

## PROGRAM OVERVIEW

### Executive Summary

#### Mission and Operation

The U.S. Department of Energy's (DOE) Weatherization Assistance Program (Weatherization) reduces energy costs for low-income households by increasing the energy efficiency of their homes, while ensuring their health and safety. The Program provides energy-efficiency services to more than 100,000 homes every year, reducing average annual energy costs by \$413 or more per household.

The Program prioritizes services to the elderly, people with disabilities, and families with children. These low-income households are often on fixed incomes or rely on income assistance programs and are most vulnerable to volatile changes in energy markets. "High energy users" or households with a high energy burden may also receive priority.

DOE works in partnerships with state and local-level agencies to implement the Program. The DOE Project Management Center (PMC) awards grants to state-level agencies, which then contract with local agencies. Weatherization programs operate in all 50 states, the District of Columbia, among Native American tribes, and anticipate servicing the U.S. territories beginning in PY 2009. Approximately 900 local agencies deliver Weatherization services to eligible residents in every county in the nation. Since the inception of the Program in 1976, over 6.2 million households have received Weatherization services.

- Weatherization returns \$1.65 in energy-related benefits for every \$1 invested in the Program. This cost-effective approach ensures the proper investment of taxpayer resources.
- For every \$1 invested by DOE, the Program leverages \$1.54 in other federal, state, utility, and private resources. Agencies use leveraged resources to weatherize more low-income homes and to deliver more services while in the home.



A Weatherization technician conducts a vent test to identify duct leakage.



# Weatherization Assistance Program Overview



Delaware crews use a digital manometer to identify duct leakage.

Figure 1. Increase in Gas Space Heating Savings

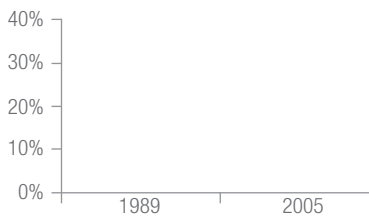
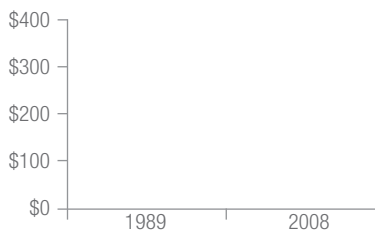


Figure 2. Increase in Average Annual Household Savings



## Eligible Households

Total U.S. energy consumption in 2007 was 105.63 quadrillion BTUs (quads) according to the Energy Information Administration (EIA) and the percentage of this that was residential was 21%. Americans spent \$231.4 billion this year on residential energy according to an Oak Ridge National Laboratory (ORNL) study.

Low-income households pay a disproportionate share of this energy bill.

- Low-income households typically spend 17% of their total annual income on energy, compared with 4% for other households.
- The average expenditure per low-income household for the current year is estimated at \$1,871. Low-income families must often cut back on other necessities, such as groceries or medicine, to pay their energy bills.

Over 38 million households are currently eligible for Weatherization services. Any household at or below 150% of poverty is considered low-income. A state may elect to use the Department of Health and Human Services Low-Income Home Energy Assistance Program (HHS LIHEAP) criteria of 60% of state-median income. Some eligible households may require repairs, rehabilitation, or services that are beyond the scope of the Weatherization Program. About 15 million of all eligible households are good candidates for Weatherization services.

- Over 90% of low-income households have an annual income under \$15,000.
- Two-thirds have an annual income under \$8,000.
- More than 13% have an annual income under \$2,000.

## Technical Approach

Professionally trained Weatherization crews use computerized energy audits and advanced diagnostic equipment, such as a blower door, manometer, or infrared camera, to determine the most cost-effective measures appropriate for each home. Typical measures may include: installing insulation; sealing ducts; tuning and repairing heating and cooling systems; mitigating air infiltration; and reducing electric base load consumption.

- Weatherization crews use advanced technologies to address whole-house energy use.
- Services are delivered to single-family homes, multi-family dwellings, and manufactured homes.
- Weatherization agencies have established a professionally trained delivery system to provide quality energy-efficiency services and materials.
- The integration of advanced technologies and techniques, as well as improved training, has increased the Program's impact as demonstrated by many state evaluations conducted in recent years.

Weatherization crews also perform health and safety tests that may include: testing heating units and appliances for combustion safety, carbon monoxide, and gas leaks; assessing moisture damage; checking electrical system safety; replacing unsafe heating and cooling systems; and installing smoke and carbon monoxide detectors.

