Department of Energy
Washington, DC 20585

WEATHERIZATION PROGRAM NOTICE 24-7
Revised EFFECTIVE DATE: April 14, 2025

Update: References to the Bipartisan Infrastructure Law have been replaced with Infrastructure Investment and Jobs Act.

EXECUTIVE SUMMARY: This guidance addresses the Average Cost per Dwelling Unit (ACPU) as the sum of the expenditure of financial assistance allowable under 10 CFR 440.18 (a), (b), and (c) for labor, weatherization materials, and related matters in the Department of Energy (DOE) Weatherization Assistance Program (WAP). DOE is providing three new optional Budget Categories, including Intake/Eligibility, Final Inspection, and Energy Audit, for Grantees that can be used to capture costs related to these specific activities which DOE considers to be outside the ACPU limits.

SUBJECT: Optional Budget Flexibilities for the Average Cost Per Unit

APPLICABLE TO: WAP Annual Formula Allocations, WAP Infrastructure Investment and Jobs Act (IIJA) Formula Allocations

INTENDED AUDIENCE: WAP Grantees and Subgrantees

PURPOSE: To issue guidance on new optional Budget Categories that can be used to capture costs related to these specific activities which DOE considers to be outside the amount of expenditures calculated in the "average cost per dwelling unit" pursuant to 42 USC §6865(c)(1) and to emphasize consistency in applying the financial assistance rules set forth in 2 CFR 200 by Grantees and Subgrantees.

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

LEGAL AUTHORITY: Title IV, Energy Conservation and Production Act (ECPA), as amended, authorizes the Department to administer 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, WAP regulations contained in the Code of Federal Regulations (CFR) at 10 CFR 440, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards at 2 CFR 200, and the Infrastructure Investment and Jobs Act (IIJA), Public Law 117-58.

BACKGROUND: The ACPU 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 maximum annual ACPU for each Program Year (PY) is determined by using the percentage increase in the Consumer Price Index (CPI) (all items, United States city average) for the previous calendar year or 3 percent, whichever is less. The CPI percent or 3 percent is added to the previous PY ACPU to determine the ACPU for the next PY. Each year, DOE includes the recalculated ACPU in the Program Year Weatherization Grant Application, currently WPN 24-1.

The adjusted average expenditure limit for PY 2024 is $8,497 and $4,169 for renewable energy system measures with a Savings to Investment Ratio (SIR) greater than 1.

The ACPU for each Grantee is determined through a simple calculation that is included within the Quarterly Performance Report (QPR, DOE Form 540.3).

Figure 1. Example of Average Cost per Unit table in QPR in PAGE

Average Unit Costs, Units subject to DOE Project Rules (calculations for budget period)		
VEHICLES & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Outlays, Vehicles & Equipment	$28,715.00
B	Total Units Weatherized	661
C	Total Units Reweatherized	5
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	666
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	$43.12
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Outlays, Program Operations	$5,404,012.18
G	Total Dwelling Units Weatherized and Reweatherized (from line D)	666
H	Average Program Operations Costs per Unit (F divided by G)	$8,114.13
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	$43.12
J	Total Average Cost per Dwelling (H plus I)	$8,157.25

How the ACPU is Calculated:
- Total Outlays, Program Operations is divided by the Total Dwelling Units reported as completed (both weatherized and reweatherized).
- If funds are expended for vehicles and equipment, the Average Vehicles and Equipment Acquisition Cost per Unit is added to the Average Program Operations Cost per Unit to determine the total ACPU.

GUIDANCE: To allow the most flexibility to calculate ACPU, DOE has added "Intake/Eligibility", "Final Inspection" and "Energy Audit" as optional Budget Categories for which costs are excluded from the ACPU. By exercising the option to budget and expense to these categories, Grantees have the flexibility to establish separate budgets that support the weatherization process, and these expenditures would no longer be included in the calculation of the ACPU.

Per the Annual Application Instructions where there are costs that could be charged to other Budget Categories, it is the determination of the Grantee which category should be used. Grantee's must define cost allowable to each Budget Category included in the Grantee Plan and require consistency among its Subgrantees when identifying a cost category other than Program Operations for these specific charges.

Grantees electing to use these optional Budget Categories (e.g., Intake/Eligibility, Energy Audit, Final Inspection) may budget for and charge to these categories: salary, fringe, and travel (mileage, lodging, and per diem), associated with the staff performing these duties.

All other direct costs necessary to implement weatherization of an eligible dwelling unit must continue to be budgeted and expensed as Program Operations. See III.2 Budget Categories-Section B-Program Operations in WPN 24-1 for more information.

