic conditions within Nevada vary dramatically from north to south. Perhaps the clearest indicator of the extremes is evidenced in the number of heating and cooling degree days associated with each area. Typically the north has the highest number of heating degree days while Clark County, in the south, has the highest number of cooling degree days. See details below.

* <u>Average Heating Degree Days (Base 65 F)</u>	
Clark County & Henderson	2,601
Western Service Area & Washoe County	6,022
Eastern Service Area	7,236
* <u>Average Cooling Degree Days (Base 78 F)</u>	
Clark County & Henderson	3,201
Western Service Area & Washoe County	508
Eastern Service Area	320

*Source: Mechanical Engineering Department
University of Nevada - Reno

10 CFR 440.14(c)(3) TYPE OF WEATHERIZATION WORK TO BE DONE

On May 3, 2012, the NHD received multi-year approval of Nevada's Audit tool and Priority Lists for the Weatherization Assistance Program. The program's Subgrantees and Contractors will be responsible for: installing the approved energy conservation measures; addressing client health and safety issues; and, providing minor home repairs related to energy conservation. Weatherization measures may include:

1. Insulation of ceiling, floor, duct and wall.
2. Duct leakage sealing (return, plenum and supply systems).
3. Shell infiltration sealing (i.e., replace broken glass, window and exterior door replacement, door weather-stripping, caulking, evaporative cooler covers, etc).
4. Insulation of water heater and water heater pipes.
5. Low-flow showerheads.
6. Solar Screens (Southern Nevada only).
7. Heating and cooling system repairs and/or replacements.

8. Compact fluorescent light bulbs.
9. Refrigerator replacement.
10. Heat Pump Water Heaters.

All weatherization Subgrantees funded by the NHD will be responsible for the installation of weatherization materials in accordance with 10 CFR Part 440.21, “Weatherization Materials Standards and Energy Audit Procedures”, the state's “Weatherization Program Field Manual” and approved Priority Lists.

Blower door diagnostics will be performed on each unit receiving weatherization assistance to ensure compliance with Indoor Air Quality Standards. A combustion appliance safety inspection will be performed on each single family dwelling unit containing a combustion appliance (furnaces, water heaters, ovens, cook tops and gas dryers). A final inspection will be performed by the program’s Subgrantees on each dwelling receiving weatherization assistance. The NHD will inspect a minimum of five percent of the dwellings weatherized by each Subgrantee on an annual basis.

10 CFR 440.14(c)(4)

ESTIMATE OF AMOUNT OF ENERGY CONSERVATION

DOE studies indicate that a household's combined annual heating and cooling costs will be reduced by approximately 20-25% as a result of receiving weatherization assistance. Typically, the energy savings attributed to weatherizing electrically and propane heated households are nearly twice as great as those heated with natural gas.

10 CFR 440.14(c)(5)

AREA TO BE SERVED

The SFY 2015 Weatherization Program will continue to provide assistance to all counties in the state as feasible.

SERVICE AREA
1.City of North Las Vegas plus Northern Rural Clark County
2.City of Las Vegas plus Southern Rural Clark County
3.City of Henderson
4.Washoe County
5.Eastern Rural comprised of Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Mineral, Nye, Pershing and White Pine Counties
6. Western Rural comprised of Carson City, Churchill, Douglas, Lyon and Storey Counties

10 CFR 440.14(c)(5)(i)

DOE funding is estimated at \$797,304.

10 CFR 440.14(c)(5)(ii)

The number of dwelling units expected to be weatherized during the program year is contingent upon the allocation amount. The number of units is estimated at 74 units completed with Federal Funds.

10 CFR 440.14(c)(5)(iii)

The sources of labor will include: NHD management and staff; five (5) Subgrantees; Contractors; and Subcontractors.

10 CFR 440.14(c)(6)

THE MANNER IN WHICH THE STATE PLAN SHALL BE IMPLEMENTED

The State Plan has been drafted in accordance with the U.S. Department of Energy's Regulations stated in 10 CFR, Part 440.14. NHD issued a Request for Application on February 23, 2015 to determine interest from qualified agencies in providing weatherization assistance within the six service areas.

Federal weatherization funds are received from the Department of Energy (DOE) and Low Income Home Energy Assistance Program (LIHEAP) funds from Health and Human Services (HHS); state weatherization funds are received through the Nevada Public Utility Commission, Universal Energy Charge (UEC) (also known as Fund for Energy Assistance and Conservation, FEAC). When combined, these funds are allocated proportionate to the number of eligible households residing within the respective service areas based on estimates of the population with income below the federal poverty guideline. Other utility funds received from Southwest Gas (SWG) will be distributed proportionate to population in the areas where SWG provides services. Housing Trust Fund dollars will be distributed based on population. In FY 2015, the Nevada Housing Division and its Subgrantees received Home Energy Retrofit Opportunities for Seniors (HEROS) funding through the Nevada Governor's Office of Energy (GOE) to supplement its current weatherization program for certain qualified applicants. Going forward into Program Year 2015 it is anticipated all the above funding will be available at a similar level of funding as in the previous year.