## Measures Installed

### Building Shell Measures

- Install insulation in walls, floors, ceilings, attics, and foundations
- Blower door-directed air sealing of the building shell
- Repair or replace primary windows and doors
- Install storm windows and doors
- Install window films, solar screens, window louvers, and awnings
- Apply reflective roof coating
- Repairs to enable the installation of energy-efficiency measures, such as:
  - ◆ Repair minor roof and wall leaks prior to insulating attics or walls

### Mechanical Measures

- Clean, tune, repair or replace heating systems including:
  - ◆ Furnaces, boilers, heat pumps, vented space heaters, and wood stoves
- Clean, tune, repair or replace cooling systems including:
  - ◆ Central air conditioners, window air conditioners, heat pumps, and evaporative coolers
- Install insulation on ducts and heating pipes
- Conduct other efficiency improvements to heating and cooling systems including:
  - ◆ Replacing standing pilot lights with electronic ignition devices
  - ◆ Installing vent dampers
- Modify duct and pipe systems so heating and cooling systems operate efficiently and effectively including:
  - ◆ Add return ducts
  - ◆ Replace diffusers and registers
  - ◆ Replace air filters
  - ◆ Install thermostatic radiator controls on steam and hot water heating systems
  - ◆ Replace or add air-purging vents on steam heating systems
- Install programmable thermostats, outdoor reset controls, and other HVAC control systems



Weatherization partnered with a housing development corporation to revitalize two inner-city neighborhoods in Tennessee. Weatherization installed energy efficiency measures in 146 single-family homes, after the units received structural renovations. Through the partnership, low-interest loans were offered to the low-income tenants to purchase the homes. By improving the energy efficiency of the homes, the new low-income owners experienced annual savings of nearly \$600 on their energy bills. This activity improved the long-term affordability of the low-income housing stock.



Blower door tests are conducted during the assessment of a weatherization home.

## Mechanical Measures (continued)

- Repair or replace water heaters
- Install insulation on water heater tanks and water heating pipes
- Install solar water heating systems
- Install waste heat recovery devices including:
  - ◆ Desuperheater/water heaters
  - ◆ Condensing heat exchangers
  - ◆ Heat pump water heating heat recovery systems
  - ◆ Energy recovery equipment
- Repair or replace electric motors
- Install motor controls such as variable-speed drives

## Electric Base-Load Measures

- Install motor controls such as variable-speed drives
- Convert incandescent lighting to fluorescent
- Replace refrigerators

## Health and Safety Measures

- Install smoke and carbon monoxide alarms
- Repair or replace vent systems on fossil-fuel-fired heating systems and water heaters to ensure that combustion gases draft safely to outside
- Install mechanical ventilation to ensure adequate indoor air quality if house is air-sealed to building tightness limit
- Incidental safety repairs to enable the installation of energy-efficiency measures, such as:
  - ◆ Electrical repairs prior to insulating attics or walls or convert incandescent lighting to fluorescent

## Impact on Low-Income Americans

Weatherization alleviates the heavy energy burden on low-income households and helps them become self-sufficient. Weatherization measures:

- Create average energy savings of \$413 or more per year.
- Reduce a household's annual gas heating consumption by 32%.
- Are "locked" into the home and continue to save money and energy every year.
- Improve health and safety by eliminating energy-related hazards.
- Avoided \$1.5 billion in energy costs for all homes served during winter 2005.

## Impact on Communities

Weatherization helps revitalize communities by spurring economic growth and reducing environmental impacts. For every \$1 invested, Weatherization returns \$2.72 in energy and non-energy related benefits. By reducing energy consumption in low-income homes, Weatherization:

- Reduces the export of local energy dollars and keeps more money in the community.
- Improves energy affordability, making housing more affordable. This reduces cases of homelessness and frequent forced mobility, and lowers demand for public assistance.
- Decreases electricity generation and resulting pollution. This improves local air quality and reduces adverse health effects, particularly asthma.
- Avoids residential and power plant emissions of carbon dioxide, a leading greenhouse gas. Weatherization measures reduce carbon dioxide emissions by 1.79 tons per weatherized home, or one-third the average emissions of an automobile.
- Supports almost 8,000 direct jobs nationwide.
- Reduces demand for imported oil. Decreases national energy consumption by the equivalent of 18 million barrels of oil annually.
- Produces an estimated \$3 in multiplier benefits for every \$1 invested in the Program.

## Program History

The Weatherization Assistance Program was created in 1976 to assist low-income families who lacked the resources to invest in energy efficiency. Most Americans were dramatically affected by the 1973 oil crisis. Spiraling home heating bills were a heavy burden on household budgets, sinking many families into debt. Low-income families in cold-climate states suffered the most severe consequences. In Maine, state officials and community action agencies worked with homeowners and renters to seal air leaks in homes. These measures cut energy bills and saved oil. Out of this effort, the nation's first Weatherization Program was born. Congress created the U.S. Department of Energy's Weatherization Assistance Program in 1976 under Title IV of the Energy Conservation and Production Act.

