



Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE BIL-1
ISSUED DATE: March 30, 2022

SUBJECT: Bipartisan Infrastructure Law (BIL) Grants for the Weatherization Assistance Program

INTENDED AUDIENCE: Weatherization Grantee Managers, Weatherization Subgrantee Managers

INTENDED USE: The Department of Energy (DOE) issues Weatherization Program Notices (WPN) to establish the framework to administer appropriated funds to the Weatherization Assistance Program (WAP). The content of this document, as well as the three attachments, provides programmatic information to Weatherization Managers to develop a WAP Grantee Plan to apply for Bipartisan Infrastructure Law (BIL) funds. These funds are appropriated by [Infrastructure Investment and Jobs Act, Public Law 117-58](#).

The WPN attachments serve as programmatic, financial, and legal resources with clarifying information on areas of the Application Instructions that must be incorporated into the submitted Grantee Plan. The Grantee Plan and other elements of the WAP Grant Application Package are submitted through WAP's reporting system, Performance and Accountability for Grants in Energy (PAGE).

New programmatic direction specific to the implementation of WAP formula funding from the BIL is included in this WPN. While the BIL did not significantly alter the statute governing the WAP, some key impacts and federal requirements are described as follows:

- BIL Flow-down requirements – General information on:
 - Davis-Bacon – Pages 3, 11, Item 2.13, and additional direction forthcoming
 - Buy American – Pages 3, 12, Item 2.14, and additional direction forthcoming
 - National Environmental Policy Act (NEPA) – Pages 3, 8, 9, Item 2.6, Item 2.7 and additional direction forthcoming
 - Historic Preservation – Pages 3, 9, 16, 17, 18, 19, Item 2.6, Item 2.7, and additional direction forthcoming
- Five-Year Plan and optional BIL Planning Workbook - Page 4
- Separate financial tracking, monitoring and reporting for BIL funding - Page 3, and Item 2.1
- Workforce Development – Pages 3, 10, 11, 16, Item 2.11, and Item 4.0
- Equity and Justice40 – Pages 3, 10, 11, and Item 2.12
- Fuel Switching, including electrification – Page 12 and Item 2.15 electrification

This WPN includes the following sections:

- 1.0 Purpose**
- 2.0 Program Priorities and Initiatives**
- 3.0 Funding**
- 4.0 Applications for WAP BIL Grants**
- 5.0 Weatherization Program Notices and Memoranda**
- 6.0 Website Information**

1.0 PURPOSE

To issue grant guidance and management information to access funding under the BIL. This notice is provided as an attachment to this Guidance.

- Attachment 1: Administrative and Legal Requirements Document (ALRD)
- Attachment 2: Application Instructions, to be used by all States, Territories, and Native American Tribes (and locals, if applicable) as supplemental information when applying for direct grants under the Weatherization Assistance Program for Low-Income Persons
- Attachment 3: WPN BIL 22–2: BIL Grantee Allocations

1.1 SCOPE

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

1.2 LEGAL AUTHORITY

Title IV, Energy Conservation and Production Act (ECPA), as amended, authorizes the Department to administer the WAP (42 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, the WAP regulations contained in the Code of Federal Regulations (CFR) at [10 CFR 440](#), DOE Financial Assistance Rules at [2 CFR 200](#), and the Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act), [Public Law 117-58](#).

The table in Section 5.0, has been updated to list all active WPNs. This table provides references to relevant Program matters to assist Grantees in the development of their Grantee plans, policies, and procedures. This section also includes Memoranda that have been issued by DOE to update Grantees on current activities and issues that are of general interest to the network.

BACKGROUND: On November 15, 2021, the President signed into law the [Infrastructure Investment and Jobs Act \(Public Law 117-58\)](#), also referred to as the Bipartisan Infrastructure Law (BIL), which provides \$3.5 billion in funding for Weatherization.

With respect to Weatherization, the BIL includes the following amendments to the current statute:

SEC. 40551. WEATHERIZATION ASSISTANCE PROGRAM

(a) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Secretary for the weatherization assistance program established under part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6861 et seq.) \$3,500,000,000 for fiscal year 2022, to remain available until expended.

(b) **APPLICATION OF WAGE RATE REQUIREMENTS TO WEATHERIZATION ASSISTANCE PROGRAM.**—With respect to work performed under the weatherization assistance program established under part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6861 et seq.) on a project assisted in whole or in part by funding made available under subsection (a), the requirements of section 41101 shall apply only to work performed on multifamily buildings with not fewer than 5 units.

There are other provisions in the BIL that have applicability to the use of WAP BIL funding, known as “flow-down requirements.” These include application of Davis-Bacon prevailing wage, Buy American, Historic Preservation and National Environmental Policy Act (NEPA) requirements. In addition to BIL requirements, DOE is applying several Administration priorities to the expenditure of these funds, including focusing funding on workforce development and diversity, inclusion and equity on delivering funds and the benefits of funding across communities in the United States. Another important consideration in the execution of WAP BIL funding is ensuring it is tracked, monitored and reported on separately from WAP annual appropriations funding, and that WAP Grantees are planning now for the long-term use of the BIL funding, since it is “available until expended.”

GRANT APPLICATION: DOE strongly recommends Grantees plan to execute the funding and complete most of the retrofits within in 5-year timeframe of receipt of the funding, to provide relief from high energy burden through savings and improvements to the homes of low income families in the most disadvantaged communities in the country. To assist Grantees, DOE is providing tools and technical assistance to enable the most expedited execution of the significant increase provided by BIL WAP funding for local weatherization efforts.

The BIL will significantly increase the DOE portion of funding for local weatherization efforts. With these additional funds, it is expected that each Grantee will develop and implement production plans, including hiring and training staff and contractors, over the first 18 months to prepare for meeting the BIL goals and expectations. DOE will assist Grantees throughout the planning process.

