

# Guidelines for Utilizing Weatherization Assistance Program (WAP) Energy Modeling with Home Electrification and Appliance Rebates (HEAR)

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## Introduction

This resource covers key topics including fuel switching approval, energy modeling requirements, and funding restrictions for WAP State Grantees, Subgrantees, and contractors seeking to leverage Home Electrification and Appliance Rebates (HEAR) program funding in conjunction with Weatherization Assistance Program (WAP) funds.

## Key Topics

### Fuel Switching Approval

- DOE WAP approval for fuel-switching measures is not required when using HEAR funds, provided that no WAP funds are expended for the purchase and installation of the fuel switching measure(s) directly.
- This allows greater flexibility in implementing fuel-switching projects without explicit WAP approval if the measures purchased and installed are solely funded through HEAR.

### WAP Energy Modeling Requirements

- DOE WAP requires any measure installed using leveraged funds from other federal or state programs or from other financial assistance programs (such as utility incentives) must:
  - be included in the WAP energy model as an Energy Conservation Measure (ECM), *and*
  - be part of a retrofit package with a Savings to Investment Ratio (SIR) of over 1.0.
- For a streamlined integrated approach that uses a WAP energy model to meet the HEAR requirement for a Limited Home Assessment, HEAR-funded measures must be considered as ECMs within the WAP energy model and meet the above WAP requirements.
- Only Incidental Repair Measures (IRMs) paid for with WAP funds must be included in the SIR calculation of the total package of weatherization measures. IRMs paid for by HEAR or other non-WAP sources do not need to be included in the SIR calculation for the retrofit package.
- Health and Safety Measures (H&S) that are qualified and paid for by HEAR funds do not need to be included in the energy model SIR calculations, unless they directly result in energy savings (e.g., a heat pump water heater replacement for health and safety reasons).

- Weatherization Readiness Fund (WRF) measures do not need to be included in the energy model SIR calculations regardless of fund sources.
- Energy modeling should be conducted in a "funding agnostic" manner, with the initial evaluation of measures based purely on their energy savings potential and cost-effectiveness, without regard to the funding source.
- Appropriate funding sources (WAP, HEAR, etc.) should be selected for each measure only after the energy modeling has been completed and the individual measures and package of measures have been assigned an SIR.

## Funding Restrictions

- Measures paid for with HEAR funding may not be "co-funded"<sup>1</sup> with any other federal grant or rebate funds, including WAP.
- WAP Subgrantees must carefully track and document the funding sources for each measure to avoid any illegal co-mingling of funds.
- This restriction prevents the duplicate use of federal funds and ensures compliance with each program's guidelines.

## Example Project

The table below is an example of how WAP funds can be braided as leveraged funds with HEAR and other leveraged funding sources (i.e., U.S. Department of Health & Human Services Low Income Energy Assistance Program (LIHEAP) and a utility energy efficiency program) into a house.

Note the following:

- All ECMs are included in the energy audit results, regardless of the funding source.
- Only IRMs paid for with WAP funds are included in the cumulative SIR calculation.
- H&S and WRF costs are not included in the cumulative SIR calculation.
- HEAR may co-fund measures where non-federal funds (i.e., utility) are the other cost share.

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<sup>1</sup> [WPN 22-9](#): Co-funding is defined as "when leveraged funds (not owner contributions) are utilized to install measures that do not have an SIR of 1 or greater".