In this early phase, volunteers and job trainees installed low-cost conservation measures, such as covering windows with plastic sheeting, caulking, and weather-stripping, to reduce home heating bills. By the 1980s, the Program focused on more permanent and cost-effective measures, such as adding insulation (with its long track record of effectiveness) and improving efficiency in heating systems.

In the 1990s, the trend toward emphasizing more cost-effective measures continued with the widespread adoption of advanced energy audits and diagnostic equipment. The use of computerized energy audits improved the cost effectiveness of the Program. Blower door-directed air sealing has enabled agencies to diagnose and solve infiltration problems more accurately. The integration of advanced diagnostic equipment has also improved the identification of energy-related health and safety problems, such as carbon monoxide and inoperable vent flues.

Cooling efficiency measures were integrated in the Program in 1994, including air conditioner replacement, ventilation equipment, and screening and shading devices. These measures have made a big impact in warm climates, where cooling costs are often higher than heating costs.

By 1996, the Program's performance improved significantly due to implementing many of the recommendations resulting from the National Evaluation and other DOE-sponsored research. Despite funding reductions during this period, technical advances produced almost 70% higher energy savings per dwelling. This was achieved through improved training, auditing tools, and management practices.

Additional regulatory and legislative changes in the late 1990s increased flexibility for states. The average cost per home was raised and the requirement that 40% of Program funds be spent on materials was removed in response to the nationwide integration of advanced energy audits. Electric base load measures were approved and incorporated in 2000.

Also in 2000, flexibility was provided to ease budget constraints related to health and safety expenditures. To help states weatherize more multi-family dwelling units, the eligibility criteria for certain large multi-family buildings was reduced to 50%.

In a 2006 rulemaking, DOE defined renewable energy systems made eligible for funding by the Energy Policy Act of 2005 and established criteria for their performance and quality standards.

The Energy Independence and Security Act of 2007, which reauthorized the Program, was expanded by DOE during the rulemaking to include any territory or possession of the U.S. in the definition of "states" as an eligible grantee of the Program.

Weatherization has evolved into a sophisticated program, which addresses whole-house energy efficiency and promotes a whole-community approach. Weatherization is the nation's largest residential energy efficiency program.

## Funding and Production History

The core funding for the Program is derived from annual appropriations from Congress to DOE. DOE then provides core program funding to all 50 states, the District of Columbia, Native American Tribes, and anticipates servicing the U.S. territories in PY 2009 through formula grants.

Once DOE awards the grants, the states contract with more than 900 local agencies nationwide, including community action agencies, other non-profits, and local governments, to deliver these services to low-income families.

Many states use the DOE funding as the foundation to leverage multiple funding sources. The core funding received from DOE often provides the training/technical assistance and administrative needs of an agency. By leveraging additional dollars, it allows the state and local programs to increase the services rendered and the number of homes served.

