



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 26-1

ISSUED DATE: July 9, 2026

SUBJECT: PROGRAM YEAR 2026 WEATHERIZATION GRANT APPLICATION

EFFECTIVE DATE: Weatherization Program Notice (WPN) 26-1, Application Instructions, and Administrative and Legal Requirements Document (ALRD) are exclusively intended for Weatherization Assistance Program (WAP) Grantees in Program Year (PY) 2026.

INTENDED AUDIENCE: Weatherization Grantees and Weatherization Subgrantees

INTENDED USE: The Department of Energy (DOE) issues WPNs to establish the framework to administer congressionally appropriated funds to WAP Grantees. This document provides information for developing a WAP Grantee Plan. Properly completed plan submissions assist DOE in dispersing funds in a timely manner.

DOE releases the application package annually to provide instructions on completing the Grantee Plan application. Changes from year to year are often precipitated by congressional inquiries, administrative priorities, including new initiatives from other Federal agencies, monitoring in the field, and feedback from the network of stakeholders. The annual document, issued as a WPN, addresses these considerations and provides resources for Grantees to include the information appropriate to their specific circumstances in applying for WAP base funds.

WPNs and other attachments, such as the Application Instructions, serve as programmatic, financial, technical, and legal resources which detail what must be incorporated into the submitted Grantee Plan. Grantee Plans are submitted electronically through WAP's reporting system, [Performance and Accountability for Grants in Energy \(PAGE\)](#).

PAGE contains all Federal forms required for the application. Please follow the instructions in the ALRD and the Application Instructions attached to this WPN.

The following sections in this WPN address:

1.0 Purpose

2.0 Legal Authority
3.0 Program Priorities and Initiatives
4.0 Funding
5.0 Record Retention and Reporting for WAP Annual Base Grants
6.0 WPNs and Memorandums
7.0 Website Information

1.0 PURPOSE

To issue grant guidance and program management information to WAP Grantees for PY 2026 based on the following documents:

- Attachment 1: Administrative and Legal Requirements Document (ALRD)
- Attachment 2: Application Instructions, to be used by all 50 states, the District of Columbia, U.S. Territories, Native American Tribes, and local applicants as supplemental information when applying for direct grants under WAP for Low-Income Persons.

1.1 BACKGROUND

On January 23, 2026, President Donald J. Trump enacted H.R. 6938, the Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026, Pub. L. 119-74, into law which provides Fiscal Year 2026 appropriations for WAP through September 30, 2027. Please see WPN 26-2 for Grantee's allocations for the \$328 million appropriated for the Retrofit program, \$10 million appropriated for Training & Technical Assistance (T&TA), and \$30 million appropriated for Weatherization Readiness.

These are all final appropriations numbers; therefore, no immediate budget revisions will be necessary this year. Please plan accordingly.

1.2 SCOPE

The provisions of this WPN apply to Grantees or other entities named in the Grant Award as the recipient(s) of financial assistance under WAP.

2.0 LEGAL AUTHORITY

Title IV, Energy Conservation and Production Act (ECPA), as amended, authorizes the Department to administer WAP ([42 U.S. Code \(U.S.C.\) § 6861, et. seq.](#)). All Grant Awards made under this Program shall comply with applicable law and regulations including, but not

limited to, WAP regulations contained in the Code of Federal Regulations (C.F.R.) at [10 C.F.R. § 440](#) and Financial Assistance Rules at [2 C.F.R. § 200](#).

3.0 PROGRAM PRIORITIES AND INITIATIVES

DOE undertakes initiatives to improve WAP operations and effectiveness. The following sections inform Grantees of current and future priorities. They are not considered Program policy until provided in a related WPN.

3.1 UNIFORM GRANT PY

Per executive order 14332, issued August 7, 2025, the Federal government was charged with revising uniform guidance and other relevant guidance to streamline application requirements. With this, DOE is changing all grant awards to a July 1 start date, effective for PY 2026. For the PY 2026 Grantee Plan, all Grantees are expected to describe WAP activities and the budget for July 1, 2026, to June 30, 2027.

3.2 PARTICIPATION IN ASSESSMENTS AND STUDIES

WAP invests in program assessments to update previously completed studies and assess the progress and impact of the program. *Grantees and Subgrantees will be expected to participate in these assessments*, to provide insight on outcomes such as:

- Energy cost savings.
- Impact assessments.
- Streamlining and efficiency.

