

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0007937, State: NM, Program Year: 2021)

This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

Definition of income used to determine eligibility:

A dwelling unit shall be eligible for weatherization assistance under this part if it is occupied by a family unit whose income is at or below 200% of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, contains a member who has received cash assistance payments under Title IV or XVI of the Social Security Act or applicable State or local law at any time during the 12 month period preceding the determination of eligibility for weatherization assistance.

The 2019 US Census American Community Survey one year estimates identified 174,035 family households in the state with incomes at or below 200% of the poverty level, the WAP eligibility limit. These households are just under 22% of the state's population of households.

Additionally, the 2019 US Census American Community Survey provides other significant findings about persons with incomes at or below the poverty level:

- 240,075 households contain one or more people under 18 years of age;
- Approximately 46,874 households contained children that were under six years of age;

From 2019 US Census American Community Survey regardless of poverty status:

- The number of dwelling units in which the elderly reside was estimated at 254,323;
- The number of dwelling units in which people with disabilities reside was estimated at 326,855.

To be eligible for New Mexico Weatherization Assistance Program services, clients must meet the income criteria outlined in 10 CFR 440.22 or meet a minimum of one of the following criteria as outlined in WPN 20-3:

- Have a gross household income (total annual cash receipts) at or below 200% of the federal poverty level as established by the Director of the Office of Management and Budget (OMB);
- Receive cash assistance payments under Title IV or Title XVI of the Social Security Act or in accordance with applicable State or local law, at any time during the past one year preceding the determination of eligibility. Acceptable programs include:
 - a. Temporary Aid to Needy Families (TANF)
 - b. Supplemental Security Income (SSI)
 - c. Social Security Disability Insurance (SSDI)
 - d. Aid to Needy Disabled (AND)
 - e. Old Age Pension (OAP)
 - f. Supplemental Nutrition Assistance Program (SNAP)

Describe what household eligibility basis will be used in the Program

Eligibility Basis

Before a home is qualified for weatherization, the client must be approved. This approval process begins with receipt of an application. A NM Energy smart intake staff member reviews applications to ensure that clients qualify for the program. A client will not be qualified unless the following items are provided for the file.

- A completed application
- Income verification criteria listed in WPN 20-3
- Proof of ownership and/or landlord sign off
- A current utility bill for gas & electric service

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Proof of income may be in the form of:

- Documented verification from income sources
- Current income tax return
- Copies of pay checks or check stubs

Proof of ownership may be in the form of:

- Evidence of mortgage payments
- Property deeds or proof of tax payment

For renters, rental agreements from landlords must be obtained and accompanied with a landlord agreement. Intake staff also reviews the documentation for demographic information such as:

- Proper identification of head of household
- Other household members are identified as applicable for disability or child status
- Proof of disability (Medical documentation is requested to ascertain disability status)

Documentation proving eligibility must be verified by the agency prior to weatherization, kept in the client file, and made available to MFA upon request.

Eligibility documentation is updated at least annually even if the client is on the waiting list.

Reweathering: Homes may be reweatherized if fifteen years have passed from the month of the final inspection, however homes with higher ranking points that have never been weatherized, will have a higher preference over homes that have been previously weatherized.

Notification:

Applicants are immediately notified of their eligibility status. Ineligible applicants are notified in writing, stating the reason for ineligibility.

Client Appeals Policy:

All Subrecipients shall establish and maintain a policy allowing a client to appeal a denial of service. The policy must be part of the agency's weatherization program manual. In addition, the agency must post the policy on their website, so clients have access to submit a formal appeal for denial of services. The policy must clearly state how the client can initiate the appeal, who will make the determination and the timeline for review.

Steps that should be part of Subrecipient's policy include:

When the agency defers a unit or otherwise denies a client weatherization services, the agency must transmit a formal letter to the client indicating the specific reason (s) for the denial.

If an appeal is received, the agency should have a minimum of a one tier review of the client's application by a staff member in the organization with a supervisory position in the agency hierarchy. The person reviewing the appeal must be someone other than the person who made the initial decision to deny the client services. The reviewer must also be familiar with the regulations regarding eligibility.

The person reviewing the appeal should compare the provisions of the relevant regulation(s) to the application, speak to the agency staff involved in the initial denial, and speak to the client before making a decision.

If a judgement is made that the original determination was correct, a formal letter must be sent to the client outlining the reason for the appeal and once again articulating why services were denied. The letter should include the process that took place to confirm the denial.

If the person reviewing the appeal determines the appeal is granted, the client should be provided a letter stating such and detailing when their home will be weatherized. The letter should include the process that took place to confirm the approval.

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

MFA requires Subrecipients to collect proof of a social security number/identity for at least one adult living in the residence. If a social security number is not available for the remaining members of the household, a Non-Citizen Immigrant Status for all other members of the household is required. Immigrants are eligible under the current law referenced on the U.S. Department of Health and Human Services website.

<http://aspe.hhs.gov/hsp/immigration/restrictions-sum.shtml> . In addition, a birthdate must be provided. The Subrecipient passes the information through MFA's on-line system which has a secure server where the information is encoded. All data is redacted after it has been put into the online system. The online system scrambles the data for protection of the client.

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V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Procedures to determine that units weatherized have eligibility documentation

A dwelling unit is eligible for weatherization assistance if it is occupied by a family whose total income is at or below 200 percent of the poverty income level or if the household contains a member who has received SSI for disability or TANF at any time during the 12-month period preceding the determination of eligibility for weatherization assistance.

In addition, the client must have evidence of mortgage payment, property deed or proof of tax payment to be qualified. For renters, rental agreements from landlords must be obtained and accompanied with a landlord agreement. Both of these documents must be kept in the client file and verified upon monitoring or Quality Control Inspections.

Describe Reweathering compliance

Re-Weatherization

New Mexico does not encourage reweatherization of homes however if an individual applies for weatherization and their home had been weatherized with DOE or LIHEAP funds prior to 15 years of the current date, reweatherization will be allowed under the below conditions.

- A DOE approved energy audit must be run on the home
- All health and safety issues must be addressed
- When applicable leverage funding for any measure that qualifies will be allowed
- The Subrecipient must determine that the applicant is eligible
- There are no other applicants with higher ranking(priority) residing in the same county

Households located in a disaster area would be considered a priority for weatherization as long as the households are eligible and meet one of the priorities established in regulation and are free and clear of any insurance claim resulting from damage incurred from the disaster.

Describe what structures are eligible for weatherization

Eligible Structures

Housing types qualifying for weatherization include single family, multi-family, and mobile homes.

A dwelling unit is eligible for weatherization assistance if it is occupied by a family whose income is at or below 200 percent of the poverty level, contains a member who has received SSI or TANF at any time during the 12 month period preceding the determination of eligibility for weatherization assistance, or is eligible for assistance under the Low-Income Home Energy Assistance Act of 1981.

Non-traditional dwelling units such as shelters or dwelling units sharing a wall with a business will be discussed with the DOE project officer prior to commencement of the project and full caution will be exercised to be sure the particular units are eligible. Weatherization of non-stationary campers and trailers that do not have a mailing address associated with the eligible applicant are not eligible and will not be allowed.

Buildings should be deferred if they have a major deficiency in their structure or condition that makes it impractical to weatherize effectively.

Health and safety issues requiring more than what is allowed by WPN 17-7, or our Health and Safety Plan, will be deferred.

The current Health and Safety Plan lists conditions of deferral that include code violations, fuel leaks exceeding the threshold, incidental repairs that cause the cumulative SIR of the building to be less than one, roofing and other structural issues.