Grantees are reminded of the current optional categories of Health and Safety, Financial Audits, Liability Insurance and Leveraging as opportunities to decrease the expenditures reported under Program Operations and calculated into the ACPU.

BUDGETING/REPORTING: Grantees that elect to use these optional Budget Categories should add these optional Budget Categories in the Performance and Accountability for Grants in Energy (PAGE), therefore prompting the QPR to automatically update to allow Grantees to report costs in Budget Categories that align with the Grantee's program. To modify Budget Categories in PAGE, please see step-by-step instructions in Attachment 1.

IMPLEMENTATION BY GRANT: To allow time for Grantee/Subgrantee adoption, Grantees may opt to adjust their Budget Category for:

- IIJA Grants: Upon award of final 50% of funds and grant amendment.
- Annual Formula Grants: Program Year 2025 Grantee Plan.

CONCLUSION: It is critical that WAP funds be expended in a cost-effective manner in the year in which they were appropriated, and funds are fully expended within the grant project period. It is also critical that DOE and the Grantees are fully aware of how the ACPU is calculated and be able to continue to assess costs associated with the ACPU to ensure high quality weatherization services for low-income households.

DAVID GIPSON

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Date: 2025.04.15 12:31:34 -04'00'

David Gipson
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Office of State and Community Programs

Attachment 1: *Instructions to add Optional Budget Categories in PAGE via an application revision*

Attachment 1: Instructions to add Optional Budget Categories in PAGE via an application revision.

1. Log into PAGE and select the applicable grant. Select from the left-hand menu, Application Documents, Checklist.

2. On the Checklist page (Figure 1), select the "Create new revision" link that is located below the Application Package General Information box.

Figure 1. Create new application revision in PAGE.

3. Add the individual application documents to the revision by selecting the "+" icon to the right (Figure 2). The materials are initially greyed out but once the "+" sign is selected, the text will change color and have an active hyperlink and state (not started) (Figure 3).
   a. Application For Federal Assistance SF-424
   b. Budget and Budget Details (SF-424A)
   c. Annual File
   d. Master File

Figure 2. Application Revision - select the documents to update.

Figure 3. Application Revision – documents are activated for updates.

4. Once the application documents are active, select the Budget link. On this page, the system will display a warning message that states, "You are about to edit this document without using the copy option to copy from the previous revision. To use the copy option, click on the "Copy from Previous" button" (Figure 4).

Figure 4. Application, budget section – copy previous revision.

It is recommended to copy the budget from the last application revision and then make the specific budget adjustments.

5. Select "Edit Budget columns" button within Section B (Figure 5).

Figure 5. Application, budget section – edit budget categories.

6. Select "Add New Record" button (Figure 6).

Figure 6. Application, budget section – add new record.

7. Select the new budget category from the drop-down list (left graphic) and select the save icon to save your selection (Figure 7). Add additional categories as needed and select the "Close" button.

Figure 7. Application, budget section – selection of optional budget category

8. The new budget columns will be added to the far right within Section B - Budget Categories, so you may need to scroll to the right to access the new budget columns (Figure 8).

Figure 8. Application, budget section –new optional Budget Categories

9. To add the budget figures, select the "edit icon" at the top of the column (Figure 9). After adding in the budget figure (Figure 9, right graphic), select "save icon" to save the entry. Make sure the other Budget Categories are adjusted so that the budget Total equals the total funding amount in Section A, Budget Summary total.

Figure 9. Application, Budget Section – adding budget amount

Figure 10. Application, budget section – optional Budget Categories added

Object Class		ENERGY AUDITS	FINAL INSPECTION	INTAKE/ELIGIBILITY	Total
Personnel	0	$0.00	$0.00	$0.00	$3,561,059.00
Fringe Benefits	0	$0.00	$0.00	$0.00	$1,607,520.00
Travel	0	$0.00	$0.00	$0.00	$69,310.00
Equipment	0	$0.00	$0.00	$0.00	$0.00
Supplies	0	$0.00	$0.00	$0.00	$0.00
Contract	0	$75,000.00	$73,500.00	$73,500.00	$117,356,169.00
Construction	0	$0.00	$0.00	$0.00	$0.00
Other Direct Costs	0	$0.00	$0.00	$0.00	$54,660.00
Total Direct Costs	0	$75,000.00	$73,500.00	$73,500.00	$122,648,718.00
Indirect Costs	0	$0.00	$0.00	$0.00	$2,660,309.00
Object Class Total	0	$75,000.00	$73,500.00	$73,500.00	$125,309,027.00