Grantees are urged to conduct regular program evaluations of their programs with the use of T&TA funds. While national-level studies allow DOE to see macro elements, by participating in regional, state, or local evaluations/studies, more clarity can be attained on the impact specific processes have on the energy savings and other benefits realized through WAP. Grantees are urged to establish a protocol for Subgrantees to follow when asked to participate in an evaluation or study. Grantee's policies should include information about the purpose of the study and ensure that the privacy of recipients is maintained. Information requests range from informal inquiries by local elected officials and other community leaders to requests for specific information about recipients from local and regional press outlets.

3.3 WEATHERIZATION READINESS FUND (WRF)

WRF were included for WAP in [H.R. 2471, the Consolidated Appropriations Act, 2022](#). Through this separately appropriated fund, WAP addresses necessary repairs (e.g., health and safety issues, structural repairs) in dwellings and reduces the frequency of deferrals of homes eligible for weatherization services. DOE issued [WPN 24-9: Weatherization Readiness Fund – Implementation](#) that provides details on plan requirements, providing additional information to Grantees on expectations for utilizing WRF and addressing deferrals.

When tracking deferrals Grantee's should use consistent terminology for recording the *reasons* and *what repairs would be necessary* to proceed with weatherization. To assist Grantees, DOE developed an [optional deferral classification guide and tracker template](#) as an optional tool for tracking deferrals which aligns to reporting requirements. The tool provides consistent terminology; a brief [training video](#) is available describing how the tool is organized.

3.4 FEDERAL COORDINATION EFFORTS

WAP, the U.S. Department of Health and Human Services (HHS) Low-Income Home Energy Assistance Program (LIHEAP), the U.S. Department of Housing and Urban Development (HUD) Lead Hazard Control and Healthy Homes Programs, and the U.S. Department of Agriculture (USDA) collaborate and support interagency coordination, especially for client eligibility. Each agency serves households with lower incomes, using varying income eligibility requirements. DOE is committed to ensure the weatherization network is fully supported in their efforts to use resources effectively and meet community needs through leveraging non-traditional sources of funds for repairs and costs WAP is not able to address through the DOE Program.

3.5 WORKFORCE DEVELOPMENT

WAP utilizes a quality and well-trained energy efficiency workforce. Grantees receive a T&TA allocation to help support workforce development activities. Applicants develop comprehensive and need-specific training plans that include the use of workforce partners, community colleges, potential support services, registered apprenticeships, labor-management partnership training programs, or other high-quality training models. DOE will continue to develop resources to address identified barriers and promote workforce expansion.

Further, DOE encourages Grantees to braid other resources with WAP, to increase deployment energy conservation measures and to expand and enhance workforce skills.

3.6 NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) & HISTORIC PRESERVATION

Grantees must review and follow their NEPA determination and Historic Preservation Programmatic Agreement (PA), as applicable, to ensure they comply with all restrictions. An Environmental Questionnaire (<https://www.eere-pmc.energy.gov/NEPA.aspx>) must be submitted for any activities not listed in the NEPA determination to complete a NEPA review. A Grants Officer (GO) needs to provide written approval before work is initiated on any activity not included in the NEPA determination. Activities not included in the NEPA determination will be deemed unallowable, and the Grantee will be required to repay any unallowable funds to DOE.

All Grantees except Guam have a DOE executed PA for historic preservation compliance. Guam must follow the added restrictions in their NEPA determination for compliance under the National Historic Preservation Act (NHPA). Activities not included in the NEPA Determination or Grantee Program Agreement must be reviewed by DOE and approved by an appropriate GO prior to any work being initiated at the Grantee or Subgrantee level. Activities performed that are not included in a NEPA determination or Grantee Program Agreement and without prior DOE approval will be deemed unallowable costs. The Grantee will be required to repay any/all unallowable costs to DOE.

The NEPA determination with the award documents must be followed and Grantees must adhere to the restrictions of their DOE executed Historic Preservation PA.

- Grantees are responsible for identifying and promptly notifying DOE of extraordinary circumstances, cumulative impacts, or connected actions that may lead to significant impacts on the environment, or any inconsistency with the integral elements (as contained in [10 C.F.R. § 1021, Appendix B](#)) as they relate to a particular Project.
- Most Allowable Activities are more restrictive than Categorical Exclusions. The restrictions included in the Allowable Activities must be followed.
- Under the current Categorical Exclusion activities on Tribal lands or Tribal properties are restricted to homes/buildings less than 45 years old and without ground disturbance. The Allowable Activities include only non-ground disturbing activities. Quarterly NEPA logs are not required for these activities. If Grantees would like to pursue work on homes over 45 years old on tribal land, then the

Grantee can submit a Historic Preservation Worksheet to request review of the project.