If the area is known to have redevelopment plans then weatherization will be deferred until development is complete.

All site built and multifamily units 50 years old or older will need SHPO clearance prior to weatherization. The SHPO programmatic agreement is uploaded as an attachment.

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Describe how Rental Units/Multifamily Buildings will be addressed

Rental Units

Subrecipients must ensure that single family rentals follow the five points below:

1. Benefits of weatherization services accrue primarily to the low-income tenants;
2. The tenants have a way to complain if they feel that the rent has increased as a result of these services and the landlords provide a statement notifying tenants of this procedure;
3. No undue or excessive enhancement shall occur to the dwelling unit;
4. Rent and permission of the building owners or authorized agents must be obtained before commencing work;
5. The owner or authorized agent must sign a statement that rent may not be increased for a minimum of one year unless increases are demonstrably related to matters other than weatherization work.

Single Family Rental units qualify for weatherization as long as the landlord agrees to the weatherization and signs a waiver stating that rents will not be raised on the units for a minimum of one year unless those increases are demonstrably related to matters other than the weatherization work performed.

To ensure that no undue or excessive enhancements are made to the home, a NEAT or MHEA audit must be run on the home prior to the scope of work being outlined.

The necessary steps that must be taken to ensure proper documentation for weatherizing a single family rental unit include:

- An application must be completed by the client;
- Proof of income must be provided;
- Proof of a lease must be obtained;
- Current copies of the clients gas and electric bills must be obtained;
- Written permission must be obtained from the landlord/agent;
- Subrecipient must obtain certification from the landlord that the rent of the property will remain the same for at least one year following performance of weatherization work;
- MFA will monitor compliance with this policy only to the extent that the 5% to 10% sample monitoring
- MFA's monitoring will include rental projects weatherized through the Program.

MultiFamily Rental Units

MultiFamily Rental units qualify for weatherization as long as the clients that are housed in the property qualify for weatherization. The owner/agent must agree to the weatherization, commit to a contribution of 20% of the weatherization materials and sign a waiver stating that they will not raise the rent on the units for a minimum of one year unless those increases are related to matters other than the weatherization work performed.

To ensure that no undue or excessive enhancements are made to the unit, a TREAT or NEAT audit, depending on the building structure must be run on the complex prior to the scope of work being outlined.

The necessary steps that must be taken to ensure proper documentation for weatherizing a multi-family rental unit include:

- Obtain written permission from the owner or authorized agent;
- Verify that no less than 66 percent (50 percent for duplexes and four-unit buildings, and certain eligible types of large multi-family buildings) of the dwelling units in the building are eligible dwelling units, or will become eligible dwelling units within 180 days;
- Ensure that the benefits of weatherization assistance in connection with such rental units including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units;
- By way of use of the energy audit, subrecipient must make certain that no undue or excessive enhancements are made to the units;
- Completed applications must be obtained from each of the clients in the rental units;
- Customer (Property Owner) must fill out applications and all forms to sign for tenants since they have the information on file;
- Current copies of gas and electric bills must be obtained from each of the rental units or supplied by the management;
- The multifamily audit process must be followed and include the detailed scope of work, photos, and regular meetings between MFA, subrecipient, and multifamily building management or owners.

Once the information above is in place, an approval request, in the form of an approved energy audit must be submitted to MFA in order to weatherize multifamily units larger than a 4-plex. A description of the process that determined the measures being installed must be provided with the audit.

Procedures for Owner Contributions are as follows:

- A 20% contribution commitment of the weatherization materials are required from the Owner prior to commencement of the weatherization project. The Owner

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contribution is based on the estimated costs from the energy audit.

- Agree to 20% contribution to the projects on a portfolio/program bases.
- Owners have the option of buying down measures if it is determined by use of NEAT or TREAT energy audits that the cost is not a cost effective measure.
- Owners are not responsible for any additional costs over the written estimate. If the actual (final) cost of the project is higher than the estimate, then the Program will pay the difference;
- For large projects estimated cost for an engineer's estimate of HVAC costs is added to the energy audit costs;
- A memorandum of understanding will be executed between the Owner's representative and subrecipient prior to the commencement of work;
- The Contract will detail the amount of the Owner contribution;
- The Contract will commit the Owner to certify that he/she will maintain rent at the HUD designated affordable rent levels for a period of one year following performance of weatherization work;
- The subrecipient is responsible for obtaining the required landlord contribution. The amount of the contribution must be included in the project outline to MFA prior to project approval;
- Landlord 20% contribution received should be applied to supplement the cost of the Project;
- Landlord 20% contributions should be reported on the Statement of Expenditures for the month in which they are received;
- MFA will monitor compliance with this policy as needed. This may include monitoring during unit inspections, technical monitoring, programmatic monitoring, desk monitoring, and upon initial project submittal.

Describe the deferral Process

Deferral Process

There are some situations in which an agency or contractor should not, or may choose not to, weatherize an otherwise eligible unit. In these cases, MFA implements the deferral policy for all agencies administering the NM EnergySmart Program. This policy allows weatherization staff to defer services when certain conditions or circumstances exist. Under no circumstances will partial weatherization be allowed. All units reported must be inspected by a Quality Control Inspection (QCI) and determined to be complete. Deferral is allowed under certain conditions; however, an agency should define its intentions at the time a condition occurs. The agency/contractor deferral policy must contain these elements:

Deferral of weatherization services - An agency or contractor may postpone weatherization services under the following conditions:

- A dwelling unit received weatherization with federal funds (DOE, LIHEAP) within the 15 year period prior to the date of application;
- A dwelling unit is vacant;
- A dwelling unit is for sale;
- A dwelling unit is scheduled for demolition;
- A dwelling unit proves to be dilapidated or structurally unsound and unsafe. Dilapidated units are classified as those which do not provide decent, safe, and sanitary shelter in their present state and have defects so serious and numerous that the repairs required to revive the structure to standard condition would not be economically feasible;
- A dwelling unit is deemed by the auditor to pose a threat to the health or safety of the crew or contractor;
- A mobile home is improperly installed (for example, without adequate supports);
- A dwelling unit is uninhabitable (for example, a burned-out apartment);
- A dwelling unit is affected by mold and mildew and the area affected is too large for the weatherization crew or contractor to remediate;
- The client is uncooperative with the weatherization agency or its contracted agent, either in demanding that certain work be done, refusing higher priority work which is needed, being abusive to the work crew or contractor, or by being unreasonable in allowing access to the unit. Every attempt should be made to explain the program and the benefits of the work. If this fails, work should be suspended, and MFA should be consulted. In such cases, documentation is required;
- Obvious discrepancies are found between the information supplied by the client on the application and observed conditions at the time of weatherization. The agency or contractor must resolve these discrepancies before weatherization work can continue;
- If at any time prior to the beginning of work (work officially begins when the audit is performed) the agency or contractor determines that the client is no longer eligible or personnel believe that circumstances may have changed, the unit shall not be weatherized until updated information can be obtained from the client.