Grantees are required to submit a WAP Grant Application Package through PAGE providing a 5-year* plan to identify how the Grantee program will address:

- **Program Management:** Identification of needed positions to either hire or contract out, needed state-level positions for training, monitoring and oversight expansion, procurement and Buy America requirements and Davis-Bacon management.
- **Subgrantee Network:** Plans on how to manage the Subgrantee Network and if there will be any additional local organizations added.

- **Production and Expenditures:** Discuss the approach on how your Subgrantee Network will meet the identified BIL production and expenditures targets along with the Administration BIL goals - to reduce carbon emissions, provide good paying jobs, and reduce Greenhouse Gas (GHG) emissions.
- **Training:** The Training & Technical Assistance (T&TA) Plan must detail the required or needed Grantee staff and Subgrantee network training to ramp up the workforce to perform the weatherization work along with the other elements identified within Section V.8.4 (Training & Technical Assistance Approach and Activities) of the Application Instructions. Grantees are strongly encouraged to include in the T&TA plan a transition to high quality jobs and DOE encourages applicants to work with labor organizations to meet the demand for workers.
- **Monitoring:** With the BIL funds, Grantees are responsible to expand their monitoring and oversight of their Subgrantees. The monitoring plan must address the expansion along with addressing the specific requirements within [WPN 20-4: Weatherization Assistance Program Monitoring Procedures](#), issued January 22, 2020.

Grantees must also explicitly recognize any possible challenges faced in the identified areas that include, but are not limited to, workforce availability and training, monitoring and oversight, quality control, intake and qualification, management information systems, and equipment and supply chain shortages, and how these challenges can be met.

DOE strongly recommends Grantees to use the optional *BIL Planning Workbook* that includes a five-year planning template with goals and milestones, and T&TA and monitoring planning templates.

*Should a Grantee have project plans that exceed the 5-year period, Grantees may request an extended project period, during the final year of the project, providing additional information with the necessary information justifying the request for the extension. DOE will review extension requests on a case-by-case basis.

Please remember these important regulations or resources when developing your plan:

Since the inception of the Program, procedures for selection, replacement, or termination of community action agencies (CAA) or other public or non-profit organizations (known collectively as “Subgrantees”), are set forth in the WAP regulations at [10 CFR 440.14](#) and [440.15](#). Grantees must plan for program expansion by following these regulations.

[WAP Memorandum 015: Weatherization Financial Toolkit – 2 CFR 200 Regulations and Procurement Procedures](#), issued January 6, 2016, provides training material for WAP Grantees and Subgrantees regarding how to comply with the financial regulations governing the WAP. The curriculum provides a detailed explanation of budgetary systems, including a comprehensive overview of financial management systems, protocols, regulations, and procedures for the WAP. Whether buying materials and equipment, procuring contractor services, accounting for resources, or developing financial reports, all management rules and regulations must be followed appropriately.

The WAP regulation, in [10 CFR 440.23\(a\)](#) - Oversight, Training and Technical Assistance, prescribes that DOE *"shall monitor and evaluate the operation of projects carried out by [Community Action Agencies] CAA's receiving financial assistance under this part through on-site inspections, or through other means, in order to ensure the effective provision of weatherization assistance for the dwelling units of low-income persons."* Section [440.23\(b\)](#) states that *"DOE shall also carry out periodic evaluations of a program and weatherization projects that are not carried out by a CAA and that are receiving financial assistance under this part."*

ALLOCATION FORMULA: Grantees will notice a significant increase in funding from previous years. In part, this is because the level of funding for the BIL triggers the 1995 revised allocation formula. These formula changes increase the overall equity of the allocation of funds among the Grantees by providing warm-weather States a greater share of the funding, while protecting existing program capacity in cold-weather States.

2.0 PROGRAM PRIORITIES AND INITIATIVES UNDER THE BIL

This Section informs Grantees of the priorities within the BIL. They are not considered Program policy until provided in forthcoming WPNs.

The BIL, including the \$3.5 billion for WAP, is an investment in our nation's infrastructure, workers, and families. For lower-income households who already spend up to 30% of their income on energy costs, energy savings are essential. In addition, avoided emissions means less carbon and air pollution, which disproportionately harms lower-income communities, especially communities of color. BIL funding will deliver a more equitable clean energy future by:

- Investing in American manufacturing and workers,
- Expanding access to energy efficiency and clean energy for families and communities,
- Delivering reliable, clean, and affordable power to more Americans, and
- Reducing fossil fuel use and exposure to fossil fuel cost volatility.

DOE expects to develop and issue WPNs on a timely and regular basis that address program priorities under the BIL, including:

- Improving program implementation and flexibility,
- Targeting highest energy burden and disadvantaged communities,
- Increasing EE and RE technologies, braiding, electrification,
- Minimizing deferral, and
- Workforce expansion and diversity.

2.1 BUDGET/EXPENDITURES

As with every grant, DOE encourages WAP Grantees to spend their allocated funds efficiently and wisely. With the addition of the BIL grants, Grantees will now have two funding streams on different timelines to manage and make sure they are actively working to meet their quarterly production and expenditure milestones.

Grantees must segregate the obligations and expenditures related to funding under the BIL. Financial and accounting systems should be revised as necessary to segregate, track and maintain

these funds apart and separate from other revenue streams. With the exception of DOE WAP annual formula funds, BIL funds can be used in conjunction with other funding sources as necessary to complete projects but tracking and reporting must be separate from other funding sources to meet the reporting requirements of the BIL and OMB Guidance.

Both the average cost per unit (ACPU) expenditure limit and ACPU for renewable energy measures will remain the same throughout the expenditure of BIL grants and the life of the grant. See section 3.1.1 below for additional information.

