

Memorandum

DATE: **July 18, 2014**

REPLY TO

ATTN OF: **Robert C. Adams, Supervisor**
Weatherization and Intergovernmental Program Office

SUBJECT: **Memorandum Number 002: Reminder of Client Priority – High Energy Burden**

TO: **Weatherization Assistance Program Grantees**

Recent inquiries regarding the option to reallocate Weatherization Assistance Program (WAP) appropriations for purposes of meeting the demands of extreme weather conditions initiates this reminder to Grantees of the ability to serve households with a high energy burden as identified in 10 CFR 440.16 (b) as one of several priority categories included in the federal regulations. Grantees may consider using the category of high energy burden as a priority when certain circumstances dictate that an elevation of this priority group is warranted.

Some grantees have identified that the purchase and delivery of certain bulk fuels – like propane - have created undue hardship on some families in their service area. Consumers using propane for heating and cooling homes, heating water, cooking, drying clothes, and other household tasks experienced supply disruption during the winter of 2014. For example:

- National propane stocks have plummeted 45 percent from January 2013 (EIA)
- The national average retail price for propane has risen to a record \$4.01 per gallon, an increase of 75 percent over the same time period
- EIA noted in its annual winter projections for 2014 that propane-fueled Midwest households would pay more than double the heating bill of households that rely on natural gas

DOE encourages Grantees to review their client priority policies and, if justified, use high energy burden as a priority criteria for servicing clients. For guidance regarding the prioritization of “high energy burden” clients, please refer to WPN 14-01, Program Year 2014 Grant Guidance, dated February 25, 2014, which includes the 2014 Application Package and instructions.

As a general practice, per WPN 13-5, Revised Energy Audit Approval Procedures and Other Related Audit Issues, dated September 23, 2013, WAP does not permit non-renewable fuel switching when replacing furnaces/appliances. However, DOE does allow the changing or converting of a furnace/appliance using one fuel source to another on a limited, case-by-case basis. These approvals will only be granted when all related costs demonstrate the effectiveness of the fuel switch over the life of the measure. Therefore, clients with high energy usage of propane can be prioritized; however this should not be construed as an opportunity for fuel switching without prior approval.

To make changes to an existing policy Grantees will need to revise and submit a new policy to DOE for approval. Please contact your DOE Project Officer with questions and revised policies.