There are health or safety hazards that must be corrected before weatherization services may begin including, but not limited to:

- The presence of animal feces and/or other excrement;
- There are rats, bats, roaches, reptiles or insects present that could cause harm to the crew or other animals or varmints that are not properly contained on the premises;
- Loose dogs;
- Disconnected wastewater pipes;
- Hazardous electrical wiring where the cost to repair exceeds the SIR threshold of the home;
- The presence of unsafe levels of mold or mildew;
- Unvented combustion appliances or actionable levels of ambient carbon monoxide;

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- There are illegal drugs or illegal activities occurring on the premises;
- The client or owner is physically or verbally abusive to any personnel;
- One or more occupants in a dwelling have been diagnosed with a contagious and life threatening disease;
- When a person's health may be at risk and/or the work activities could constitute a health and safety hazard, the occupant at risk will be required to take appropriate action based on the severity of the risk.
- There are occupants within the household that have identified as being COVID positive, or suspected of COVID related symptoms, or have been in close contact with another that is COVID positive, or refuses to cooperate with the agency's pandemic response policies.

Failure or the inability to take appropriate actions must result in deferral of the weatherization work. In unusual situations not covered above or where other problems of a unique nature exist, MFA should be consulted.

Procedure:

If an agency or contractor cannot, or chooses not to weatherize a dwelling unit, it must notify the client or owner/authorized agent by use of the Deferral of Services Form which should include:

- The nature and extent of the problem(s) and how the problem(s) relate(s) to the determination not to weatherize the unit;
- Any corrective action required before weatherization services can be initiated;
- A time limit for correcting problems so that weatherization services may be rescheduled,
- If MFA has been contacted by the client, agencies must send the date of anticipated follow-up in writing to MFA.
- The name of the person or entity responsible for correcting the problem(s);
- The right of appeal;
- All documentation justifying the decision to defer services must be kept in the client file;
- Agencies must also keep an updated spreadsheet to track all referrals and deferrals.

V.1.3 Definition of Children

Definition of children (below age): **19**

V.1.4 Approach to Tribal Organizations

Recommend tribal organization(s) be treated as local applicant?

If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

Low-income members of an Indian Tribe are eligible to apply for services under this plan. MFA has a staff member dedicated to Indian Housing issues who has been instrumental in weatherizing more homes on native lands. Low income members of an Indian tribe will receive benefits equivalent to the assistance provided to other low-income persons within the state.

V.2 Selection of Areas to Be Served

The NM EnergySmart Program is a statewide program serving the 33 counties of New Mexico:

San Juan; McKinley; Cibola; Rio Arriba; Taos; Colfax; Los Alamos; Santa Fe; Mora; San Miguel; Union; Harding; Quay; Curry; Guadalupe; DeBaca; Roosevelt; Sandoval; Bernalillo; Valencia; Torrance; Catron; Grant; Hidalgo; Luna; Socorro; Sierra; Dona Ana; Lincoln; Chaves; Otero; Eddy; and Lea.

The Program also serves the Pueblos of Zuni, Acoma, Laguna, Santa Clara, Ohkay Owingeh, Taos, Picuris, Nambe, Tesuque, Pojoaque, Cochiti, Isleta, Jemez, San Felipe, San Ildefonso, Sandia, Santa Ana, Santo Domingo, Zia, Jicarilla Apache Reservation, the Mescalero Apache Reservation, and the Navajo Nation.

The 2019 US Census American Community Survey was used to compile the data used for the distribution formula. The funding allocations for each county and tribe are arrived by using a formula that is based on the number of households with elderly, young children, disabled and low income occupants, weighted by heating and cooling degree days. This formula and follows a similar method as the 10 CFR 440.10 that describes state allocations. The at-risk population segments are averaged with the amount of low income households to determine the allocations for each county and tribe.

DOE, LIHEAP and State funds will be allocated statewide based on the allocation formula. Utility funds will be allocated to the areas served by the participating utility companies using the same formula.

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All subrecipients that serve the above areas must be a CAA, public, or nonprofit entity.

V.3 Priorities

Subrecipients will be required to disseminate information to the general public about the availability of services within 30 days of receipt of the contractual agreement and shall retain proof of such dissemination in their records.

Subrecipients are required to update the waiting lists annually to include written notification to individuals on the waiting list to determine if they still desire services.

Updating the waiting list will allow the subrecipients to identify the higher ranking clients regardless of the amount of time they have been on the waiting list.

Priority among eligible applicants for the receipt of NM Energy\$smart services is established by the NM Energy\$smart Online system, which follows the requirements specified in CFR 440.16 (b).

Priority is given by assigning points to each of the four categories:

1. Elderly persons (a person who is 60 years of age or older);
2. Persons with disabilities;
3. Families with children (households with dependents not exceeding 18 years of age);
4. Households with high energy burden.

Households with a "high energy burden", defined as 20 percent or more of the household income going towards energy, is used as a priority for weatherization and receive priority points.

Ranking of "high residential energy users" is not used to determine priority for weatherization and do not receive priority points.

These categories are the only allowable priorities for the NM Energy\$smart Program. Applicants that have the oldest certification date within the same ranking category may be serviced before other applicants within the same ranking category.

All housing types allowable within this Master Plan are included in the ranking system, however, housing type is not used as a priority.

V.4 Climatic Conditions

New Mexico is the 5th largest of the 50 United States with a total area of 121,599 square miles (121,365 square miles land and 234 square miles covered by water). Within the state's boundaries, elevations reach as high as 13,161 feet above sea level (Wheeler Peak in Taos County) and as low as 2,842 feet above sea level (Red Bluff Reservoir in Eddy County). The vast land area, variations in local topography and elevation disparities cause measurable differences in climate even within each of the two identified regions.

Likewise, Lawrence Berkley National Laboratories (LBNL) has identified three distinct climactic zones that are independent of the particular heating and cooling demand associated with the region, but still significantly affect the performance of homes within each zone. The Department of Energy has defined three distinct climate zones that cover parts of New Mexico. These climate zones help approximate the performance of a building within each zone due to the effects of heating - cooling demand, precipitation, and relative humidity.

The three zones identified in NM are three (hot dry), four (mixed dry), and five (cold). For the purpose of this analysis, the county seat or most populous city was used to determine the average degree days for each county where available. Data was collected for 12 months to arrive at annual totals.

HEATING DEGREE DAYS Base 68: Zone three has an average of 4,044 HDD; Zone four has 5,443 average HDD; and Zone five has and average of 6,490 HDD.

COOLING DEGREE DAYS Base 70: Zone three has an average of 1,721 CDD; Zone four has 985 average CDD; and zone five has 743 average CDD.

At risk occupants are defined as an occupant that is over the age of 60, has respiratory ailments, allergies, pregnant, or other unique health concerns.

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Air conditioning system replacement, repair, or installation is allowed in homes of at-risk occupants or where climate conditions warrant. Climate conditions that would warrant this allowance are areas that have an average of 800 CDDs using a base 70. Climate Zone 3, has an average of 1,721 Cooling degree days, and in Climate Zone 4, there is an average of 985 CDD; in these climate zones, cooling replacement is allowed using health and safety funds. For the remaining climate zone, medical eligibility from a third party medical professional proving at risk is required for any occupant.

Some counties are very large in square footage and may have a vast variance in elevation and both heating and cooling degree days. Therefore it is necessary to modify the weather files to a climate that most closely resembles the local area of the individual buildings receiving the weatherization work, and not just the closest city. Due to the variations in climate throughout the state, each energy audit shall be adjusted to most accurately model the climactic conditions of the individual location. Likewise, each energy audit shall indicate the model climate used (either a location included in the DOE approved auditing software, or the HDD base 68 /CDD base 70 factors). There are 26 different weather stations used throughout New Mexico for the energy audit. Two maps have been uploaded that describe the different climatic zones that are used in New Mexico.