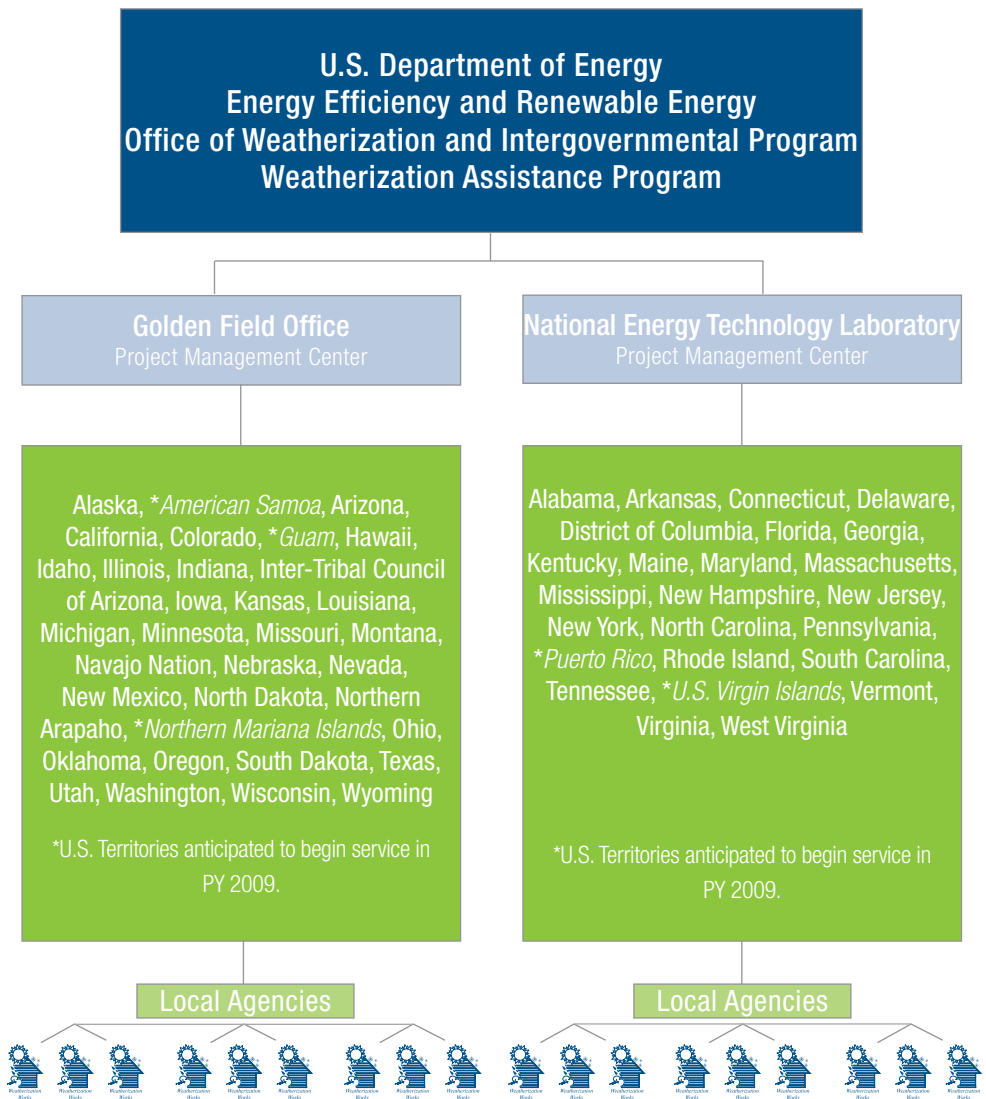
The following chart reflects the DOE appropriation and units weatherized with DOE funding each year. Leveraged funds can be credited with increasing our number of families served to 6.2 million over the history of this Program.

	DOE Appropriation (in Millions)	Units Weatherized w/ DOE \$	Cummulation DOE Units		DOE Appropriation (in Millions)	Units Weatherized w/ DOE \$	Cummulation DOE Units
1977	\$27.5	1,622	1,622	1993	\$185.4	103,394	2,100,408
1978	\$65.0	6,742	8,364	1994	\$206.8	114,904	2,215,312
1979	\$199.0	15,387	23,751	1995	\$214.8	102,981	2,318,293
1980	\$199.0	232,751	256,502	1996	\$111.7	76,393	2,394,686
1981	\$175.0	352,906	609,408	1997	\$120.8	71,597	2,466,283
1982	\$144.0	122,992	732,400	1998	\$124.8	68,470	2,534,753
1983	\$245.0	156,629	889,029	1999	\$133.0	71,984	2,606,737
1984	\$190.0	209,261	1,098,290	2000	\$135.0	74,316	2,681,053
1985	\$191.0	163,860	1,262,150	2001	\$153.0	77,709	2,758,762
1986	\$182.1	149,047	1,411,197	2002	\$230.0	104,860	2,863,622
1987	\$161.3	105,440	1,516,637	2003	\$223.5	100,428	2,964,050
1988	\$161.3	105,465	1,622,102	2004	\$227.2	99,593	3,063,643
1989	\$161.3	85,115	1,707,217	2005	\$228.2	97,500	3,161,143
1990	\$162.0	84,441	1,791,658	2006	\$242.6	104,283	3,265,426
1991	\$198.9	105,769	1,897,427	2007	\$204.6	89,772*	3,355,198*
1992	\$194.0	99,587	1,997,014	2008	\$227.2	6,116*	3,361,314*

\* Program Year 2007 & 2008 production not complete at time of print.

## Organizational Chart

DOE awards grants to state-level agencies, which then contract with over 900 local agencies to deliver Weatherization services to eligible residents.



## Program Contacts

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### A Strong Energy Portfolio for a Strong America

Energy efficiency and clean, renewable energy will mean a stronger economy, a cleaner environment, and greater energy independence for America. Working with a wide array of state, community, industry, and university partners, the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy invests in a diverse portfolio of energy technologies.



### U.S. Department of Energy Energy Efficiency and Renewable Energy

**For more information contact:**

EERE Information Center  
1-877-EERE-INF (1-877-337-3463)  
[www.eere.energy.gov](http://www.eere.energy.gov)

For the full Federal Register see  
<http://www.waptac.org/sp.asp?id=1812>.