Due to the relatively high costs in providing oversight of the Weatherization Program, all Subgrantees receiving less than \$350,000 of DOE funding may use up to 10% of their grant award for administration pursuant to section 440.18 (d). Subgrantees receiving awards of \$350,000 or more may only use 5% of their award for administration.

The Subgrantees primary responsibilities are to provide program outreach, determine client eligibility, conduct energy assessments, provide various weatherization measures, and to ensure the satisfaction, and health and safety of the program recipients. NHD will be responsible for providing program oversight, ensuring compliance with state and federal laws and regulations, as well as

monitoring Subgrantee performance. NHD will inspect a minimum of 5% of the households weatherized by each of the Subgrantees.

10 CFR 440.14(c)(6)(i) ANALYSIS OF THE EXISTENCE AND EFFECTIVENESS OF SUBGRANTEE WEATHERIZATION PROJECTS

Included as and attachment to this document is a spreadsheet that details the status of the Subgrantees currently administering weatherization programs using state and/or federal weatherization funds received from NHD for the period July 1, 2014 through February 28, 2015. See Attachment A.

10 CFR 440.14(c)(6)(ii) METHOD USED TO SELECT AREAS TO BE SERVED

In SFY 2016, the Weatherization Program plans to offer assistance to all areas of the state; however, DOE funds may not be available in all service areas. The service areas proposed for SFY 2016 are based on: the estimated number of eligible households located in each county, the availability of funds and qualified service providers.

10 CFR 440.14(c)(6)(iii) EXTENT OF PRIORITY GIVEN TO HIGH ENERGY CONSUMING DWELLING UNITS

Priority assistance is determined by a point evaluation matrix which awards additional points for households utilizing electricity or propane as their primary source of heating or electricity as their primary source of cooling.

10 CFR 440.14(c)(6)(iv) AMOUNT OF NON-FEDERAL RESOURCES APPLIED TO THE PROGRAM

NHD anticipates awarding approximately \$3,800,000 in Weatherization Funding from the following sources: FEAC, Southwest Gas, HEROS and Housing Trust Funds.

10 CFR 440.14(c)(6)(v) AMOUNT OF FEDERAL RESOURCES OTHER THAN DOE WEATHERIZATION FUNDS

NHD anticipates receiving a 5% transfer of LIHEAP from the Welfare Division estimated at \$475,700. This funding is typically available from October 1 through September 30th.

10 CFR 440.14(c)(6)(viii) AVERAGE AMOUNT OF DOE FUNDS APPLIED TO EACH UNIT FOR PROGRAM OPERATIONS (labor, materials, insurance, vehicles, equipment, warehouse rent, transportation, etc).

The average amount of DOE funds to be applied to each dwelling unit for program operations is estimated at \$6,000. These costs do not include funds budgeted for administration, technical assistance, liability insurance and health and safety.

10 CFR 440.14(c)(6)(ix) RESERVED

10 CFR 440.14(c)(6)(x) PROCEDURES FOR PROVIDING ADDITIONAL ADMINISTRATIVE FUNDS TO SUBGRANTEES

NHD intends to award an additional 5% of administrative funds to the program's Subgrantees, as allowed by the Department of Energy for grant recipients receiving less than \$350,000. This decision is based on the relatively high costs associated with the program's extensive administrative and financial management costs.

10 CFR 440.14(c)(6)(xi) PROCEDURES FOR DETERMINING THE MOST COST-EFFECTIVE MEASURES IN A DWELLING UNIT

An energy audit software program (REM/Design™) and blower door diagnostics were used to rank and identify the most cost-effective measures installed in each house receiving assistance. The measure list is based on a number of criteria such as: climatic zone, type and rate of utility, type of heating and cooling system, etc. NHD has developed a northern and southern Nevada priority list based on the results of the energy audit recommendations. The Energy audit software program and the NHD Priority List have been approved by DOE.

The energy audit program selected for Nevada's program lends itself to site built single family, manufactured housing and multi-family units.

State program policy prohibits the installation of any conservation measures having a savings to investment ratio of less than one. The program's Weatherization Field Manual requires the measures be installed in accordance with their relative savings to investment ratios. Exempt from the cost-effectiveness test are those measures related to reducing or eliminating any problems affecting a client's health or safety and related minor home repairs.

10 CFR 440.14(c)(6)(xii) DEFINITION OF "LOW-INCOME" HOUSEHOLD

NHD defines "low-income" as a household whose total annual gross income is at or below 200% of the national poverty income guidelines established by the Office of Management and Budget. NHD defines "low-income" as being 150% of the national poverty income guidelines when using **non-DOE** funds.

10 CFR 440.14(c)(6)(xiii) DEFINITION OF "CHILDREN"

NHD defines "children" as individuals who are 6 years of age or less.

10 CFR 440.14(c)(6)(xiv) AMOUNT OF FEDERAL FUNDS TO BE USED AND HOW THEY WILL BE USED TO LEVERAGE NON-FEDERAL STATE WEATHERIZATION FUNDS

No DOE or other federal funds will be used to increase the amount of weatherization assistance funds made available during PY 2015.

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