



May 1, 2024

Dr. Lanikue Howard
Director for the Office of Community Services
U.S. Department of Health and Human Services
Administration for Children and Families
330 C Street, S.W.
Washington, D.C. 20201

Re: Request for increase in transferring Low-income Home Energy Assistance Program funds to be used for weatherization

Dear Dr. Howard,

The State of Ohio, Ohio Department of Development (Development) is requesting the U.S. Department of Health and Human Services (HHS) waive the maximum percentage limit placed on funds used for weatherization from the Low-income Home Energy Assistance Program (LIHEAP), as previously requested and approved from 2018 through 2023. Authority to request a waiver appears in Title 45 of the Code of Federal Regulations, as amended. Development's waiver request for an increase in the maximum amount of LIHEAP funds to be used for weatherization and other energy-related home repairs is detailed below.

45 CFR 96.83(c)(1): Percent of Allocation Transferred to Weatherization

Development is requesting a waiver to transfer a total of 25% of available LIHEAP funds to be used for weatherization and other energy-related home repairs for low-income Ohioans. The approval of this waiver request will increase available weatherization funding to approximately \$38 million.

Comparison of benefit dollars used and households served:

45 CFR 96.83(c)(2)(i):

Ohio does meet the criteria established in 45 CFR 96.83(c)(2)(i). In fiscal year 2024, the combined total (aggregate) number of households in Ohio's service territory receiving LIHEAP heating, cooling, and crisis assistance benefits will not be fewer than the combined total (aggregate) number of households that received such benefits in the previous fiscal year due to the increased transfer of LIHEAP funds. Ohio has received additional funds through the Infrastructure Investment and Job Act, which will be in part dedicated to utility assistance and will help ensure customers in need receive assistance. Please see enrollment figures for program years 2017-2018 to 2022-2023 and estimated enrollment for 2023-2024 below.

45 CFR 96.83(c)(2)(ii):

Ohio does not meet the criteria established in 45 CFR 96.83(c)(2)(ii). In fiscal year 2024, the combined total (aggregate) amount, in dollars, of LIHEAP heating, cooling, and crisis assistance benefits received by eligible Ohioans may be less than the combined total (aggregate) amount received in the preceding fiscal year. As such, Development submits a

Good cause waiver. Development anticipates the average benefit amount received by eligible LIHEAP customers to decrease by approximately \$17 in program year 2024 as compared to the previous program year. Please see funding figures for program years 2017-2018 to 2022-2023 and estimated funding for 2023-2024 below.

45 CFR 96.83(c)(2)(iii):

Ohio meets the criteria established in 45 CFR 96.83(c)(2)(iii). The U.S. Department of Energy (DOE), Office of Energy Efficiency & Renewable Energy completed a national program evaluation led by Oak Ridge National Laboratory and found that the average annual energy cost savings for a single-family home was \$283. In program year 2022 ending June 30, 2023, there were 3,303 homes weatherized in Ohio. Units weatherized included 1,717 homes containing older adults, 1,137 homes containing individuals with a disability, 952 homes containing children, 3,172 high energy burden homes, and 3,172 high energy use homes.

Development projects Ohio will weatherize approximately 3,600 homes during program year 2024 and an additional 2,200 homes through the Infrastructure Investment and Jobs Act. This funding will increase production through June 2027. Due to restrictions with braiding funding, Ohio will rely on LIHEAP funds to ensure homes receive the most cost-effective weatherization and energy efficiency measures. Ohio expects to exceed this weatherization projection with access to DOE, LIHEAP, and leveraged funding sources. Ohio uses the DOE algorithm to calculate energy savings. It is estimated energy savings will accrue each year during the lifetime of the energy measurers and it will accrue at a rate of 30 years or more for insulation measures.

45 CFR 96.83(c)(3):

Please see below Development’s estimate of the household totals for the fiscal year for which the waiver is requested and for the preceding fiscal years.

45 CFR 96.83(c)(4):

Please see below Development’s estimate of the benefit totals, in dollars, for the fiscal year for which the waiver is requested and for the preceding fiscal years.