## Legislative and Regulatory Time Line

### Legislation

1. Energy Conservation in Existing Buildings Act of 1976 (Title IV of the Energy Conservation and Production Act), Public Law 94-385, August 14, 1976.
2. National Energy Conservation Policy Act (NECPA), Title II, Part 2, Public Law 95-619, November 9, 1978.
3. Energy Security Act (ESA), Title V, Subtitle E, Public Law 96-299, June 30, 1980.
4. Job Training Partnership Act, Public Law 97-300, October 13, 1982.
5. Human Services Reauthorization Act of 1984, Public Law 98-558, October 30, 1984.
6. State Energy Efficiency Programs Improvement Act (SEEPIA), Public Law 101-440, 1990.
7. Energy Act of 2000, Public Law 106-469, October 19, 2000.
8. Energy Act of 2005, Public Law 109-58, August 8, 2005.
9. Energy Independence and Security Act of 2007, Public Law 110-140, December 19, 2007.

### Regulations

1. 10 C.F.R. Part 440, Establishment of Regulations, Final Rule, published June 1, 1977, effective May 25, 1977.
2. 10 C.F.R. Part 440, Final Rule, published and effective January 2, 1979, amended regulations based on the experience gained during the first year of the WAP.
3. 10 C.F.R. Part 440, Final Rule, published May 31, 1979, effective July 2, 1979, amended the regulations as mandated by NECPA.
4. 10 C.F.R. Part 440, Final Rule, published August 29, 1979, effective November 27, 1979, amended regulations as mandated by section 231(b)(1) of NECPA.
5. 10 C.F.R. Part 440, Interim Rule, published and effective February 27, 1980.
6. 10 C.F.R., Amendment to Interim Rule, published June 1, 1981, effective July 1, 1981, made changes to the Interim Rule mandated by ESA.
7. 10 C.F.R. Part 440, Amendment to Interim Rule, published and effective March 3, 1982, made changes mandated by section 573 of ESA.
8. 10 C.F.R. Part 440, Final Rule, published January 27, 1984, effective February 27, 1984.
9. 10 C.F.R. Part 440, Interim Final Rule, published January 4, 1985, effective February 4, 1985.
10. 10 C.F.R. Part 440, Interim Final Rule, published December 5, 1985, effective January 6, 1986, implemented changes mandated by the Human Services Reauthorization Act of 1984
11. 10 C.F.R. Part 440, Final Rule, published March 4, 1993, effective April 4, 1993, implemented changes mandated by SEEPIA.
12. 10 C.F.R. Part 440, Interim Final Rule, published June 5, 1995, effective July 5, 1995, implemented changes to the allocation formula.
13. 10 C.F.R. Part 440, Interim Final Rule, published December 8, 2000, effective January 8, 2001, implemented changes to improve operation of the program that evolved since the last rulemaking in 1995.
14. 10 C.F.R. Part 440, Direct Final Rule, published June 22, 2006, effective August 21, 2006, implemented changes mandated by the Energy Policy Act of 2005.

### Timeline

	LEGISLATION	REGULATIONS
1974	Pilot	Pilot
1976	1	
1977		1
1978	2	
1979		2,3,4
1980	3	5
1981		6
1982	4	7
1984	5	8
1985		9
1986		10
1990	6	
1993		11
1995		12
2000	7	
2001		13
2005	8	
2006		14
2007	9	

## History of Program Regulations

	1977	1979	1980	1981	1982
<b>Allocation of Funds</b>	Allocation based on number of low-income homes and square of heating and cooling degree days compared to sum for all states.  Only half of renter-occupied households count towards total low-income homes	No changes	No changes	No changes	No changes
<b>Expenditure Limit/Dwelling</b>	\$400	\$800  Repair materials and repairs to heating source limited to \$100 per unit	\$1000, or up to \$1600 to address labor shortages	\$1000, or up to \$1600 to address labor shortages  Limitation on incidental repairs increased to \$150 per dwelling unit	No changes
<b>Materials Requirement</b>	90% of funds must purchase materials	Umbrella limit of 30% of funds for nonmaterial costs  30% Umbrella later changed to \$240 per dwelling average	Appropriate percentage of grant for program support and labor to be determined by State and Regional Representative	No changes	No changes

# Weatherization Assistance Program Overview

1984	1985/1986	1993	1995	2001	2006
No changes	No changes	No changes	Allocation formula revised:  1) Renters receive same full weight as homeowners  2) Heating & cooling degree days no longer squared  3) Factor added to account for financial burden of energy use	No changes	No changes
No changes	\$1600 statewide average  Removed \$150 limit on incidental repairs	\$1600 statewide average, adjusted annually <sup>1</sup>  Separate average for capital intensive heating or cooling modifications	No changes	\$2500 statewide average, adjusted annually, includes capital-intensive costs  H&S costs not included in average cost per home	Established \$3000 statewide average for renewable energy systems, to be adjusted annually same as the \$2500 statewide average for all other weatherization measures
No changes	40% of funds must be spent on materials	Waiver of 40% requirement may be granted if advanced energy audit procedures are adopted	No changes	All States required to use advanced energy audit procedures  Removed requirement to spend at least 40% of funds on materials	No changes

<sup>1</sup> DOE began indexing \$1600 average April 1, 1991.