V.5 Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

The NM EnergySmart Program is committed to full compliance with 10 CFR 440.21(i) and WPN 19-4 for energy audit procedures. All installations are using materials that are listed in Appendix A of 10 CFR 440.

The NM EnergySmart Program has approached the goal of meeting the specifications, desired outcomes, and objectives of the Standard Work Specifications (SWS) with several successful methods. Our subrecipients have been in the practice of utilizing the SWS as full implementation since PY 2014. Below is a list of manuals and guides with dates of issue. Each of these has been uploaded with the State Plan in addition to the links provided below.

- NM EnergySmart Administrative Manual http://www.housingnm.org/community_development/energysmart
 - Re-issued 02/11/2021, updated 02/11/2021
- NM EnergySmart Technical Standards http://www.housingnm.org/community_development/energysmart
 - Re-issued 09/25/20, updated 09/25/20
- Field Guide Single Family
 - Issued 02/16/2021, updated 02/16/2021
- Field Guide Mobile Homes
 - Issued 02/16/2021, updated 02/16/2021
- Field Guide Multifamily
 - Issued 01/08/2020, updated 01/08/2020

There are five ways the documents are made available to our subrecipients:

1. The Administrative Manual and Technical Standards are available to our subrecipients and the general public on MFA's website. http://www.housingnm.org/community_development/energysmart
2. We communicate with our subrecipients on a regular basis referencing the necessary materials. This communication is either triggered by a conversation, email, monitoring, new regulations or phone calls.
3. Technical Committee calls are held bi-weekly. During these calls, the Technical Standards and SWS may be discussed with challenges, successes, and innovative approaches to compliance, and pandemic or COVID-19 procedures are also discussed. The attendees for these meetings are the Energy Auditors, Program Managers, Quality Control Inspectors and the staff from the Energy Smart Academy.
4. During any WAP RFP process, the links to the manuals are provided with the RFP package.
5. Subrecipient use of the documents are verified through the monitoring process. This includes monthly desk monitoring when invoices are submitted.

All NM EnergySmart contracts between subrecipients and MFA reference compliance to the SWS. The contracts contain the following statement:

Subrecipients will be responsible for providing services as required by the Department of Energy (DOE) Standard Work Specifications (SWS). The SWS requirements for Single Family Homes & Manufactured Housing can be accessed at <https://sws.nrel.gov>. If these specifications are not followed, payment will not be made.

All subrecipients have also incorporated language in their contracts with their subcontractors requiring compliance to the SWS. Subrecipients will incorporate language into their contracts that require all materials used to be listed in the 10 CFR 440 Appendix A. All of the contracts between any entities using WAP funds have signatures from both parties verifying acknowledgement of the aforementioned expectations.

Field guide types approval dates

Single-Family: 2/16/2021

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Manufactured Housing: 2/16/2021 Multi-Family: 1/14/2020

V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Audit Procedure: Single-Family Audit Name: NEAT Approval Date: 11/7/2018

Audit Procedure: Manufactured Housing Audit Name: MHEA Approval Date: 11/7/2018

Audit Procedure: Multi-Family Audit Name: TREAT Approval Date: 10/20/2017

Comments

<p>New Mexico's single family site built energy audit procedures have been approved by DOE to use NEAT on November 7, 2018.</p> <p>New Mexico's single family manufactured home energy audit procedures have been approved by DOE to use MHEA on November 7, 2018.</p> <p>New Mexico EnergySmart was approved to use TREAT for large multifamily buildings and NEAT for small multifamily buildings October 20, 2017.</p> <p>New Mexico plans on transitioning to the web-based version 10 (v10) of NEAT and MHEA for the 2021/2022 program year. Subrecipients have been working within the public site and becoming familiar with how it differs from the desktop version.</p> <p>Below is the timeline with goals and target dates:</p> <table border="1"> <thead> <tr> <th>Goal Dates</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>April 15, 2021</td> <td>Ask for DOE approval for state specific data base</td> </tr> <tr> <td>April 15-30, 2021</td> <td>Schedule and complete half day v10 training with ORNL developed curriculum</td> </tr> <tr> <td>May 1-15, 2021</td> <td>Lead auditor of each agency to verify library transition</td> </tr> <tr> <td>May 17-18</td> <td>Technical Committee meets to agree on naming convention</td> </tr> <tr> <td>May 15-30, 2021</td> <td>MFA Program Managers to review and discuss library items with agencies individually</td> </tr> <tr> <td>June 1-15, 2021</td> <td>Technical and Admin Manuals updated to include how v10 is administered</td> </tr> <tr> <td>June 30</td> <td>Completed transitioned over to v10</td> </tr> </tbody> </table> <p>This section summarizes the protocol that is detailed in the single family and multifamily energy audit procedures submitted with the energy audit review packages.</p> <ul style="list-style-type: none"> • Pre-visit planning and desk viewing; • A certified energy auditor performs an in-person meeting, including client education, and completes a full building screening for weatherization viability and hazards; • Thorough exterior envelope inspection for SWS requirements, Health and Safety, TREAT, NEAT or MHEA entry, and BPI standards; • Interior inspection for data entry, Health and Safety, lead tests, baseload usage measures (lighting, refrigeration, etc.), number and location of appliances, and diagnostic testing arrangements; • Diagnostic tests are performed on all required appliances for efficiency, safety, and operating condition outlined in the NM EnergySmart Technical Standards; • Blower door testing procedures are performed including air leakage and barrier assessments, zonal tests, ASHRAE 62.2-2016 determinations, and duct leakage tests; 	Goal Dates	Benchmark	April 15, 2021	Ask for DOE approval for state specific data base	April 15-30, 2021	Schedule and complete half day v10 training with ORNL developed curriculum	May 1-15, 2021	Lead auditor of each agency to verify library transition	May 17-18	Technical Committee meets to agree on naming convention	May 15-30, 2021	MFA Program Managers to review and discuss library items with agencies individually	June 1-15, 2021	Technical and Admin Manuals updated to include how v10 is administered	June 30	Completed transitioned over to v10
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- Final walk through with recap on client education, double check on field notes, pilot lights, house condition, additional tests if needed;
- All information is reviewed and entered into energy audit software. This includes verifying input reports against actual notes, comparing audit results with preliminary scope of work, review of measure and SIR ranking, incidental repair and health and safety items.
- The energy audit assumptions are checked against the assessor's knowledge, photos, and videos of the home for accuracy.
- Energy Auditors will comply fully with the NM EnergySmart COVID Safety Response Plan by wearing all the required PPE, washing hands, spraying down surfaces, post cleaning of tools, and pre-client screening.

In the event that dangerous friable materials (e.g. Lead-based paint dust, disturbed asbestos, or hazardous organic materials such as mold) may become air-borne due to depressurization testing, any testing requiring the use of a blower door may be omitted. Such conditions must be documented including photographs, and included in the unit file. For the purposes of energy auditing and air-sealing specification, the Energy Auditor will assume a .5 cfm 50 sqft of exposed envelope area.

To ensure eligible occupants of multi-family housing will receive cost effective weatherization services, each weatherized building will have a computerized energy audit which complies with 10 CFR 440.21(b) completed prior to the installation of any weatherization measures. This energy audit will be included in each unit file. For single-family units a NEAT audit will be completed. For mobile home units a MHEA or if the mobile home is structured more like a site built unit, a NEAT audit will be completed.

Multifamily units may be audited using TREAT or with prior written permission for specific types of multifamily buildings that are up to 25 units individually heated and cooled, a NEAT audit may be completed.