WAP BIL Grant	WAP Annual Grants
<p>Grantees can weatherize a home using the WAP BIL grant funds WITH one of the following grants that was generated from the BIL (if awarded):</p> <ul style="list-style-type: none"> ○ BIL Sustainable Energy Resources for Consumers (SERC) Grant ○ BIL Enhancement and Innovation (E&I) Grant 	<p>Grantees can weatherize a home using their regular annual DOE WAP grant funds WITH one of the following grants that was generated from the WAP annual appropriation (if awarded):</p> <ul style="list-style-type: none"> ○ SERC Grant ○ E&I Grant ○ Community Scale Grant

DOE intends to obligate the BIL funds based on the following milestones, pending that

- Grantees must submit a PY 2022 WAP Annual Grant Application Package on time for negotiation and award. BIL Plans will not be reviewed until PY 2022 WAP Annual Grant Application Packages are submitted by Grantees.
- SF 424 and SF 424A must be submitted in PAGE within 30 days of DOE's issuance of the BIL ALRD.
- 15% of total allocation will be granted at time of initial award (after submission and approval of the SF-424 and SF-424A).
- 35% of total allocation will be granted upon DOE approval of the Grantee Plan that identifies the quarterly milestones over the 5-year period of performance (due by July 1, 2022).

Balance of total allocation (50%) is based on the Grantee demonstrating progress in meeting expenditures goals, production targets and reporting requirement compliance. Demonstrated progress is defined as:

1. 30% of all units estimated to be weatherized in approved Weatherization Plans are weatherized.
2. Each Grantee has been fulfilling its monitoring and inspection protocol as part of its approved annual Grantee plan.
3. Each Grantee is monitoring local agencies at least once each year to determine compliance with administrative, fiscal, and Grantee field policies and guidelines.
4. Local quality control efforts are in place.

5. At least 5% of the completed units are inspected by the Grantee Quality Control Inspection (QCI) staff during the course of the year.
6. Grantees progress reports are acceptable, submitted in accordance with grant requirements, including being on time and accurate.
7. Monitoring reviews by DOE confirm acceptable performance.

If DOE's review reveals deficiencies, such as funds not disbursed, insufficient technical monitoring, or failure to meet reporting requirements, DOE reserves the right to place a hold on current balances and withhold funding until deficiencies are corrected.

DOE will revise the current monitoring procedure for WAP grants and advise Grantees accordingly. With the significant funding increase, Grantees should expect more frequent monitoring by DOE. DOE will conduct periodic progress reviews to assess Grantees' compliance with Program requirements. These reviews will include monitoring of Subgrantee performance as well. DOE will also conduct technical assistance visits to assist Grantees and Subgrantees in meeting performance requirements.

2.2 PARTICIPATION IN ADDITIONAL EVALUATIONS/STUDIES

With the increase of T&TA BIL funding, DOE WAP plans to invest in national program evaluations to update previously completed studies and assess the progress and success of new programs. Grantees and Subgrantees will be expected to participate in these studies.

Retrospective evaluations will provide insight on program outcomes such as:

- Energy and non-energy impacts
- Benefits delivered to disadvantaged communities
- Weatherization workforce demographics and diversity

DOE also encourages WAP Grantees and Subgrantees to participate in evaluations/studies related to weatherization programs. Particularly, Grantees are urged to conduct regular program evaluations. While national-level studies allow DOE to see macro elements, by participating in well-designed regional-level, state-level or local-level evaluations/studies, more clarity can be attained on the impact specific protocols have on the energy savings and other benefits garnered through WAP. Grantees are urged to establish a protocol for Subgrantees to follow when asked to participate in an evaluation/study. Grantee's policies should include what the study is about and ensure that [WPN 10-08 Weatherization Guidance on Maintaining the Privacy of Recipients of Services](#) is followed. If Grantees need assistance in establishing or reviewing these protocols, please contact your respective DOE Project Officer (PO).

See Section V.6 Weatherization Analysis of Effectiveness in the BIL Application Instructions.

2.3 HEALTH AND SAFETY

Health and safety for both workers and dwelling unit occupants is a top priority for DOE. Over the years, DOE has updated the Health & Safety guidelines with new standards and procedures to ensure that weatherization activities do not cause or exacerbate existing health and safety problems. As new standards and concerns arise, DOE strives to address them accordingly. DOE released a revised version of the WAP Health and Safety Program Notice, [WPN 22-7](#) on December 15, 2021. Grantees are to review this WPN and its associated attachments and fully

implement the requirements outlined herein. Grantees are urged to consult with Subgrantees in developing the implementation plan.

See Section V.7 Health & Safety in the BIL Application Instructions.

2.4 MULTIFAMILY RETROFIT TOOLS AND WORKFORCE RESOURCES

DOE developed and maintains the [Standard Work Specifications \(SWS\)](#) for multifamily home energy upgrades to ensure that energy efficiency upgrades are effective, durable, and safe. The [Multifamily Job Task Analyses \(JTAs\)](#) define the knowledge, skills, and abilities (KSAs) that multifamily practitioners use to perform jobs effectively and safely. The JTAs provide a foundation for developing high-quality training and credentialing programs.

DOE supported the development of multifamily energy auditing tools to advance the WAP's ability to address this building type with the creation of the Multifamily Tool for Energy Audits (MulTEA). In 2021 DOE also supported the development of a priority list for small multifamily rental buildings with 5 to 24 units. The priority list and additional instructions will be shared in a future Weatherization Memorandum.

See Section V.5 Type of Weatherization Work to be Done in the BIL Application Instructions.

2.5 QUALITY WORK PLAN IMPLEMENTATION

Compliance with the current version of the SWS and the Grantee's approved installation standards is mandatory for all DOE WAP projects.

DOE works with Grantees and Subgrantees to ensure that independent, third-party quality control inspections are conducted on every completed dwelling unit and results are shared with relevant parties. These inspections must be verified by a certified Quality Control Inspector (QCI). DOE recently issued WPN 22-4: Quality Work Plan Requirement Update, to update Grantees on what defines what constitutes a quality installation of weatherization measures, outlines how those measures are inspected and validated, and prescribes acceptable training and credentialing of workers. DOE also permits Grantees to develop alternative approaches by working with their DOE PO.