# Weatherization Assistance Program Overview

	1977	1979	1980	1981	1982
<b>Standards &amp; Techniques</b>	Project Retro-Tech audit or DOE-approved alternate	Project Retro-Tech revised No alternative audit allowed	No changes	No changes	No changes
<b>Administrative Expenditure Limit</b>	10%	5% for grantee and 5% for subgrantee	No changes	State may pass on more than 5% to subgrantee	No changes
<b>Eligibility Requirements</b>	At or below poverty level according to OMB  Received cash assistance payments during 12 month period	At or below 125% of poverty level according to OMB  Cash assistance payments need only be received during preceding 12 months, not throughout	No changes	No changes	No changes

# Weatherization Assistance Program Overview

1984	1985/1986	1993	1995	2001	2006
<p>Energy audit procedures made more flexible</p> <p>Alternative audits allowed if approved by DOE</p>	No changes	<p>Requirements of Energy audit for 40% waiver:</p> <ol style="list-style-type: none"> <li>1) Meet standards established by Secretary/STEAB</li> <li>2) Priorities established based on specific procedures</li> <li>3) Measure &amp; use energy requirements. Of individual dwelling units</li> <li>4) Account for measure interaction</li> </ol> <p>Priority lists can be used in conjunction with 40% waiver, providing certain requirements are met</p>	No changes	<p>Energy audit procedures required for waiver of 40% material cost requirement become minimum standard</p> <p>State required to have energy audit procedures for the different housing types (single family, mobile homes, &amp; multi-family) that represent a significant portion of households served</p> <p>Priority lists to be revalidated energy 5 years</p> <p>List of DOE-approved GHW reduction measures provided</p>	<p>Established criteria for defining and evaluating what is an acceptable renewable energy system</p> <p>Established procedures for petitioning DOE to determine eligibility of renewable energy systems</p>
No changes	No changes	Subgrantees whose grants < \$350,000 can use up to an additional 5% for administration	No changes	Equipment costs may be amortized across the life of the equipment. Average cost calculations utilize amortized cost.	No changes
No changes	Allow States to use LIHEAP eligibility requirements	No changes	No changes	<p>Added “high residential energy user” and “household with a high energy burden” to priority household categories</p> <p>No change in “low income” definition</p>	The Energy Policy Act of 2005 changed the income eligibility requirement from 125% to 150% of poverty, which is consistent with the LIHEAP eligibility requirements already allowed

# Weatherization Assistance Program Overview

	1977	1979	1980	1981	1982
<b>Weatherization Materials</b>	<ul style="list-style-type: none"> <li>1) Ceiling, wall, floor, and duct insulation</li> <li>2) Vapor barriers</li> <li>3) Storm windows and doors</li> <li>4) Caulking</li> <li>5) Weather-stripping</li> <li>6) Clock thermostats</li> <li>7) Mechanical equipment valued in excess of \$50 not allowed</li> </ul>	<p>Added:</p> <ul style="list-style-type: none"> <li>1) Furnace efficiency modifications</li> <li>2) Water heater insulation</li> <li>3) Heat absorbent or reflective window and door materials</li> <li>4) Skirting</li> <li>5) Replacement windows and doors</li> <li>6) Items to improve attic ventilation</li> <li>7) Patch materials to reduce infiltration</li> <li>8) Incidental repairs necessary to maintain effectiveness of weatherization materials allowed if &lt; \$100 limit</li> </ul>	<p>Low-cost/ no-cost energy conservation measures, such as water flow controllers, allowed as an interim approach to weatherization subject to limits of 10% of total grant and \$50 per dwelling unit</p>	No changes	No changes
<b>Rental Unit Requirement</b>	<ul style="list-style-type: none"> <li>1) Owner permission</li> <li>2) 100% of dwelling occupants must be eligible</li> <li>3) Weatherization benefits accrue primarily to low income tenants</li> <li>4) No rent increase directly resulting from weatherization</li> <li>5) No excessive enhancement to value of dwelling units</li> </ul>	No changes	66% of tenants in multifamily dwellings must be eligible	No changes	No changes
<b>Labor Requirements</b>	<p>Services of volunteers, pursuant to CETA, to be used to the maximum extent practicable</p>	No changes	Permitted to hire labor if volunteers and CETA labor were unavailable	Off-site labor chargeable to program support instead of administrative expenses	No changes