- DOE is also required to consider floodplain management and wetland protection as part of its environmental review process (Subpart B of 10 C.F.R. § 1022). As part of this required review, DOE determined requirements set forth in [Subpart B of 10 C.F.R. § 1022](#) are not applicable to the activities described above that would occur in a floodplain or wetland because the activities would not have short-term or long-term adverse impacts to the floodplain or wetland. These activities are administrative or minor modifications of existing facilities to improve environmental conditions. All other integral elements and environmental review requirements are still applicable.
- Grantees and Subgrantees are responsible for reviewing the online NEPA and Historic Preservation PowerPoint trainings at www.energy.gov/node/4816816 and contacting their Project Officer (PO) with any questions.

Grantees must comply with section 106 and submit the annual Historic Preservation Report. Clarification concerning the content of Grantee responses to each section of the report can be found in [PAGE](#) under the Reference Library.

3.7 TRIBAL PROPERTIES

The PAs are not applicable to activities on Tribal land or Tribal properties. As a result, any proposed work on Tribal land on a property that is 45 years of age or older will require prior review and approval from DOE NEPA. If the DOE determines that consultation with the State Historic Preservation Office (SHPO) or Tribal Historic Preservation Office (THPO) is required, DOE will consult with the SHPO or THPO. This review can take 30 days once complete information is received by the SHPO or THPO. Separately, DOE is also responsible for government-to-government consultation with Tribes, as needed.

To assist Grantees in complying with this law, DOE has created a Historic Preservation Worksheet (HPW) and included an HPW example which can be accessed by contacting gonepa@ee.doe.gov. The HPW is to be used when work included in the NEPA determination is planned on homes or buildings located on Tribal land on properties that are 45 years or older.

An HPW must be completed by the Subgrantee or Tribe that is doing the work and submitted by the Grantee to their PO.

Following review of the HPW, the PO sends the HPW to the DOE Golden Field Offices' Environment, Safety, and Health Office (GFO ESHO).

The DOE GFO ESHO will review the HPW to ensure compliance with section 106 of the NHPA. No weatherization work may begin until this process is complete and approval to begin work is given by DOE.

3.8 RENEWABLE ENERGY SOURCES

Although the definition of weatherization materials at [42 U.S.C. § 6862\(9\)\(J\)](#) includes renewable energy technologies, DOE has not approved any renewable electricity-generation technologies through the regulatory processes established under [10 C.F.R. § 440.21](#), and none appears in [10 C.F.R. § 440: Appendix A to Part 440](#). In past years, DOE used its discretionary authority under 10 C.F.R. § 440.21(b) to approve Grantee specific requests to use such unlisted technologies. Beginning in PY 2026, any existing renewable electricity-generation technologies not listed in [10 C.F.R. § 440: Appendix A to Part 440](#) will no longer be permitted in Grantee programs.

Accordingly, DOE is not considering new approvals of renewable electricity-generation technologies at this time. Grantees may not propose or include these technologies in the State Plans unless and until DOE issues updated regulation or guidance authorizing their eligibility of such technologies.

This decision will allow Grantees and Subgrantees to maximize investment in long-standing, proven WAP measures, such as air sealing, insulation, and heating/cooling equipment upgrades. These measures are more readily cost-justified per statutory cost-effectiveness requirements and have consistently demonstrated the highest and most reliable energy-cost savings for low-income households.

3.9 MAXIMIZING ENERGY COST SAVINGS

Statute states that the purpose of weatherization is to develop and implement a program that increases the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential energy expenditures, and improve their health and safety, especially for low-income persons who are particularly vulnerable such as the elderly, the handicapped, and children.

4.0 FUNDING

WAP funding listed in the application and requiring DOE approval prior to expenditure may derive from various sources:

- Appropriated Weatherization Assistance Program funding including WRF.
- LIHEAP funds designated for expenditure under DOE regulations.
- Leveraged Resources designated for expenditure under DOE regulations (e.g., utility funds, state trust funds, other).
- Petroleum Violation Escrow (PVE) funds:
 - Warner and EXXON oil overcharge funds.
 - Stripper Well and other oil overcharge funds (including Texaco) which are subject to Stripper Well Settlement rules.
- Program Income.