**Table 1. Braiding WAP funds as leveraged funds with HEAR and other leveraged funding sources**

<b>Color Key</b>											
DOE WAP Only											
Braided (Leveraged) Funds											
WAP Co-Funded Measures											
HEAR Rebate Measures											
Selected Measures	Measure Cost	Measure SIR	Package SIR	Max DOE Cost Share	DOE WAP	LIHEAP WX	Utility	HEAR	DOE WRF	Totals	Contractor Assignment
					\$ 9,000	\$ 9,000	\$ 6,000	\$ 14,000	\$ 20,000	\$ 58,000	
WRF - Roof Replacement	\$ 13,000.00	WRF = 0	N/A						\$ 13,000	\$ 13,000	Roofer
DOE IRM - Door Repair	\$ 250.00	IRM = 0	0.0		\$ 250					\$ 250	CAA Subgrantee
DOE IRM - Patch Exterior Siding	\$ 500.00	IRM = 0	0.0		\$ 500					\$ 500	CAA Subgrantee
ECM - Attic Insulation	\$ 2,650.00	3.5	2.5			\$ 2,650				\$ 2,650	CAA Subgrantee
ECM - Heat Pump Water Heater	\$ 2,500.00	2.5	2.3				\$ 750	\$ 1,750		\$ 2,500	Plumber
ECM - Air Sealing	\$ 800.00	1.9	2.1				\$ 800			\$ 800	CAA Subgrantee
ECM - Wall Insulation	\$ 3,800.00	1.7	2.0		\$ 3,000	\$ 800				\$ 3,800	CAA Subgrantee
ECM - Floor Insulation	\$ 2,700.00	1.6	1.9		\$ 1,000	\$ 1,700				\$ 2,700	CAA Subgrantee
ECM - Low Flow Showerheads	\$ 75.00	1.5	1.9		\$ 75					\$ 75	CAA Subgrantee
ECM - DWH Tank Insulation	\$ 80.00	1.2	1.8		\$ 80					\$ 80	CAA Subgrantee
ECM - Refrigerator Replacements	\$ 850.00	1.1	1.7		\$ 850					\$ 850	CAA Subgrantee
ECM - Duct Sealing	\$ 750.00	1.0	1.6		\$ 750					\$ 750	CAA Subgrantee
ECM - Duct Insulation	\$ 1,200.00	0.9	1.5	\$ 1,080.00	\$ 800			\$ 400		\$ 1,200	CAA Subgrantee
ECM - Install Heat Pump	\$ 7,500.00	0.6	1.3	\$ 4,500.00			\$ 1,690	\$ 5,810		\$ 7,500	HVAC
ECM - DWH Pipe Insulation	\$ 135.00	0.4	1.3	\$ 54.00	\$ 50	\$ 85				\$ 135	CAA Subgrantee
ECM - Low E Windows	\$ 4,750.00	0.3	1.1	\$ 1,425.00	\$ 1,350	\$ 3,100	\$ 300			\$ 4,750	CAA Subgrantee
DOE H&S - CO/Smoke Alarms	\$ 185.00	H&S = 0	N/A		\$ 185					\$ 185	CAA Subgrantee
HEAR H&S - Electric Stove/Oven	\$ 840.00	H&S = 0	N/A					\$ 840		\$ 840	Electrician
HEAR H&S - Ventilation Fans (ASHRAE)	\$ 800.00	H&S = 0	N/A					\$ 800		\$ 800	Electrician/HVAC
HEAR IRM - Electric Load Center Upgrade	\$ 4,000.00	IRM = 0	N/A				\$ 2,000	\$ 2,000		\$ 4,000	Electrician
HEAR IRM - Electric Wiring Upgrade	\$ 2,500.00	IRM = 0	N/A				\$ 500	\$ 2,000		\$ 2,500	Electrician
<b>Totals</b>	<b>\$ 49,865</b>				<b>\$ 8,890</b>	<b>\$ 8,335</b>	<b>\$ 5,640</b>	<b>\$ 14,000</b>	<b>\$ 13,000</b>	<b>\$ 49,865</b>	

## Conclusion

Adhering to these guidelines on fuel switching approvals, energy modeling requirements, and funding restrictions is essential for states and their local subgrantees to utilize HEAR in conjunction with WAP funds. Careful planning, tracking, and documentation are necessary to successfully leverage HEAR and other funding sources while ensuring compliance with the applicable program requirements and maximizing the energy and health benefits delivered for low-income households.