Grantees are responsible for ensuring that Grantee technical monitors are QCI-certified and that Subgrantee staff fulfilling this role possess an active QCI-certification.

Grantee, Subgrantee and Contractor staff who repeatedly fail to perform to Program expectations must be disqualified from performing work in the future. Grantees must establish protocols to remove poor performers in their network.

See Sections V.5.1 Technical Guides and Manuals and V.5.3 Final Inspection in the BIL Application Instructions.

2.6 NATIONAL ENVIRONMENTAL POLICY ACT INFORMATION (NEPA)

Effective with WPN 20-1, DOE determined certain activities are categorically excluded from further NEPA review, absent extraordinary circumstances, cumulative impacts, or connected actions that may lead to significant impacts on the environment, or any inconsistency with

“integral elements” (as contained in [10 CFR Part 1021](#), Appendix B) as they relate to the activities listed in the PY 2021 NEPA determination. Recipients should review the NEPA determination specific to PY 2022 in their award documents for the list of activities that have been categorically excluded from further NEPA review.

Grantees are required to attend a DOE led online training covering NEPA and Historic Preservation. The training will be available in early 2022 to entities involved with WAP projects including grantees, Subgrantees and local weatherization providers to better understand NEPA, Historic Preservation, and how to complete reporting requirements for each. DOE Project Officers will notify grantees when the training is available.

See Section V. Types of Weatherization Work to be Done in the BIL Application Instructions.

2.7 HISTORIC PRESERVATION

DOE must comply with the requirements of Section 106 of the National Historic Preservation Act (NHPA) prior to authorizing the use of Federal funds. Section 106 requires federal agencies to consider the impact(s) on historic properties with projects weatherized with DOE funding. Most Grantees have a DOE executed Programmatic Agreement (PA) to streamline the Section 106 process. All DOE executed PAs are available on the Weatherization and Intergovernmental Programs website: <https://www.energy.gov/eere/wipo/historic-preservation-executed-programmatic-agreements>. For recipients without a PA, they are restricted to activities on structures less than 45 years old, unless those activities are reviewed by DOE. A Historic Preservation Review form was developed to assist recipients in submitting review requests to DOE for structures which are 45 years old or older. All recipients must follow the restrictions in their NEPA determination for historic preservation.

See Section V. Types of Weatherization Work to be Done in the BIL Application Instructions.

2.8 DEFERRAL TRACKING TOOLS AND TRAINING

DOE encourages the tracking of deferrals using consistent terminology for recording the *reasons* and *what repairs would be necessary* in order to proceed with weatherization. When repairs are necessary in order to install energy efficiency measures, but those repairs are beyond the allowable limits of incidental repairs and/or health and safety cost categories, deferral is often required. If other funding sources were available to address the repairs, it would increase the number of low-income homes WAP could effectively weatherize. DOE WAP has developed a [tracking tool](#) to provide consistent terminology and a brief [video](#) training describing how the tool is organized. DOE WAP will continue to work with our providers to address additional barriers and facilitate effective braiding of funds. DOE is developing training resources, including in the Learning Management System (LMS) to assist Grantees in braiding funds to address structural issues and enable deeper retrofits. Newly released SERC and E&I grant opportunities also allow for deeper retrofits being braided with typical weatherization work.

See Section V.1.2 Approach to Determining Building Eligibility in the BIL Application Instructions.

2.9 UPCOMING FUNDING OPPORTUNITIES

On December 15, 2021, DOE WAP announced three initiatives designed to increase opportunities to serve WAP clients: Sustainable Energy Resources for Consumers (SERC) grant program, Community Scale Pilot Project, and the Enhancement & Innovation (E&I) funding opportunity. DOE's aim is to provide information to Grantees as they begin their BIL planning. Although these grants may not directly affect the Grantee's BIL package submission, Grantees may want to consider where there may be synergy to use multiple BIL funding streams within units to better serve our clients. Specific additional opportunities anticipated during the PY 2022 cycle include: BIL SERC grant program and BIL E&I funds.

2.10 FEDERAL COORDINATION EFFORTS

DOE WAP, HHS LIHEAP, and HUD Lead Hazard Control and Health Homes Programs continue to collaborate on how to better support interagency coordination. Each of the agencies serves households with lower incomes, using varying income eligibility requirements. DOE WAP will continue to work with our providers to address additional barriers, facilitate effective braiding of funds, and improve program implementation and flexibility. DOE will also pursue coordination with HUD's Office of Community Planning and Development (CPD), USDA's Rural Development Office, and FEMA's resilient infrastructure programs to understand the potential for leveraging resources. DOE is committed to ensure our providers are 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 our DOE program.

2.11 WORKFORCE DEVELOPMENT

With BIL funds, DOE anticipates significant opportunities in attracting, training, and retaining new employees and contractors to WAP. Additionally, BIL funds provide an opportunity to diversify a high-quality and well-trained WAP, building the clean energy workforce. Each Grantee will receive a BIL T&TA allocation to support workforce development activities. Applicants are highly encouraged to include a plan to attract, retain, or transition a local workforce needed to enable the project goals. The plan can include the use of workforce partners, unions, community colleges, potential supportive services, and use of Registered Apprenticeships or other joint, labor-management partnerships training programs, or other high-quality training models. Grantee T&TA plans must ensure WAP workers receive comprehensive training on a regular basis, as defined by the Grantee, for the position in which the worker is employed. DOE encourages flexibility in designing curricula to ensure trainings are customized to meet the needs of the weatherization workforce and unique energy efficiency programs. The Department will assess the degree to which WAP contributes to high-quality job creation by supporting good-paying jobs with a free and fair choice to join a union and incorporate strong labor standards, such as through the use of project labor agreements. DOE will continue to develop resources to address any additional barriers and improve ability to increase workforce expansion and diversity. Further, DOE encourages Grantees to braid funds to increase deployment of additional technologies (including electrification), workforce expansion, project construction, and in on-going operations and maintenance.