Multifamily air sealing procedures previously approved by DOE are as follows:

- Infiltration rates at time of audit will be assumed at 2.1 CFM/50 per square foot of living space;
- Improved condition will assume a 42% reduction in infiltration (.9 CFM/50 Per square foot) ;
- ASHRAE compliance will include assumed infiltration rates in the calculations;
- Standard air sealing processes will be followed to reduce infiltration and include:
 - Sealing the combustible appliance zone from the interior of the unit (where applicable)
 - Front door jamb up and general sealing
 - Duct return cavity sealing
 - Duct plenum, boots, and other accessible location sealing
 - Damper for shared evaporative cooler/furnace systems
 - Outlet and switch foam gaskets
 - Areas of infiltration that are visually obvious or seen with Infra-red guided air sealing when possible

All other multifamily audit procedures and methods will not change, including diagnostic and safety testing. The method above is only to be used with pre-1990 frame built properties.

V.5.3 Final Inspection

Subrecipient's may not report a dwelling as having been weatherized until all weatherization materials identified for installation at said dwelling have been installed and the subrecipient, or authorized representative, has performed a final inspection(s) of said dwelling, and certified that the work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by 10 CFR 440.21. All final inspections will meet the requirements of the Standard Work Specifications, Technical Standards, and the NM Field Guide. Local code requirements for mechanical appliance installation are included.

All subrecipient's final inspections will continue to be performed by a certified Quality Control Inspector (QCI) independent from the initiation of the work order, assessment, or work completed. All three of New Mexico's subrecipients have certified Quality Control Inspectors and Energy Auditors on staff. The NM EnergySmart Program continues to encourage each agency to pursue more QCI Inspectors and Energy Auditors.

The subrecipient must verify that all weatherization materials identified for installation at the particular dwelling have been installed in a workmanlike manner and in accordance with the priority determined by the auditing procedure as required by 10 CFR 440.21, meet the requirements of SWS, Scope of Work, and our Field Guides prior to reporting the completed unit. Said verification must include, at a minimum, the following verifications and tests:

- Evaluation of the original assessment, the original audit, work order, invoices, and contents of the file;
- All weatherization measures completed by agency's crew(s) or procured contractors;
- All mechanical work performed including: verification of new equipment size and rating; state inspection completion, and required diagnostic testing;

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- Combustion Appliance Zone(CAZ) Required testing under worse case conditions (BPI Protocol)- Required SWS tests must be completed or verified that HVAC contractor has completed;
- Post-Retrofit Blower Door Depressurization Test, Zone Pressure Diagnostics (See Energy Audit Section for more detail); Minimum Ventilation Compliance Verification

- If Duct-sealing was performed:
 - Worse-case depressurization test with air handler on and off;
 - Pressure Pan Testing;
 - System Balance Testing between rooms with ducts and house (maximum 3pa pressurization);
 - Visual inspection for plenum and end of leg boot sealing;
 - Visual inspection for applied field guide methods
 - If Mechanical Ventilation has been installed, then the inspector shall verify continuous and peak flow output of the unit through Flow Hood Testing. NOTE: For HRV/ERV installations which use the central supply and return ductwork, Flow Hood Tests may be required at all supply and return register locations. All mechanical ventilation must comply with ASHRAE 62.2 2016;

- Client satisfaction interview and dialogue that includes review of client education;

- Visual inspection of all work completed for quality;

- Detailed and thorough file inspection compared with work for consistency.

The final inspection for each weatherized unit shall be performed by a certified subrecipient QCI, or a contracted MFA approved certified QCI within 30 working-days of the final day of weatherization work being completed by agency crew(s) or contractors. Any required rework shall be completed in a timely manner and must be verified by the original inspector.

In the event an Energy Auditor also needs to inspect the units due to the QCI requirement, MFA's Program Manager will inspect 10% of the completed units for that subrecipient.

The final inspector may perform minor adjustments to previously installed retrofits in order to obtain satisfactory inspection results. Such adjustments must not exceed one working hour per unit or within a reasonable time frame depending on the distance, and will not be considered a "weatherization retrofit" as noted above.

Once completed, subrecipients must ensure that the client file contains a form that certifies the unit has had a final inspection, and that all work meets the required standards. The subrecipient then uploads detailed information on each measure installed in the unit, including estimated & actual cost, energy savings and SIR into MFA's online system. During the invoicing process, MFA's Green Initiatives Manager reviews the information on the units to determine the accuracy and technical implications of the data. If the entries raise questions or concerns, then the unit is not eligible for reimbursement until all questions and concerns are answered to MFA's satisfaction. The said units may be flagged to be included in MFA's QCI inspections.

Disciplinary actions for inadequate inspection processes determined by 100% desk monitoring or the required 5% to 10% field monitoring will first involve exploring the options of QCI re-training for the inspector. If training is not a viable option or does not remedy the problem, the inspector will not be allowed to perform inspections for a specified period, depending on the severity of the infraction, until proof of adequacy is obtained.

Continued inspector inability or refusal to comply with policies is grounds for MFA to recommend suspension, termination, or otherwise apply special conditions to the inspector performing further QCI inspections for the program. The agency will be required to utilize other QCI inspectors to verify completed units.

During the technical monitoring process, the Program Managers verify the certificates of each QCI and Energy Auditor of the agency being monitored. The Energy Smart Academy and the Green Initiatives Manager are in communication as needed about upcoming certification expirations and the need for training review prior to re-certification.

The monitoring process also observes the procedures of the QCI during a final inspection. Suggestions, comments, best practice observations are communicated to the QCI and an official letter is sent to the agency after review.

Final Inspectors will comply with the EnergySmart COVID Safety Response Plan by wearing all the required PPE, washing hands, spraying down surfaces, and client interviews.

Attached are final inspection forms, final diagnostic testing forms, and technical field monitoring forms.

V.6 Weatherization Analysis of Effectiveness

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MFA qualified staff, our in-house on-line reporting system and the Energy Smart Academy provide long-term stability of the program. The Academy, developed in partnership with Santa Fe Community College, has earned a growing reputation as one of the premier training centers in the Weatherization Assistance Program. The Academy is IREC accredited in the four training job categories of Retrofit Installer, Crew Leader, Energy Auditor, and QCI. MFA and our partners use these pieces to enhance communication and target resources where they are needed. The communication ability that the systems enable will remain in place going forward and will be used to help align with the announced DOE program requirements.

In order to assess effectiveness, the NM EnergySmart Online System (System) captures the unit production data on a monthly basis. The completed unit data is captured for each agency and shows the projected energy savings in MMBTUs for each auditor in the network. The System also has the ability to show the frequency with which each agency and auditor installs individual measures and also allows MFA to assess each Agency's performance in a number of areas. The System-level assessment allows MFA to select individual units for inspection. A separate unit inspection database collects information from inspected units. Monitoring data follows the path of information sharing that occurs through the online system.

MFA uses the System to conduct a 100% desk audit of all units completed prior to paying subrecipient invoices. **Prior to invoices being paid, the following is reviewed by the Program Managers:**

- Measures installed on each home are compared to determine the relationship between estimated costs and actual costs.
- Energy saving measures are confirmed to have SIRs and corresponding MMBTU savings.
- Total cost, and projected energy savings are tracked for each measure and for the unit as a whole.
- Year the home is built to determine if additional information is needed from the agency such as lead based paint or SHPO.
- Square footage and structure type.
- For some measures, more detailed information is collected, including R values of added insulation, Manual J calculations of new heating systems and air reductions relative to the initial blower door reading, air sealing target and the achieved reduction.