4.1 FY 2026 APPROPRIATED WEATHERIZATION ASSISTANCE PROGRAM FUNDING

WAP allocations for Grantees are determined annually in accordance with the formula in [42 U.S.C. § 6861, et. seq](#) that is further explained in [10 C.F.R. § 440.10](#) based on the budget authorized by Congress. The Population Factor, the Climatic Factor, and the Residential Expenditure are the factors of this formula, which vary by data availability pursuant to [10 C.F.R. § 440.10](#).

Please see WPN 26-2 for Grantee's PY 2026 allocations for the \$328 million appropriated for the Retrofit program, \$10 million appropriated for T&TA, and \$30 million appropriated for Weatherization Readiness.

4.2 ADJUSTED AVERAGE COST PER DWELLING UNIT (ACPU)

ACPU expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters cannot exceed \$6,500, as adjusted (see [U.S.C. § 6865,\(c\)\(3\)](#)). The adjusted annual average for PY 2026 is determined by using the percentage increase in the Consumer Price Index (CPI) (all items, U.S. city average) for Calendar Year 2024 or 3%, whichever is less. The percentage increase in the CPI for the previous 12-month period (January 2024–December 2024) was 3%. Therefore, the adjusted average expenditure limit for PY 2026 is **\$8,813. This average includes units completed in a multifamily building of five (5) units or greater.**

In accordance with [10 C.F.R. § 440.18](#)(b) and (c), the expenditure of financial assistance provided under WAP for labor, weatherization materials, and related matters for a renewable energy system shall not exceed an average of \$3,000 per dwelling unit, as adjusted. The percentage

increase in the CPI for the previous 12-month period (January 2024 – December 2024) was 3%. Therefore, the PY 2026 adjusted average is **\$4,436 for renewable energy system measures with a Savings-to-Investment Ratio (SIR) greater than one (1)**.

However, as stated in Section 3.8, there are no renewable electricity-generation technologies approved for use in WAP at this time. Although statute and regulation require DOE to publish the annually adjusted average for eligible renewable energy system measures, this figure **does not authorize the use of renewable electricity-generation technologies** under WAP.

Note: The adjusted average for renewable energy measures is not a separate average, but part of the overall adjusted average expenditure limit of \$8,813. Currently [10 C.F.R. § 440: Appendix A to Part 440](#) allows for use of solar (thermal) water heating systems.

4.3 LIMITATIONS ON CERTAIN BUDGET CATEGORIES

Certain budget categories have limitations set by law, regulation, or Program policy and identify the percentage of grant funding that can be used for specific purposes other than Program Operations.

See [Section III. Budget](#) for the PY 2026 Application Instructions.

4.4 LEVERAGED RESOURCES

Leveraged funds included in the budget of the DOE award must meet all WAP rules, regulations, and guidelines. Grantees should consider the advantages and challenges related to including leveraged funds in the DOE award. Landlord contributions are not considered leveraged resources. Grantees who require further clarification or direction on leveraged resources should refer to [WPN 22-9: Managing Multiple Funding Streams within the Weatherization Assistance Program](#), and/or contact their PO.

4.5 PVE FUNDS

WAP can be funded by several sources, including PVE funds. PVE funds can be divided into two categories based on the source of the funds. The first category of PVE funds is comprised of those funds appropriated by Congress or treated as if appropriated (generically referred to as Exxon funds and includes funds provided under the Warner Act). The second category of PVE funds is comprised of those funds that were not appropriated (generically referred to as Stripper Well Settlement funds and includes Diamond Shamrock funds).

- PVE funds are subject to funding source requirements.

- PVE funds included in a Grantee Plan are subject to the same Grantee Plan approval, Program oversight, and reporting requirements as the annually appropriated funds; and are subject to the **same** statutory and regulatory constraints as annually appropriated funds.
 - Exxon funds used for weatherization projects must be included in the Grantee Plan.
- **Exxon funds cannot be used for administrative expenses.**
- A Grantee may use Stripper Well Settlement funds for projects separate from, or included in, WAP. Stripper Well Settlement funds are not subject to WAP rules, oversight, or reporting requirements if used for activities separate from WAP. However, DOE urges Grantees to include Stripper Well Settlement funds in the Grantee Plan for informational purposes only.
- There is no requirement that Exxon or Stripper Well Settlement funds be expended during a particular period. A Grantee is permitted to reallocate these funds from one eligible program to another provided that their Plan has been amended and is reviewed by DOE. If PVE funds designated for expenditure in the prior PY are not expended, the amount of funding that may be used for administrative expenses in the following PY must be adjusted accordingly.
- Up to 5% of the combined total of Exxon and Stripper Well Settlement funds budgeted in a Grantee Plan may be used for T&TA. Up to an additional 5% of these funds may be used for evaluation of a Grantee's WAP and for innovative efforts to leverage program funds, provided these activities are approved by the DOE PO.