See Section V.8.4 Training and Technical Assistance (T&TA) in the BIL Application Instructions.

2.12 EQUITY AND THE JUSTICE40 INITIATIVE

Justice40 is a whole-of-government effort to ensure that Federal agencies work with states and local communities to deliver at least 40 percent of the overall benefits from Federal investments in climate and clean energy to disadvantaged communities. For additional information, see Executive Order 14008, [Federal Register: Tackling the Climate Crisis at Home](#), and the Office of Management and Budget (OMB) [Memorandum 21-28](#). Additional guidance from OMB is anticipated in 2022.

In partnership with the Office of Economic Impact and Diversity, DOE WAP is working to institutionalize equity and energy justice throughout our programs. This may include policy updates, changes to our reporting requirements, and the development of new programs and technical assistance resources. During 2021 DOE WAP met with stakeholders and developed an implementation plan for Justice40. DOE WAP plans to incorporate new metrics in program reporting, such as 9 digit zip codes for weatherized buildings pending OMB/DOE guidance, to more accurately measure the benefits delivered to disadvantaged communities. In addition, based on stakeholder input, DOE plans to continue program initiatives that will improve access to WAP services such as reducing deferral rates, investing in workforce development (including as feasible community benefit agreements), and incorporating non-energy impacts in the cost-effective test for services. DOE will continue to work with our providers and develop resources to address additional barriers and improve approaches to targeting and serving highest energy burden and disadvantaged communities. In 2022 DOE will continue stakeholder engagement to inform any new reporting requirements and program initiatives and anticipate this work will span beyond Justice40 to encompass Diversity, Equity, Inclusion and Accessibility. In addition, DOE will provide TA to Subgrantees to better target resources to high energy burden households and to increase the application and utilization of funding in disadvantaged communities.

2.13 PREVAILING WAGES/DAVIS-BACON

With respect to work performed under the Weatherization Assistance Program on a project assisted in whole or in part by WAP funding, the BIL (Section 41101 and 40552) requires the payment of prevailing wages for work performed on multifamily buildings with not fewer than 5 units.

Therefore, all laborers and mechanics employed by contractors and subcontractors on multifamily building projects with not fewer than 5 units funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the BIL shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor. Additional program direction will be released as soon as it is available.

For reference purposes only, it is strongly recommended that WAP Grantees review archived [WPN 09-9, Guidance on Implementation of the Davis-Bacon Act Prevailing Wage Requirements in the American Recovery and Reinvestment Act of 2009](#), issued July 21, 2009, which provided guidance to WAP Grantees and Subgrantees on implementing Davis-Bacon Act (DBA) requirements in the WAP. In addition, Grantees should also review archived [WPN 10-4, Davis-Bacon Commercial Labor Rates in Large Multifamily Buildings Impact on Saving-To-Investment Ratios](#), issued November 10, 2009, which addressed the determination of the cost-effectiveness of weatherization materials installed in multifamily buildings.

Under [10 CFR 440.21\(d\)](#), each individual weatherization material and package of weatherization materials installed in an eligible dwelling unit must be cost-effective. These materials must result in energy cost savings over the lifetime of the measure(s), discounted to present value, that equal or exceed the cost of materials, installation, and on-site supervisory personnel as defined by DOE.

Per the terms of the BIL, higher wage rates on multifamily buildings with not fewer than 5 units may not meet the cost-effectiveness requirement established in regulation, whereas the same measures would be cost-effective if installed on low-rise buildings. Therefore, as per WPN 10-4, for purposes of calculating cost-effectiveness, a local agency may use either the weatherization labor rates or the commercial prevailing wage for weatherization measures installed in high-rise buildings. However, in accordance with BIL requirements, prevailing wages for labor must be paid.

2.14 BUY AMERICAN

The BIL made changes to domestic content preference laws, which require that certain goods purchased with federal funds be manufactured primarily in the United States. “Buy America” requirements previously applied to iron, steel, and certain manufactured goods. Title IX of HR 3684 “Build America, Buy America” broadens coverage to include nonferrous metals, such as copper used in electric wiring; plastic- and polymer-based products; glass, including optical fiber; and certain other construction materials, such as lumber and drywall. Additional program direction will be released as soon as it is available.

2.15 FUEL SWITCHING

In an effort to achieve the Administration’s goal of delivering more equitable clean energy, DOE WAP Grantees are reminded they may perform cost-effective fuel-switching installations as outlined in current DOE guidance ([WPN 19-4](#)) utilizing any combination of funds available including E&I and SERC funds for this purpose. Health and Safety related fuel-switching is also allowed as outlined in the current DOE guidance ([WPN 22-7](#)). Any Grantee that desires to administer fuel-switching may submit a request to implement the necessary procedures and policies to their DOE Project Officer of record. DOE will continue to work with our providers and develop resources to address additional barriers and improve ability to braid funds increase use of additional technologies including electrification.

3.0 FUNDING

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

- Appropriated Weatherization BIL Funding
- Low-Income Home Energy Assistance Program (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

See Section III. Budget in the BIL Application Instructions.

3.1 BIL APPROPRIATED WEATHERIZATION FUNDING

Grantees should create BIL plans using WPN BIL 22-2, BIL Grantee Allocations.

3.1.1 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, [10 CFR §440.18](#)(a) and (c)). The adjusted average for BIL grants is determined by using the percentage increase in the Consumer Price Index (CPI) (all items, United States city average) for FY 2021 or 3 percent, whichever is less. The percentage increase in the CPI for the previous 12-month period (September 2020 – September 2021) was 5.4%. Therefore, the adjusted average expenditure limit for at the time of the BIL grants is **\$8,009. This average includes units computed in a multifamily building of 5 units or greater.**

In accordance with [10 CFR Part 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 (September 2019 – September 2020) was 5.4%. Therefore, the PY 2022 adjusted average expenditure limit at the time of the grants is **\$3,929 for renewable energy system measures with a Savings to Investment Ratio (SIR) greater than 1.**

The allowable expenditure for the entirety of the BIL grant for the average expenditure limit will be \$8,009, and the average for renewable energy measures will be \$3,929.