This System is also used to flag units that need additional monitoring in the form of unit inspection. Any unusual numbers, costs, or circumstances may trigger the inspection. These unit inspections become a portion of the required 5% Quality Control Inspections. During the unit inspection, the entire client file is compared to the entries for accuracy along with client interview regarding utility bill savings.

During the MFA unit inspection process of completed units, the techniques used to achieve such reductions, efficacy of installation methods, baseload measure assumptions, and other energy saving measures are observed and any findings, concerns, comments, and best practices are noted.

The data generated by the System or during technical monitoring and unit inspections stimulates dialogue between agency management, Program Managers and the Energy Smart Academy. Stakeholders can quickly determine additional training where needed. Due to the specific nature of the System's reporting capability, specific training can be directed for specific auditors, inspectors and/or weatherization crews in order to resolve deficiencies in their skill set, and showcase best practices.

Upon request a monthly report may be sent out to of the Energy Auditors detailing MMBTU savings, client monetary savings on average and total numbers. This will enable the team to see how they compare with others and the national number of 29.3 MMBTUs per home.

Energy Auditors are encouraged to practice the comparing of energy auditing estimates with utility bill usage. This helps the team realize how accurate their models are in comparison to actual usage and helps to spawn training where needed.

In the event subrecipients fail final inspections; they are given the opportunity to remedy the problem within a reasonable time period. This re-work is not eligible for reimbursement. The home may be re-inspected by MFA's QCI, depending on the nature of the failure. The training Academy is notified of the area of weakness and modifies the classes if needed. In extreme cases, additional classes are scheduled for the agency.

When there are findings or concerns that surface during inspections, the subrecipient is asked to explain how they will improve. This may entail updating their policies and procedures, more frequent monitoring by MFA, or training to help the subrecipient understand how the problem occurred and how to prevent it.

The costs of measures are reviewed on a regular basis prior to invoices being processed to compare with market costs of those particular measures. If something appears to be high, a detailed explanation is requested from the agency, or the agency's procurement may be examined for that item.

Continuous progress and improvement is the goal of the combined training and monitoring programs. Through comprehensive training, staff continues to be cross trained and the basics are reviewed to widen the capabilities in addition to ensuring the existing staff understands the basics of the program on the most fundamental levels. Technical monitoring and regular conversation with the agencies help determine additional training needs.

The answers to questions that the agencies have, if not already located in the Technical Standards, or Administration Manual, are reviewed by the Technical Review Committee that meets twice a month, and are entered into the appropriate manual and section during the normal updating process.

V.7 Health and Safety

See attached Health and Safety Plan.

V.8 Program Management

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V.8.1 Overview and Organization

The New Mexico Mortgage Finance Authority (MFA) was created by the New Mexico State Legislature in 1975 as a statewide government "enterprise" to provide financing for affordable housing to medium and low-income persons and receives no money from the state to operate. MFA is governed by a board of seven members. Four members are appointed by the Governor and three members serve by virtue of their state office: the State Attorney General, the Lt. Governor and the New Mexico State Treasurer. The Chairman of the Board is appointed by the Governor. Rules and regulations formulated by the MFA are approved by a Legislative Oversight Committee of the State Legislature. The committee is comprised of eighteen members.

By Executive Order 97-01, the State Governor transferred all federally funded housing programs to MFA on January 14, 1997. The Weatherization Assistance Program (WAP) was included in this transfer. Consequently, MFA took over the administration of WAP during the ongoing plan for 1996-97. Shortly thereafter, MFA staff produced its first plan (1997-98). MFA does not administer the State Energy Plan nor LIHEAP.

MFA has assigned significant managerial resources to the Weatherization Assistance Program to ensure its successful administration. A list of MFA personnel with direct WAP responsibilities is provided here. MFA has integrated WAP as a core activity throughout its organization; e.g. Information Technology. The whole organization is available to act on WAP activities and issues.

Weatherization Program and Support Staff:

Our Program Manager, Troy Cucchiara manages the NM EnergySmart Program. He has been with MFA in this capacity since March 2014 managing the technical aspects of the program and in October 2019 he took on the responsibility of the administrative side of the program as well. Troy came to the position with over 14 years of weatherization experience with a technical background. He is responsible for overall direction and supervision of the program, leverage efforts, coordination with grantee staff; and the overall management of subrecipients. His responsibilities for the technical aspects of the program include training and technical assistance as well as health and safety issues and program compliance with all DOE technical requirements. His qualifications include 10 years of field experience and he holds certificates for several areas in the field of weatherization including Energy Auditor, QCI and Multifamily QCI Certification.

For succession planning purposes MFA has assigned program manager Dimitri Florez to work full time in the NM EnergySmart Program. Since January 2020, he has been assisting MFA's Green Initiative Program Manager, Troy Cucchiara with managing the NM EnergySmart Program. Dimitri assists with conducting financial and operation monitoring visits, technical monitoring visits and on-site unit inspections. Dimitri's qualifications include 1.5 years of field experience and holds the Building Analyst Certification in the field of weatherization.

Dimitri will be learning all aspects of the program working closely with Troy the first year in this position. Mr. Florez will be focused on continuing to obtain the technical skills and experience necessary to obtain his Energy Auditor and QCI certifications.

Troy and Dimitri will work closely to monitor subrecipients' activities. They will conduct a minimum of one financial and operations monitoring visit and one technical monitoring visit per year for each agency. They will also monitor 5.0% of files and provide on-site unit inspections of the files he review. On a monthly basis the two will conduct 100% of desk monitoring through our online system for all funding sources. A prescribed monitoring tool is used for all monitoring visits. He provides training and technical assistance to our subrecipients as needed throughout the program year.

Mathew Meyer is an intum that has been recently hired by MFA and will be devoting half of his time to Weatherization.

Managers and Staff:

Gina Bell, Director of Community Development, is responsible for the successful implementation of the weatherization program. She also provides direction to staff and promotes the weatherization efforts externally. Her oversight includes directing the activities and acceptable performance of the weatherization subrecipients and ensures that MFA and subrecipients are in compliance with all regulatory and contractual requirements of the program. She ensures the monitoring of subrecipients is in compliance with their contracted programs in accordance with regulations outlined in federal/state contractual agreements and MFA's Compliance Manuals. Ms. Bell works with staff in assisting the efforts to build their capacity through training and providing technical assistance on the program development. Ms. Bell also oversees the efforts to increase funding for the program.

John Garcia is the Assistant Director of Community Development and assists in Gina's absence.

Administrative Support:

Indirects costs will be charged using the de minimus rate of 10% of Modified Total Direct Costs. Included indirect costs is the support of administrative staff.

The Controller and accountants, are responsible for reviewing subrecipient monthly reports, preparing reimbursements, and maintaining all required financial records to account for Grantee and subrecipient expenditures and balances. They are also responsible for subrecipient financial management and quarterly reporting to DOE.

The Administrative Support staff provides Marketing and Information Technology support to weatherization staff necessary to carry out the functions of the weatherization program. MFA will comply with the record keeping requirements prescribed on section 10 CFR 440.24, and with the reporting requirements on section 10 CFR 440.25.

The Executive Director along with the Chief Housing Officer, and the Chief Financial Officer and the Chief Lending Officer are responsible for overall management of the weatherization program. They provide oversight and effective and efficient management of the weatherization program and provide direction to weatherization staff along

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with the Director of Community Development. They promotes the weatherization efforts externally.