4.6 PROGRAM INCOME

Program income is defined in [2 C.F.R. § 200.1](#) and subject to the specific requirements provided in [2 C.F.R. § 200.307](#). WAP program income is funds earned by Grantees and/or Subgrantees from non-Federal sources when performing WAP activities. The income from these activities must be used for additional weatherization activities during the period of performance or allowable closeout costs. Program income must be treated as an addition to program funds and is subject to the same rules as appropriated funds. Property owner (i.e., landlord) contributions, leveraged resources (i.e., Grantee funds), and proceeds from the sale of equipment or supplies are not considered "program income" for the purposes of WAP. Grantees requiring further clarification on program income should contact their DOE PO.

4.7 BUDGET/EXPENDITURES/CARRYOVER

While there is no requirement, it is the expectation that all Grantees spend their funds entirely within the budget periods or by the termination of the three-year Grant cycle. This responsible financial management is key to maximizing the impact of these funds on lowering energy costs for eligible participants. Grantees should allocate funds among the budget

categories consistently, in alignment with WPNs and application instructions, particularly regarding how costs are allocated for weatherizing each dwelling.

For programming purposes, Grantees who have carryover are expected to estimate remaining funds from the prior year and include that estimate in their Application Plan budget submission.

5.0 RECORD RETENTION AND REPORTING FOR WAP ANNUAL FORMULA GRANTS

5.1 REPORTING REQUIREMENTS

Grantees and Subgrantees administering WAP are required by [10 C.F.R. § 440.24](#) to keep records as DOE deems necessary for an effective audit and performance evaluation, among other specific recordkeeping requirements. The reporting requirements are set forth in the Federal Assistance Reporting Checklist, DOE F 4600.2, attached to the award agreement. DOE requires Grantees to keep records related to client file documentation.

Grantee and Subgrantee systems must demonstrate:

- Program rules are followed (e.g., eligibility requirements).
- Appropriate cost-effective measures are installed (e.g., energy audit results are consistent with the work order generated and the invoice costs are consistent with those estimated in the audit).
- Health and safety issues are treated according to guidance.
- Inspections occur as required (e.g., 100% of the units are inspected and the post-inspection checklist includes the inspection of the audit assessment).

Please refer to [Weatherization Memorandum 128](#), for specific information related to reporting requirements.

To ensure comprehensive documentation of weatherization services, Grantees and Subgrantees are encouraged to utilize the DOE Client File Checklist. This tool identifies key elements for a "complete" WAP client file. While it aids in aligning documentation, it is not a prescriptive list of forms or a mandated filing system; each Grantee can adopt specific file contents and organization.

6.0 WEATHERIZATION PROGRAM NOTICES (WPN) AND MEMORANDUMS:

DOE-developed documents, WPNs, and Memorandums are available at:
<https://www.energy.gov/scep/wap/weatherization-program-notices-and-memorandums>.

The GovDelivery distribution list alerts the WAP network when new WPNs, Memorandums, and/or Training Resources are uploaded to WAP's website. Interested recipients should complete the form located at [DOE Office of State and Community Energy Programs \(govdelivery.com\)](https://www.energy.gov/scep/wap/weatherization-program-notices-and-memorandums). GovDelivery emails will arrive via the following address: doe-wapta@public.govdelivery.com.

Active WPNs applicable to base grants in effect at the time of this Program Notice issuance provide program required guidance, which address specific policy areas that must be adhered to by all Grantees and Subgrantees operating weatherization programs using DOE funds. Grantees are reminded additional WPNs may be issued that are "in effect as of the date stated in the WPN." Again, all guidance can be found on DOE WAP's website: <https://www.energy.gov/scep/wap/weatherization-program-notices-and-memorandums>.

7.0 WEBSITE INFORMATION

[The WAP website](#) contains information related to governing documents, Program information, communication information, client eligibility, and resources.

CONCLUSION: On behalf of DOE, we thank the WAP network for its dedication to the low-income households we serve across the country. We applaud the work of the network for being a part of reducing energy costs for Americans.

Michael Li
Director
Office of State and Community Energy Programs
U.S. Department of Energy

MICHAEL LI
Digitally signed by
MICHAEL LI
Date: 2026.07.09
08:56:02 -04'00'

- Attachment 1: PY 2026 Administrative and Legal Requirements Document (ALRD)
- Attachment 2: PY 2026 Application Instructions