Note: The adjusted average for renewable energy measures is not a separate average, but part of the overall adjusted average expenditure limit of \$8,009. Currently Appendix A allows for use of solar (thermal) water heating systems. Some Grantees have been granted approval for installation of solar photovoltaics when they have submitted it as part of their Grantee Plan, received approval from the DOE Contracting Officer (CO), and amended their 5-year DOE-approved energy audit process.

3.1.2 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. Please review Section III. Budget of the Application Instructions for additional information.

3.2 LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

[LIHEAP](#) was first established in 1981 and is funded annually through federal appropriations to the Department of Health and Human Services (HHS). The mission of LIHEAP is to minimize the energy burden on low-income families. As such, if the Grantee elects, a percentage of the LIHEAP assistance funds received by the state from HHS may be transferred to the WAP and used for the purpose of weatherizing homes. Grantees have the option of administering the LIHEAP funds separately from the DOE award or including these resources in the DOE budget. The budget section of the grant application instructions provides a chart outlining some considerations for the Grantee in making this decision. Further questions or points of clarification should be directed to your DOE PO.

See Section III.1 SF424 Budget Preparations in Annual File in the BIL Application Instructions.

3.3 LEVERAGED RESOURCES

Leveraged funds included in the budget of the DOE award must meet all WAP rules, regulations, and guidelines. Grantees should carefully 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 contact their DOE PO.

See Section III.1 SF424-A Budget Preparation in the BIL Application Instructions.

3.4 PETROLEUM VIOLATION ESCROW (PVE) FUNDS

WAP can be funded by several of sources, including PVE funds. PVE funds can be divided into two general 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 applicable requirements of the funding source.
- 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.
- Generally, if Exxon funds are used for weatherization projects, they must be included in the Grantee Plan. **Exxon funds cannot be used for administrative expenses.**
- A Grantee may elect to use Stripper Well funds for projects either separate from or included within the 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 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 program year are not

expended, the amount of funding that may be used for administrative expenses in the following program year must be adjusted accordingly.

- No more than 5 percent 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 percent 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.

See Section III.1 SF424-A Budget Preparation in the BIL Act Application Instructions.

3.5 PROGRAM INCOME

Program income is defined in [2 CFR 200.80](#) and subject to the specific requirements provided in [2 CFR 200.307](#). DOE considers program income as funds earned by Grantees and/or Subgrantees from non-Federal sources when performing DOE WAP activities. The income from these activities must be used for additional weatherization activities in accordance with DOE rules. It must be treated as an addition to program funds and is subject to the same rules as appropriated funds. Property owner (i.e., landlord). Landlord contributions and leveraged resources (i.e., or Grantee funds) are NOT considered to be "program income" for the purposes of the WAP. Grantees requiring further clarification on program income, as it applies to their specific program, should contact their DOE PO.

See Section III.1 SF424-A Budget Preparation in the BIL Application Instructions.

3.6 ALLOWABLE COSTS

As a reminder, Grantees should outline information in their allocated funds among the Budget Categories consistently, in alignment with Weatherization Program Notices and application instructions, and particularly as concerns regarding the costs allowable for weatherizing each dwelling. In addition, Grantees should consider their ability to use their T&TA funds in combination with those of other Grantees, where possible, to enable economies of scale on those activities that may be of similar value/approach among a region or a group of Grantees with similar needs.

- 3.6.1 ACPU:** Field audits of Subgrantee fiscal operations identified inconsistencies in the way ACPU calculations are performed. It is imperative Grantees define what costs are allowable in each Budget Category and how the Subgrantee needs to account for these costs when determining the ACPU. Consistent application of allowable cost by category ensures greater reliability in the ACPU calculation.

Details for this calculation and cost categories are contained within **Section III.2 Budget Categories – Section B** of the Application Package Instructions. DOE requests Grantees closely monitor the way Subgrantees define costs within a Budget Category and ensure consistency in defining allowable costs within Budget Categories. This is necessary to better understand how Subgrantees are managing their WAP grants and controlling expenditures.

- 3.6.2 T&TA:** Congress limits the amount of T&TA funds available to DOE which limits the number of projects that can be funded. DOE encourages Grantees to collaborate with their peers to pool their T&TA funds to perform projects or activities which were historically funded through the DOE T&TA set-aside.

See Section III.2 Budget Categories – Section B in the BIL Application Instructions.

3.7 UNALLOWABLE COSTS

Program funds may not be used to support or oppose union organizing, whether directly or as an offset for other funds.

4.0 APPLICATIONS FOR WAP BIL GRANTS

To ensure public involvement and obtain timely suggestions, DOE requires a formal public hearing on the completed final draft Grantee Plan Application. In addition, DOE urges Grantees to hold a meeting at the beginning of the planning process with their Subgrantee Network and their Policy Advisory Council (PAC). In addition, DOE recommends Grantees regularly consult with their Subgrantees and engage community-based organizations, unions and community colleges committed to workforce development, diversity and energy justice throughout the period of performance to improve the Weatherization Program and the BIL Plan.

See Section IV.1 Annual File in the BIL Application Instructions.

4.1 5-YEAR GRANTS

When new grants are issued (i.e., new grant is issued, new grant number/instrument), they cannot include carryover funding from any previous project period. Funds remaining from previous project periods will be de-obligated and reapportioned by the Office of Management and Budget. They will then be re-obligated using the formula to all Grantees.

See Section III. Budget in the BIL Application Instructions.

4.2 INTERGOVERNMENTAL REVIEW

In the development, submission, and review of grant applications, the provisions of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the DOE Implementing Order ([10 CFR 1005](#)) remain unchanged.

See Section I.1 Introduction in the BIL Application Instructions.