Program Year:	Households & Funding	Heating Assistance Benefit	Winter Crisis Program	Summer Crisis Program	Total Bill Payment Assistance	Average per Household
PY 2017-2018	Total Households Served:	332,381	97,866	19,643	340,979	\$301.47
	Total Funding Allocation:	\$69,920,104	\$28,683,992	\$4,189,448	\$102,793,544	
PY 2018-2019	Total Households Served:	258,665	85,386	20,502	266,094	\$389.51
	Total Funding Allocation:	\$73,632,029	\$25,826,475	\$4,188,300	\$103,646,804	

PY 2019-2020	Total Households Served:	254,830	82,335	34,044	269,858	\$430.83
	Total Funding Allocation:	\$80,810,521	\$25,592,087	\$9,860,116	\$116,262,724	
PY 2020-2021	Total Households Served:	210,748	59,567	32,483	227,642	\$431.57
	Total Funding Allocation:	\$69,337,906	\$19,383,407	\$9,521,471	\$98,242,784	
PY 2021-2022	Total Households Served:	231,446	66,338	35,964	252,141	\$451.75
	Total Funding Allocation:	\$82,723,637	\$21,658,966	\$9,521,471	\$113,904,074	
PY 2022-2023	Total Households Served:	246,579	67,537	37,775	264,719	\$466.14
	Total Funding Allocation:	\$93,278,020	\$19,197,772	\$10,919,867	\$123,395,659	
PY 2023-2024 Estimated	Total Households Served:	250,000	70,000	40,000	265,000	\$449.06
	Total Funding Allocation:	\$70,000,000	\$35,000,000	\$14,000,000	\$119,000,000	

45 CFR 96.83(c)(5):

Please see below for Development’s description of weatherization activities to be carried out in the fiscal year for which the waiver is requested and an explanation of energy savings.

Development will continue to utilize 15% of LIHEAP funds to be used in conjunction with the Home Weatherization Assistance Program (HWAP). These funds will be administered under requirements established in the HWAP State Plan and all applicable DOE and Code of Federal Regulations requirements. All homes will receive a comprehensive, on-site, home energy audit by a trained and qualified inspector. Inspectors are trained through the Ohio Weatherization Training Center, an Interstate Renewable Energy Council accredited training and technical assistance provider. In addition to the initial inspection, a final inspection must be completed by a Building Performance Institute Home Energy Professional Quality Control Inspector.

Development’s approach to comprehensive home energy audits consists of the following (as applicable):

- Complete a visual assessment of existing conditions and insulation levels, noting any health and safety concerns.

- Inspect fuel types, condition and size of space and water heating equipment. Designate primary and secondary heating sources.
- Measure the residence for the volume of the living space and square footage of the building envelope.
- Interview the occupant about building characteristics which may be helpful in developing a work plan (i.e., asking if there are any particularly cold areas) and assess lifestyle considerations.
- Perform a blower-door test.
- Conduct pressure diagnostic test of the building zones.
- Perform diagnostic and combustion safety tests of heating, ventilation, and air conditioning system.
- Review a weatherization specific scope of work to be completed.
- Conduct client education, noting opportunities to provide low-cost base load energy conservation measures.
 - Providers conduct consumer conservation education to all weatherization participants. Customer education consists of an energy bill review, home energy tour, basic energy conservation tips and development of an energy saving action plan.

DOE approved audits are required for analysis of all buildings weatherized in Ohio under the HWAP.

The current waiver request for an additional 10% transfer of LIHEAP funds will be used for a complementary program to the HWAP. The HWAP Enhancement first began in 2018 and serves to perform energy efficiency efforts that cannot be done solely with the HWAP. The additional 10% transfer (approximately \$15.3M) will target installing specific measures in households that are at or below 60% state median income (175% of the federal poverty guidelines which mirrors the LIHEAP guidelines). These households may have been deferred previously for weatherization services or are targeted to receive weatherization services within the current HWAP program year. The specific measures to be installed include heating system repair and replacement, electrical repair and replacement, ventilation measures, minor roof repair, pest infestation treatment, weatherizing multi-family buildings, completing cooling work for households with a member 60 years of age or older or with a documented medical condition, energy efficient refrigerator/freezer replacement, and minor plumbing repairs and replacement. Utilizing these additional funds for these specific measures will allow the HWAP to weatherize and install energy conservation measures in homes that would have been deferred. During program year 2022, the HWAP Enhancement program served 2,249 homes and currently for program year 2023 (ending 7/1/2024), 1,249 homes have been served.

Weatherization measures, including energy-related health and safety measures and repairs, weatherization related measures and repairs, as well as the delivery of consumer conservation education, are preventative and long-term in nature. Weatherization measures reduce energy burden through energy conservation measures, eliminate structural hazards (thereby protecting building occupants), and preserve the efficacy of weatherization materials. Installation of cost-effective materials and delivery of consumer conservation education provide opportunities for weatherization recipients to take a direct role in learning and implementing energy-efficiency measures and long-term behavior change.

The goal of the waiver request is to reduce the long-term utility bills of low-income families. The National Evaluation of the weatherization program concluded weatherization returns \$2.78 in non-energy benefits for every dollar invested (<https://weatherization.ornl.gov/wap-recovery/>). Those non-energy benefits combined with the estimated cost reduction received by low-income households results in greater economic and social benefits for the community.