V.8.2 Administrative Expenditure Limits

New Mexico's admin is set at 15% with MFA receiving 5% and the remaining 10% allocated to our Subrecipients. MFA will NOT be requesting the additional admin funds for our existing Subrecipients as Central New Mexico Housing Corporation, Southwestern Regional Housing and Community Development Corporation and ICAST all exceed the \$350,000 threshold.

V.8.3 Monitoring Activities

Monitoring Approach

MFA assists its subrecipients with their efforts to resolve problems encountered in the administration and operation of the NM EnergySmart Program and to ensure compliance with all applicable Federal and State laws, rules, and regulations. To achieve this goal, Program Managers Troy Cucchiara and Dimitri Florez will conduct the programmatic and technical monitoring. For the program year 2021-2022, training and technical assistance funding in the amount of \$220 will be used for monitoring and \$488 of leveraging will be used. Administration funds used for monitoring are \$13,431 and will be 100% of the monitoring budget.

The primary areas of oversight include:

- **Unit Inspections**
 - Files are inspected for full program compliance
 - Complete QCI inspections are conducted on the home following BPI protocol
 - Minimum of 5% for all three agencies
 - Minimum of 10% when the QCI final inspector is the same person as the assessor/energy auditor.
- **Technical Monitoring**
 - Subrecipient Review of Scheduling Units
 - Eligibility and Intake
 - Rental Audit Procedures
 - Multifamily Audit Procedures
 - Energy Audits for Single Family
 - Qualifications & Training
 - T and TA Progress
 - Weatherization of Units
 - Field Work Methods/Job in Progress Monitoring
 - QCI Methods
 - Health & Safety
 - Equipment/Inventory/Materials
 - Training & Technical Assistance
 - Feedback & Reporting
 - Unit Inspections
- **Subrecipient Programmatic Monitoring**
 - Program Overview (Client File Review, Work Orders, etc.)
 - Financial/Administrative Process
 - Expenditures
 - Financial/Administration
 - Inventory
 - Health & Safety
 - Quality Management Assurance
 - Vehicles & Equipment
- **Financial Monitoring**
 - Financial Management/Accounting Systems and Operations
 - Financial Audits
 - Fiscal Tests
 - Payroll/Personnel
 - Procurement

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- Quality Management Assurance
- Internal Controls
- **Desk Monitoring**
 - All units part of invoicing are viewed in detail for compliance
 - Total costs for labor and materials viewed
 - SIR and energy savings
 - Geographical patterns
 - Lead Based Paint compliance
 - SHPO compliance
 - Random input reports for energy audits are requested

Program staff coordinates all activities and provides clear and concise direction to comply with the applicable standards and regulations. Staff conducts field monitoring of subrecipient financial activities including financial audits, production and reporting requirements. Program staff also assists subrecipients to improve operations through training and technical assistance to correct noted problem areas. In addition to the staff that conducts the monitoring, MFA's Accounting Department and Internal Auditor are available when needed to review subrecipient financial operations. Subrecipients financial audits are reviewed as part of their onsite monitoring. Financial audits are also reviewed at the time of audit submission when the financial audit is due for that year. Financial audits receive several layers of review prior to approval.

At a minimum, the staff conducts one on-site programmatic monitoring visit and one on-site technical monitoring visit each year. A comprehensive monitoring tool is used as part of a thorough review of each subrecipient. If necessary, a follow-up monitoring visit will be conducted to verify that corrective action has been initiated or completed. Through our on-line reporting system, for a more thorough review, staff conducts monthly checks of work done in completed units as well as financial reporting.

The intention is for Staff to perform field on-site technical monitoring visits to Southwestern Regional Housing Community Development Corporation (SRHCDC), Central New Mexico Housing Corporation (CNMHC) and International Center for Appropriate and Sustainable Technology (ICAST) in the 2021/2022 Program Year.

These technical monitoring visits may need to be conducted virtually consistent with the approved virtual monitoring plan during times when travel is not allowed.

In addition to the monitoring, MFA staff has developed their own QCI inspection policies. The team will perform certified QCI reviews of client files and inspect the corresponding homes of 5% to 10%. This will occur on a continual basis to ensure that SWS and NM Standards are being followed, there are no missed opportunities, Health and Safety is the best approach with the best practice possible, and the quality work plan is being managed properly. In the event quality is not up to standards, and it is determined that there is a pattern, comprehensive or specific training will be scheduled to correct the issues. Health and Safety deficiencies, depending on the severity, are corrected immediately, and in some cases the same day.

These QCI occurrences may happen as virtual monitoring. They will be consistent with the approved virtual monitoring plan for NM. This will most likely occur for Southwestern Regional Housing and Community Development Corporation (SRHCDC) and for units that require overnight stay if travel is still not allowable during PY 2021-2022.

Quality Control Review of units and files consists of reviewing every detail for each file prior to the unit visit. The file should accurately tell the story of the weatherization work that took place at the home. If one thing is out of place, it serves as an indicator to look for additional related items.

MFA also requires subrecipients be audited in accordance with section 10 CFR 440.23(d). For program year 2021/2022 only one of the NM EnergySmart subrecipients met the 2 CFR 200 threshold amount of \$750,000.00.

To complete the approval of the annual external financial audits, the first layer of review is by the Program Manager. The second layer of review and approval is either done by the Assistant Director of MFA's Community Development Department or MFA's Controller.

As a follow up to each visit, MFA staff provides the subrecipient with a written report that describes noncompliance or problem areas, suggested comments and best practices. The report is submitted to the subrecipient within 30 days of the visit and the subrecipient is required to respond within 30 days to MFA with a Corrective Action Plan addressing any findings, concerns, and recommendations. This Corrective Action Plan must include an identified target date for each deficiency. This is tracked by an online tracking system. Follow up communication through phone conversations, email, and necessary onsite visits is continual until the problem is resolved.

The subrecipients are made aware of the monitoring instrument prior to the visit that will be used for the visit, since it is accountable for implementation of the program in accordance with the standards and procedures.

In all instances, MFA is committed to working closely with subrecipients to succeed. However, if after numerous attempts have been made towards compliance or if a subrecipient is either unwilling or unable to resolve a non-compliance issue, MFA would start to work toward de-funding the agency.

When a problem is resolved to the mutual satisfaction of the subrecipient and MFA, MFA staff will send a follow-up letter to close the finding.

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If there is any suspicion of mismanagement, fraud, waste or abuse or if any significant problems are found, MFA will immediately notify the Inspector General and DOE's Golden Office, in Denver CO.

MFA will submit annual reports to DOE's Golden Office describing its monitoring efforts to date. The report will include at least the following:

- Number of monitoring visits to each subrecipient;
- General nature of the findings;
- A discussion of significant corrective actions;

MFA will also have all monitoring reports available, upon request, for DOE inspection.

MFA will summarize and review its monitoring activities and findings for internal assessment of subrecipient needs, strengths and weaknesses and annual planning. This data will be incorporated in the New Mexico Consolidated Plan and Annual Performance report.

Credentials

MFA staff has substantial experience in monitoring NM EnergySmart and other Federal and State programs.

Troy Cucchiara and Dimitri Florez are responsible for all NM EnergySmart related monitoring. MFA staff attends Weatherization and related training to maintain current knowledge, practices and regulations.