4.3 APPLICATION PACKAGE

The application process is fully electronic, and applications must be submitted on the PAGE website at <https://www.page.energy.gov/default.aspx>. The PAGE system contains all Federal forms required for the application. Please follow instructions in the ALRD, WPNs, and the Application Instructions attached to this Program Notice (Attachment 2).

4.4 APPLICATION REFINEMENTS THIS YEAR

DOE updated the Application Instructions for PY 2022 to provide a detailed overview of the monitoring plan requirements. Those updates are also reflected in the BIL Application Instructions as well as several other updates.

In addition, the Quarterly Performance Report (QPR) in PAGE was updated to reflect the directive of H. Rept. 115-929 (September 2018) which requires DOE to track the occurrence of window replacements that support the reduction of lead-based paint hazards. The new QPR field to collect this data is located within Section II. Grant Production > B. DOE Units > 4. OTHER UNIT CATEGORIES > Window Replacements in Support of the Reduction of Lead-Based Paint Hazards. This new reporting requirement went into effect with the start of the 2021 Program Year.

4.5 REPORTING REQUIREMENTS

The reporting requirements are set forth in the Federal Assistance Reporting Checklist, DOE F 4600.2, attached to the grant agreement. Any new reporting requirements will be communicated to Grantees in forthcoming program notices and memoranda. Training and technical assistance will be provided as needed.

In September 2018, Congress per H. Rept. 115-929 directed DOE to begin tracking the occurrence of window replacements, which supports the reduction of lead-based paint hazards. This requirement allows DOE to collect and disseminate information as directed. Window replacements which are cost justified as Energy Conservation Measures (ECM) are not considered as “supporting the reduction of lead-based paint hazards” and should not be reported as such. Grantees are reminded to follow requirements set forth in [WPN 22-7](#) for information on how to treat and report windows as H&S measures. If you have questions regarding this metric, please contact your PO. This requirement started in PY 2021, and Grantees will submit this information on a quarterly basis through PAGE.

5.0 WEATHERIZATION PROGRAM NOTICES (WPN):

All DOE-developed documents, [WPNs and other relevant policy documents, are available through the DOE website.](#)

Active WPNs applicable to formula grants in effect at the time of WPN BIL-1 issuance 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.” DOE will continue to send notices electronically and post them to DOE’s website to ensure all Grantees have access.

The table further below is organized by date of WPN issuance with the major topic headings at the top to allow for easy reference.

In addition, the WAP memorandum process established a uniform communication mechanism to notify Grantees of upcoming events, clarify elements of existing WPNs, and provide opportunity for comment by the Network on administrative direction and impact of future policies. Active Memoranda are listed following the WPNs.

WPN	Title	Funding	Grant Application	Procurement	Monitoring	Clients	Multifamily	Material Procurement	Rental Requirements	Energy Audit Criteria	Health and Safety	Renewable Energy Systems	Disaster Relief	Eligibility Levels	Defining Income	Priority Service	Fuel Switching	Incidental Repairs	Reweathering	Vehicle Purchases	Policy Advisory Council	Electric Baseload	Administrative Costs	Historic Preservation	Eligible Dwelling Units
10-8	WAP Guidance on Maintaining the Privacy of Recipients Services					x																			
10-10	Reprogramming T&TA Funds to Program Operations	x																							
10-12	Historic Preservation Implementation																							x	
11-3	Policy Regarding the Use of DOE Program Funds to Pay for Call-Back/Add-On Work After Reported to DOE As A Completed Unit																								x
11-14	Updated Subgrantee Selection Guidance		x																						
12-7	Disaster Planning and Relief												x												
16-5	Multifamily Weatherization						x							x											x
16-6	Weatherization of Rental Units								x																x
17-4	Multifamily Housing – Procedure for Certifying Income-Eligible HUD Assisted Buildings						x							x											
17-6	Property Acquired Under the Weatherization Assistance Program Including Vehicle and Equipment Purchases							x												x					
19-4	Revised Energy Audit Approval Procedures, Related Audit, and Material Approvals			x						x		x					x	x				x			
19-5	Incidental Repair Measure Guidance										x							x							

WPN	Title	Funding	Grant Application	Procurement	Monitoring	Clients	Multifamily	Material Procurement	Rental Requirements	Energy Audit Criteria	Health and Safety	Renewable Energy Systems	Disaster Relief	Eligibility Levels	Defining Income	Priority Service	Fuel Switching	Incidental Repairs	Reweathering	Vehicle Purchases	Policy Advisory Council	Electric Baseload	Administrative Costs	Historic Preservation	Eligible Dwelling Units
19-6	DOE Guidance for Completing Recipients' Annual Historic Preservation Report																								x
20-4	Weatherization Assistance Program Monitoring Procedures				x																				
21-1	Grant Application		x		x											x				x				x	
21-2	Program Year 2021 Grantee Allocations	x	x																						
21-4	Closeout Procedures for Grants Under the Weatherization Assistance Program		x																						
22-1	Grant Application		x		x											x				x				x	
22-2	Program Year 2022 Grantee Allocations	x	x																						
22-3	2022 Federal Poverty Guidelines and Definition of Income													x	x	x									
22-4	Quality Work Plan Requirement Update		x		x																				
22-5	Expansion of Categorical Eligibility					x								x											x
22-7	Weatherization Health & Safety										x														
BIL 22 -1	Grant Application		x		x											x				x				x	
BIL 22 -2	BIL Grantee Allocations		x		x											x				x				x	

Weatherization Program Notices can be accessed via the following link

<https://www.energy.gov/eere/wap/weatherization-program-notices-and-memorandums>.