# Weatherization Assistance Program Overview

1984	1985/1986	1993	1995	2001	2006
<p>Added:</p> <ol style="list-style-type: none"> <li>1) Movable window insulation</li> <li>2) Materials to construct vestibules</li> <li>3) Pipe and boiler insulation</li> <li>4) Heat exchangers</li> <li>5) Thermostat control systems</li> <li>6) Water heater efficiency modifications</li> <li>7) Hot water heat pumps</li> <li>8) Waste heat recovery devices</li> <li>9) Materials for heating and cooling system efficiency modifications</li> </ol>	<p>Added replacement furnaces and boilers</p> <p>Allowed Secretary of Energy to add weatherization measures to program without a rulemaking procedure</p>	<p>Added:</p> <ol style="list-style-type: none"> <li>1) Replacement air conditioners</li> <li>2) Ceiling, attic, and whole house fans</li> <li>3) Evaporative coolers</li> <li>4) Screening</li> <li>5) Window films and shading devices added between 1985 and 1992 by notice</li> </ol>	No changes	<p>Added:</p> <p>Electric baseload measures including water heaters and refrigerators</p>	<p>Added (in 440.1, Definitions):</p> <ol style="list-style-type: none"> <li>1) Renewable energy systems including solar, biomass, and geothermal</li> </ol>
<p>66% eligibility requirement reduced to 50% for duplexes and 4-unit buildings</p>	No changes	<p>Renters protection expanded:</p> <ol style="list-style-type: none"> <li>1) Benefits and no rent increase even for renters paying for energy through rent</li> <li>2) Complaint procedure</li> <li>3) States may place liens</li> <li>4) States may require financial participation from landlords</li> </ol>	No changes	<p>Eligibility lowered to 50% for certain types of large multi-family buildings</p>	No changes
<p>References to CETA replaced with Job Training Partnership Act (JTPA)</p>	No changes	<p>JTPA labor required when “generally” available</p>	No changes	<p>JTPA labor replaced with “other Federal or State training programs”</p>	No changes

## Weatherization Assistance Program Overview

	1977	1979	1980	1981	1982
<b>Reweathering</b>	Not allowed unless unit was damaged by fire, flood, or act of God and repair not paid by insurance	No changes	No changes	No changes	No changes
<b>Training and Technical Assistance (T&amp;TA)</b>	T&TA not yet established	DOE could reserve up to 10% of appropriated funds for T&TA	No changes	No changes	No changes
<b>Administration of Grants</b>	Grants must be administered in accordance with: 1) Federal Management (FM) Circular 73-2 2) FM Circular 74-4 3) FM Circular 74-7 4) OMB Circular A-89 5) OMB Circular A-95 6) OMB Circular A-97 7) Treasury Circular 1082	Grantees required to comply with 10 C.F.R. 600	DOE permitted to make tentative allocations among States and to make adjustments based on production	Financial audit requirements amended to conform with OMB Circulars A-102 and A-110	No changes
<b>Miscellaneous</b>	Not Applicable	No changes	No changes	No changes	No changes

# Weatherization Assistance Program Overview

1984	1985/1986	1993	1995	2001	2006
No changes	<p>Allowed reweatherization of units partially weatherized from 9/30/75 to 9/30/79</p> <p>Reweatherized units do not count as completions</p>	<p>Cut-off date for reweatherization extended to 9/30/85</p> <p>Reweatherized units count as completions provided they do not exceed 5% of total homes weatherized per year</p>	No changes	<p>Cut-off date for reweatherization extended to 1993. Candidates must have a new energy audit performed and take into consideration previous weatherization improvements.</p>	No changes
Client Education Allowed	No changes	No changes	No changes	No changes	No changes
No changes	No changes	<p>Cost of financial audit chargeable as a separate line item cost instead of as an administrative expense</p>	No changes	No changes	No changes
No changes	Performance Fund established	<p>Performance Fund repealed</p> <p>Incentive Fund planned</p> <p>Children may be given priority</p> <p>Shelters may be weatherized</p> <p>Leveraging of non-Federal monies allowed with grant funds</p>	No changes	No changes	No changes

## History of Program Legislation

1976

### **Energy Conservation in Existing Buildings Act of 1976, Title IV of the Energy Conservation and Production Act, Public Law 94-385, August 14, 1976**

