

## Pre-Weatherization Fund Policy Manual Addendum

Effective July 1, 2024

**Project Overview:** The Minnesota Legislature passed provisions to appropriate funding to the Department of Commerce to create a Pre-Weatherization program “in order to expand the breadth and depth of weatherization services provided to income-eligible households in Minnesota.”<sup>1</sup> The legislation specifically calls for supplementary state grants to support, among other things, addressing deferrals which prohibit households from being eligible to receive federal weatherization assistance.

**Policy:** Service Providers may use State Pre-Weatherization funds to implement measures as allowed on homes that would otherwise result in deferral of weatherization services. State Pre-Weatherization funds will be used in dwellings that would - under existing weatherization policy and funding - be deferred from weatherization.

**Policy:** State Pre-Weatherization funds are distributed to Minnesota Service Providers using the standard weatherization funding formula. Additionally, a portion of the funds will be held in reserve. Service Providers who are able to expend their allocated funds and still have viable State Pre-Weatherization projects may request additional allocation of these funds.

**Policy:** 5% of funds released as Pre-Weatherization grants to Service Providers are designated to cover administrative costs.

**Dwelling Eligibility:** All eligibility rules under Section 2 and 3 of the Minnesota Weatherization Assistance Program Policy Manual apply.

**Allowable Repairs:** Allowable measures under the State Pre-weatherization Fund are based on pre-weatherization measures outlined in the ECO Technical Guidance (Minnesota Energy Conservation and Optimization Act of 2021 (ECO Act)) and measures currently allowable with Weatherization Readiness Funds with some additions.

Pre-Weatherization measures may include:

- Remediation of vermiculite and presumed asbestos containing materials related to the energy efficiency upgrade.
- Mold and moisture related mitigation
  - Structural repairs (foundation, walls, roofing, windows/doors, repair, or replacement)
  - Grading for seepage control
  - Gutters/downspouts repair, replacement, or addition

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<sup>1</sup> Section 28. Minnesota Statutes 2022, section 216C.264

- Sump pumps – repair, replacement, or addition
- Black mold removal
- Structural repair or replacement (non-moisture related) – foundation, roofing, windows/doors, walls
- Plumbing leaks/sewer repairs including red-tagged plumbing
- Electrical repair and upgrading related to the energy efficiency upgrade
  - Replace knob and tube wiring, upgrading panel, etc.
  - Upgrading electrical panel, outlets, junction boxes
  - Repairing loose and damaged wiring
- Inaccessible crawl spaces
- Chimney liner repair or replacement
- Integrated pest management (bugs and vermin remediation and blocking)
- Leveling or setting a mobile home
- Mobile home skirting
- Interior and exterior wall repair
- Ceiling and floor repair
- Remediation of excessive clutter or hoarding
- Radon mitigation (requires prior approval from Commerce)
- Carbon monoxide and smoke detector
- Deck and stair repair, including interior stairs and handrails
- Repairing or replacing unsafe dryer venting
- Gas valve repair
- Sensor repair
- Ventilation repair or replacement
- Addressing improper or ineffective HVAC venting

All pre-weatherization measures must be necessary to address what otherwise would result in a deferral. All costs must be defensible (aka prudent) and follow the bid analysis process as outlined in Section 7 of the Minnesota Weatherization Assistance Program Policy Manual and specifically in Section 7.2 Cost and Price Analysis.

**Procedure:** Service Providers will use the following factors to determine which dwellings receive State Pre-Weatherization funds:

1. Service Providers must analyze all potential reasons for deferral within a home prior to utilizing State Pre-Weatherization funds to ensure State Pre-Weatherization funds will correct all causes of deferral and result in a weatherized unit.
2. Only weatherization projects that will be “weatherization ready” after State Pre-Weatherization funded repairs are made and will result in a weatherized unit may use State Pre-Weatherization funds.
3. In Weatherization Assistant (WA), the Measure Type must be “Readiness” and the Sub Measure Type must be selected according to the appropriate work.
4. In WA, the Cost Center should be State and Other and Name should be State Pre-weatherization and added to the Cost Center page in the Agency Tab.
5. A work order will be created in WA for an audit that has not yet been run. This is done by creating a new work order in a different client tab in WA and changing the client ID and Audit Name associated with the work order to the correct Client and Audit Name.

- a. Any home receiving more than \$20,000 in State Pre-Weatherization funds must receive prior approval from the Minnesota Department of Commerce (Commerce). That approval must be documented.

**Policy:** Spending per State Pre-Weatherization Fund project is capped at \$20,000. For projects expected to exceed that cap, Service Providers should contact Commerce for cost review and may exceed this cap only with Commerce pre-approval.

**Policy:** State Pre-Weatherization funds may be used to complete measures in one program year with the audit measures/weatherization project being completed in the immediate-following program year.

**Braiding:** State Pre-Weatherization funds can be used in combination with any of the other weatherization funding sources (US DOE Formula including Weatherization Readiness funds, WAP BIL, EAP/WX, and Propane) currently available - within the requirements of each of those funds. It is Commerce's expectation that any household for which State Pre-Weatherization funds are used will result in a weatherized unit as understood within the current program policies.

**Unit Completions:** The use of these funds must result in a completed weatherized unit as commonly understood under the regulations of the current MN Weatherization Assistance Program.

**Documentation:** Documentation of State Pre-Weatherization projects follows Minnesota Weatherization Assistance Program Policy Manual, Section 4.3 Household File Contents. Audit field notes and pictures justifying the need for pre-weatherization measures are required and must be included in the client file. Project bids and specifications will be required and must follow policies and procedures outlined in Section 7 Procurement.

**SHPO:** Requirements found in Section 3.7 State Historic Preservation Office (SHPO) review apply. SHPO review and approval is required before work can start.

**Required Diagnostic Testing:** No diagnostic testing is required prior to implementing Pre-Weatherization measures. All other testing will follow current procedures.

**Client Education:** Additional client education is needed to encourage measure maintenance and to provide understanding of any changes made to the home's thermal envelope. A homeowner agreement will include acknowledgement of potential changes in appearance, operation, and performance.

**Contractors:** Requirements found in Section 7.4.2 Contractor Eligibility of the Minnesota Weatherization Assistance Program Policy Manual must be followed for Pre-Weatherization projects. Contractors must be entered in FACSPRO along with required documentation.

**Quality Control Inspector (QCI):** All work must pass inspection by a certified Quality Control Inspector (QCI) before final payment can be released. The QCI will be responsible for ensuring all work is done according to bid and Standard Work Specifications.

**Monitoring:** Field Monitors will be assigned to assess pre-weatherization installations with at least 5% of total households receiving in-person monitoring.

Commerce Field Monitors will verify that the State Pre-Weatherization funds were spent on a home that resulted in weatherization and that the spending cap without approval from Commerce. Monitors will review the quality of the work performed using State Pre-Weatherization funds to determine that it is completed in a professional manner.

In addition, Desk Monitoring will include State Pre-Weatherization fund projects.

All costs for State Pre-Weatherization project must be reported for data analysis using Commerce's approved software. If State Pre-Weatherization project costs are deemed not prudent based on analysis, specific measure limitations may be established for Service Providers.