45 CFR 96.83(c)(6):

Ohio Amended Substitute House Bill Number 6 as enacted by the 133rd General Assembly became effective on Oct. 22, 2019. This legislation requires the director of Development to submit a completed waiver request to expend 25% of LIHEAP funds for weatherization. Since that time, Development has sought feedback from HWAP subgrantees and stakeholders. Feedback regarding the use of the additional 10% transfer has been provided via listening sessions, phone calls, stakeholder meetings, HWAP Policy Advisory Council (PAC) meetings, and public hearings. Development conducted listening sessions with the weatherization network beginning in September 2023 during a PAC meeting. Additional listening sessions were held during the HWAP PAC meeting on Jan. 10 and Feb. 28, 2024, during the winter Ohio Association of Community Action Agencies conference on Feb. 1, 2024, and during a public hearing on April 11, 2024.

45 CFR 96.83(e)(1): Good cause Waiver

Ohio does not meet all the criteria in 45 CFR 96.83(c)(2)(ii) and as such is requesting a Good cause Waiver.

45 CFR 96.83(e)(1)(i)&(ii)

Income levels and eligibility criteria are based on the federal poverty levels for LIHEAP heating and crisis assistance applications and have not changed from the preceding fiscal year. Applicants must be at or below 60% state median income (175% of the federal poverty guidelines) to be eligible.

The total bill payment assistance benefit level will decrease by an average of \$17 per household with the additional transfer of ten percent of LIHEAP funds and due to the fact that the LIHEAP federal allocation to Development was 96% of the previous fiscal year allocation. The influx of funds received after the pandemic of 2020 has leveled off and thus benefit amounts have reverted to pre-pandemic figures. Development is requesting a Good Cause Waiver to transfer the additional ten percent of LIHEAP funds despite decreasing the average benefit level for heating assistance. Development has demonstrated (please see response to 45 CFR 96.83(c)(2)(iii)) the effectiveness of weatherization services provided to LIHEAP eligible households and respectfully requests HHS grant the Good cause Waiver.

Weatherization measures, including energy-related health and safety measures and repairs, weatherization-related repairs, and the installation of low-cost/no-cost materials, as well as the delivery of consumer conservation education, are preventative and long-term in nature. Weatherization measures reduce energy burden through energy conservation measures, eliminate structural hazards (thereby protecting building occupants), and preserve the efficacy of weatherization materials. Installation of low-cost/no-cost materials (for example, compact fluorescent light bulbs, low-flow showerheads, and faucet aerators) and delivery of consumer conservation education provide opportunities for weatherization recipients to take a direct role in learning and implementing energy-efficiency measures and long-term behavior change.

The goal of the waiver request is to reduce the long-term energy and heating bills of low-income families. The National Evaluation of the WAP concluded that weatherization returns \$2.78 in non-energy benefits for every \$1.00 invested by the program. Those non-energy benefits combined with the cost reduction estimated to be received by low-income households results in greater economic and social benefits for the community.

45 CFR 96.83(e)(1)(iii)

Development did not change opening (HEAP: 7.1.2024 SCP: 7.1.2024 WCP: 11.1.2024) or closing dates (HEAP: 5.31.2025, SCP: 9.30.2024, WCP 3.31.2024) for the LIHEAP programs nor did the outreach efforts change from one

fiscal year to the preceding fiscal year. Emphasis is placed on providing information on all programs funded under the LIHEAP Act to households which contain high home energy burdens; the older adults; individuals with a disability; and families with young children. The following outreach activities are conducted to assure eligible households are aware of all LIHEAP assistance available:

- Provide intake service through home visits or by telephone for the physically infirm (i.e. older adults or individuals with a disability).
- Place posters/fliers in local and county social service offices, offices of aging, Social Security offices, VA, etc.
- Publish articles in local newspapers or broadcast media announcements.
- Include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.
- Send mailings to past recipients of LIHEAP.
- Inform low-income applicants of the availability of all LIHEAP assistance at application intake for other low-income programs.
- Execute interagency agreements with other low-income program offices to perform outreach to target groups.

45 CFR 96.83(e)(1)(iv)

There are no other actions that led or will lead to a reduction in the number of applications for LIHEAP heating and crisis assistance in FY 2024 compared to FY 2023.

In conclusion, Development requests approval of this Good cause waiver request to allow an additional 10% of Ohio's LIHEAP allocation to be transferred for weatherization services. Development believes this request meets the criteria established in 45 CFR 96.83.

Sincerely,

Matthew McClellan
Assistant Director, The Ohio Department of Development