Program Memorandums that are Currently Active

- [WAP Memorandum 002: Reminder of Client Priority - High Energy Burden](#)
- [WAP Memorandum 008: Quality Management Plan Draft Grantee KSAs](#)
 - [Attachment 1: Grantee-Level WAP Specific \(Technical Elements\)](#)
 - [Attachment 2: Grantee-Level Weatherization Assistance Program \(WAP\) Specific](#)
 - [Attachment 3: Grantee-Level Non-Weatherization Assistance Program \(WAP\) Specific/Financial](#)
- [WAP Memorandum 010: Quality Management Plan - Record Keeping and Reporting](#)
- [WAP Memorandum 015: Weatherization Financial Toolkit 2 CFR 200 Regulation and Procurement Policies](#)
- [WAP Memorandum 020: Clarification on DOE Evaluation Studies vs. Independent Studies](#)
- [WAP Memorandum 022: Allowable Use of Training Funds for Network Conferences](#)
- [WAP Memorandum 024: The Use of Solar PV in the WAP](#)
- [WAP Memorandum 035: Weatherization Leveraging](#)
- [WAP Memorandum 038: Solution Summits Results](#)
- [WAP Memorandum 041: Weatherization Assistance Program GovDelivery Distribution List](#)
- [WAP Memorandum 047: WAP PY18 Average Cost Per Unit Correction](#)
- [WAP Memorandum 051: ACSI Grantee Survey Results](#)
- [WAP Memorandum 054: American Customer Satisfaction Index \(ACSI\) – Subgrantee Survey](#)
- [WAP Memorandum 059: 2020 Weatherization Grant Application Active Weatherization Program Notices Update](#)
- [WAP Memorandum 060: Weatherization Assistance Program Frequently Asked Questions Related to COVID-19](#)
- [WAP Memorandum 062: Weatherization Assistance Program's Response to Guidelines for Opening Up America Again - Phase One & Frequently Asked Questions \(FAQs\)](#)
- [WAP Memorandum 063: Historic Preservation Prototype Programmatic Agreements Amendment Process](#)
- [WAP Memorandum 066: Historic Preservation Prototype Programmatic Agreements Amendment](#)
- [WAP Memorandum 067: Weatherization Assistance Program's Response to Guidelines for Opening Up America Again – Phases Two and Three, plus Frequently Asked Questions \(FAQs\)](#)
- [Weatherization Memorandum 074: Weatherization Assistant Suite of Tools Update](#)
- [Weatherization Memorandum 074A: Update to WAP Memorandum 074: Weatherization Assistant Suite of Tools](#)
- [Weatherization Memorandum 075: Weatherization Assistance Program Reauthorization Impacts for State Plan Submission](#)
- [Weatherization Memorandum 077: Pilot Project Opportunity: Community Scale Projects in the Weatherization Assistance Program](#)
- [Weatherization Memorandum 079: Program Year 2022: New WAP Awards](#)
- [Weatherization Memorandum 083: Allowable Use of Training Funds for 2022 National Home Performance Conference](#)
- [Weatherization Memorandum 084: WAP Sustainable Energy Resources for Consumers \(SERC\) Grant Application](#)
- [Weatherization Memorandum 085: WAP Community Scale Pilot Project \(CSPP\) Grant Application](#)
- [Weatherization Memorandum 086: WAP Enhancement & Innovation Funding Opportunity Announcement \(DE-FOA-0002520\)](#)
- [Weatherization Memorandum 087: Government Transition to a New Unique Entity Identifier \(UEI\)](#)
- [Weatherization Memorandum 088: USDA Rural Energy Pilot Program \(REPP\) Grant Opportunity](#)

Weatherization Program Memoranda can be accessed via the following link
<https://www.energy.gov/eere/wipo/weatherization-program-guidance>.

6.0 WEBSITE INFORMATION

To assist the WAP Network in obtaining the most up-to-date information related to governing documents, Program information, communication information, client eligibility, and technical and management resources, please visit DOE WAP's website:

<https://www.energy.gov/eere/wap/weatherization-assistance-program>.

Resources include, but are not limited to:

- [About the Weatherization Program](#)
 - [Whole House Weatherization Approach](#)
 - [National Evaluation](#)
 - [Weatherization Contacts](#)
- [How to Apply for Weatherization Assistance](#)
- [Weatherization Program Notices and Memoranda](#)
- [Weatherization Management Resources](#)
 - [Weatherization Program Updates](#)
 - [Weatherization Training Resources](#)
 - [Weatherization Grantee Manager's Training Toolkit](#)
 - [Weatherization Standardized Curricula](#)
 - [Weatherization Financial Training](#)
 - [Weatherization Administrative Training](#)
 - [Weatherization Energy Audits](#)
 - [Weatherization Monitoring](#)
 - [Weatherization Field Guides and Variance Requests](#)

CONCLUSION: Since 1976 WAP has weatherized over 7.2 million households. As the nation's oldest and most comprehensive retrofit program, WAP is prepared to play a key role in expanding access to energy efficiency and clean energy. The BIL provides an historic investment in our nation's families, workers and American manufacturing, and with the \$3.5 billion WAP will ensure a more equitable clean energy future for the American people.

This is an extraordinary challenge put before an extraordinary network. At DOE, we pledge to work in partnership with all stakeholders including the Grantees, Subgrantees and their Associations, to ensure that these purposes are met. We ask that you keep the lines of communication open and that you continue to work collaboratively with each other and with DOE to achieve these objectives.

DOE recognizes the complexity of this challenge and there may be elements that will require still further clarification. DOE will continue to provide additional updates through DOE Project Officers and, as needed, through Program Notices in an effort to keep the Weatherization network well informed.

It is a pleasure to work with you on this important challenge. I look forward to the growth of this Program and our continued partnership to ensure Weatherization Works!

ANNAMARIA
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Digitally signed by ANNAMARIA
GARCIA
Date: 2022.03.24 09:55:13 -0400

Anna Maria Garcia
Director
Weatherization and Intergovernmental Programs Office
Energy Efficiency and Renewable Energy

Attachment 1: Administrative and Legal Requirements Document (ALRD)

Attachment 2: Application Instructions (March 2022)

Attachment 3: BIL 22-2 BIL Grantee Allocations