Troy Cucchiara is the Green Initiatives Manager and QCI for MFA and is the technical manager for the NM EnergySmart Program. He has been involved with the home retrofit industry for 21 years and has been an integral part of the Weatherization Assistance Program for different agencies since 2006. He has earned numerous certifications including Commercial Energy Auditor, Water Specialist IV, CBI Thermographer, Lead Certified Renovator, Lead Dust Sampling Technician, AHERA, OSHA 30, Building Analyst, Building Envelope, and Home Energy Professional Quality Control Inspector, Multi-Family QCI, Energy Auditor, and has been a BPI Proctor for the Santa Fe Community College. Technical experience includes energy auditing, home inspections, program management, water treatment design, inventory control, public speaking, staff training, and client education.

Dimitri Florez has passed his first BPI test as Building Analyst and has accumulated 600 hours towards the required 1000 hours for QCI certification.

Levels of Agency Performance

High Performance or Exemplary Agencies

By way of monitoring review, an agency has demonstrated performance standards that meet or exceed standards that are commonly observed in the following areas:

Program operations:

No Health and Safety findings are identified in previous monitoring report.

No procedural findings related to program rules, policies or procedures.

Fiscal:

No annual program specific audit findings.

No material findings in the agency external audit.

Technical:

Provide comprehensive service utilizing the latest building science and renewable technology, in a cost-effective manner in accordance with NM EnergySmart Weatherization Assistance Program guidelines.

Production:

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In general an agency's production is high relative to funding.

Qualified staff:

Agency will receive higher credit for exemplary status with NM EnergySmart Training Academy staff through participation in the NM EnergySmart Training Plan.

Risk:

No "at-risk" elements are found in major categories for an agency.

If the above is met a final visit may be made by MFA NM EnergySmart staff for final confirmation of achievement.

Stable Agency Performance:

Typically, the frequency of monitoring will be (1) fiscal/operational visit and (1) technical visit per year by NM EnergySmart staff. The need for additional visits within the same year will be determined by the agency's program funding and production level and the timely responses to any outstanding monitoring findings. MFA expects every agency to meet these standards of performance:

- Has a well-established systems for program administration and operations, with no more than one finding in the following areas.
- Compliance with major program requirements, such as, lead-based paint procedures, cost allocation.
- No more than one program specific finding in the annual monitoring visit.
- No more than one fiscal specific finding in the annual monitoring visit.
- Staff is well trained in performance of specific job duties.
- Agency has complete and organized files.
- Evidence of prudent decision making as to the use of program resources.
- Complete scopes of work.
- NEAT/MHEA/TREAT documentation is current and consistent with billing.
- Staff is proficient in the use of auditing software.
- Evidence that NEAT/MHEA/TREAT is used with actual and true pre audit data (including costs).
- Evidence that NEAT/MHEA/TREAT is used effectively and thoughtfully in determining cost-effective measures.
- Staff and contractors have demonstrated proficiency in technical applications, including diagnostics.
- Agency has a minimal number of procedural findings (as related to programs rules, policies and procedures) and health and safety findings from previous monitoring report.
- Agency complies with OSHA and MFA safety rules, as applicable.
- The agency maintains a professional working relationship with MFA.
- Past corrections are made and reported in a timely manner.
- Participate in NM EnergySmart Peer Exchange meetings.
- No "at-risk" elements are found in major categories for an agency.

Vulnerable Agency Performance

If an agency's performance is deficient in some or all of the following levels of performance MFA will prepare a plan to help the agency clear the deficiencies and will provide additional monitoring within the same year:

- Has a well-established systems for program administration and operations, with no more than one finding in the following areas.
- Compliance with major program requirements such as lead-based paint procedures, cost allocation plan/indirect cost rate, required contractor information.
- No more than one program specific finding in the annual monitoring visit.
- No more than one fiscal specific finding in the annual monitoring visit. Staff is well trained in performance of specific job duties.
- Lack of prudent decision making as to use of program resources.
- Completes scope of work.
- NM EnergySmart on-line reporting is current and consistent with billing.
- Staff is proficient in its use of the NM EnergySmart on-line payment system.
- Evidence of the NM EnergySmart on-line payment system is used with actual and true pre-post data (including costs).
- Evidence of the NM EnergySmart on-line payment system is used effectively and thoughtfully in determining cost-effective measures.
- Staff and contractors have not demonstrated proficiency in technical applications, including diagnostics.
- Agency has a number of and severity of procedural findings (as related to programs rules, policies and procedures) and health and safety findings from previous monitoring report.

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- Agency does not comply with OSHA and MFA safety rules, as applicable.
- The agency does not maintain a professional working relationship with MFA.
- Past corrections were not made and reported in a timely manner.
- Agency does not participate in NM EnergySmart Exchange meetings.
- Agency does not report as outlined in program manual.
- Several “at-risk” elements are found in major categories for an agency.

At-Risk Agency Performance

At-risk agencies may be identified as a result of a variety of factors that may include:

- Agency’s probation, i.e. an agency’s first year with the program.
- There is evidence of significant administrative or program sub-standard performance; for example, repetitive pattern of findings, failure to have copies of permits on file or lack of compliance with historical preservation rules.
- Agency is not in compliance with program policies, procedures and specifications.
- Agency has repeated health and safety findings.
- Agency staff members/crew has deficient technical skills.
- There has been a change in key staff.
- There has been a change in key weatherization subrecipients.
- Agency has deficient scopes of work (work plan is insufficient).
- Agency has program specific audit findings.
- Agency has fiscal specific findings.
- Agency files are incomplete or disorganized.
- Agency staff is unresponsive to MFA requests and deadlines. For example, the agency consistently fails to provide monthly reports and contract closeouts in a timely manner.
- Agency production is low relative to funding.

At-risk agencies will be monitored no less than twice annually. Other factors in the frequency of monitoring visits may be based upon the requirements of specific funding sources.

V.8.4 Training and Technical Assistance Approach and Activities

See Attached T and TA Plan

Percent of overall trainings

Comprehensive Trainings:

Specific Trainings:

Breakdown of T&TA training budget

Percent of budget allocated to Auditor/QCI trainings:

Percent of budget allocated to Crew/Installer trainings:

Percent of budget allocated to Management/Financial trainings:

V.9 Energy Crisis and Disaster Plan

Objective: The objective of the New Mexico disaster response plan is to implement response activities that ameliorate the effects of the disaster to affected low-income persons with due consideration to the limited funds available during the program year.

Definition: A disaster is an event or development in the State declared by a Presidential or Gubernatorial order to be either a Federal or State emergency.

Procedures: Declaration of an energy crisis enables a subrecipient to place households affected by the crisis at the top of the weatherization waiting list. subrecipient must follow WPN 12-7 and complete all allowed measures by the energy audit. Partial weatherization is not allowed. Once a QCI has approved

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the work, the crews can move to the next identified unit that qualifies.

If at all possible, the subrecipient should complete the emergency units within the current program year.

The subrecipients must maintain a list of the homes served during the crisis and provide the list of measures for each unit and the proposed date for full weatherization during invoice submission.

Criteria include:

1. Households must meet current income guidelines.
2. Priority will be given to elderly person, persons with disabilities, families with children, high residential energy users, and household with high energy burdens.
3. Priority will be determined through the program priority list for the particular disaster area.
4. Homes weatherized 15 years before the present date, can receive additional assistance under "Energy Crisis".
5. Incidental repairs to an eligible dwelling will be allowed if the repairs are necessary to make the installation of weatherization materials effective.
6. Elimination of health and safety hazards will be allowed when it is necessary before the installation of weatherization materials.