- Served as the enabling legislation for the Weatherization Assistance Program.
- Gave priority service to elderly and handicapped low-income persons.
- Established initial set of allowable Weatherization materials.
  - ◆ Materials may be added by rule.
- Directed the Secretary of Energy to make grants to states and Indian Tribal Organizations for weatherizing dwelling units occupied by low-income families, particularly those where elderly or handicapped low-income persons reside.
- Directed the Secretary to publish proposed regulations for the Program that:
  - ◆ Prescribed standards for Weatherization materials; and
  - ◆ Insured that:
    - The benefits of Weatherization in connection with leased dwelling units accrued primarily to low-income tenants;
    - Rents on such dwelling units would not be raised because of any increase in the value due to Weatherization; and
    - No undue or excessive enhancement would occur to the value of such dwelling units.
- Gave authority to the Secretary to determine that the low-income members of Indian tribes were not receiving benefits equivalent to other low-income persons in a state and that the members of the tribe would be better served by a direct grant.
- Directed the Secretary to provide financial assistance to each state on the basis of the relative need for Weatherization assistance among the low-income persons throughout the states, taking into account the following factors:
  - ◆ The number of dwelling units to be weatherized;
  - ◆ Climatic conditions;
  - ◆ The type of Weatherization work to be done; and
  - ◆ Other factors that the Secretary may determine necessary.
- If the State did not submit an application, allowed any unit of general purpose local government of sufficient size or a community action agency to submit an application.
- Directed the Secretary to provide no financial assistance unless the applicant had provided reasonable assurances that it had:
  - ◆ Established a policy advisory council;
  - ◆ Established priorities to govern the provision of Weatherization assistance;
  - ◆ Established policies and procedures to assure that financial assistance will be used to supplement, not supplant, state or local funds, and increase the amount of leveraged non-Federal funds, including:
    - Securing, to the maximum extent practicable, volunteers pursuant to the Comprehensive Employment and Training Act (CETA) of 1973, and
    - Complying with the limitations set for administrative, materials, and labor expenditures.
    - Selected on the basis of public comment received during a public hearing.

1978	1980
<p data-bbox="215 383 782 491" style="text-align: center;"><b>National Energy Conservation Policy Act (NECPA), Title II, Part 2, Public Law 95-619, November 9, 1978</b></p> <ul data-bbox="168 506 823 1509" style="list-style-type: none"> <li>● Increased eligibility level from the poverty level to 125% of poverty.</li> <li>● Allowed a higher eligibility level if determined necessary by the Administrator, Secretary of Agriculture, and the Director of the Community Services Administration.</li> <li>● Relaxed eligibility requirement from “in which the head of the household is a low-income person” to “occupied by low-income families.”</li> <li>● Added the requirement to establish program regulations within 60 days of law enactment.</li> <li>● Added requirement to establish procedures to determine the optimum set of cost-effective measures taking into consideration: the cost of the Weatherization materials, variation in climate, and the value of the energy savings.</li> <li>● Defined and listed specific Weatherization materials.</li> <li>● Limited administrative expenditures to 5% for states.</li> <li>● Limited expenditures to \$800 for materials, tools, equipment, transportation, on-site supervisory personnel, and incidental repairs, but allowed for higher amount if state policy advisory council requested and the Secretary approved it.</li> <li>● Funding section revised to specify authorization of appropriations for 1979-1981, and required these funds to remain available until expended.</li> </ul>	<p data-bbox="910 383 1522 452" style="text-align: center;"><b>Energy Security Act (ESA), Title V, Subtitle E, Public Law 96-294, June 30, 1980</b></p> <ul data-bbox="870 495 1559 1304" style="list-style-type: none"> <li>● Increased limit on administrative expenditures to 10%, except that not more than half may be used by the state.</li> <li>● Increased \$800 limit for Weatherization materials to up to \$1600 if CETA labor was unavailable.</li> <li>● Required the applicant to select subgrantees on the basis of public comment received during a public hearing. Applicants were required to provide assurances that preference was given to community action agencies or other public or non-profit entities provided such selection was based on the agency’s experience and performance in Weatherization or housing renovation activities, experience assisting low-income persons in the area to be served, and the capacity to undertake a timely and effective Weatherization Program. Further, preference was required to be given to any community action agency or other public or non-profit entity which had or was then currently administering an effective Weatherization program or program under the Economic Opportunity Act of 1964.</li> <li>● Required that the efforts of the DOE Weatherization Program and Weatherization program carried out at the Department of Agriculture and the Community Services Administration to accomplish uniform results among the state in any area with similar climatic conditions.</li> <li>● Increased the \$100 limit for incidental repairs to \$150.</li> </ul>

1982	1984
<p style="text-align: center;"><b>Job Training Partnership Act, Public Law 97-300, October 13, 1982</b></p> <ul style="list-style-type: none"> <li>● Made funds available for job training programs or services including regional or nationwide efforts to develop a labor force with skills that promote the use of renewable energy technologies, energy conservation, and the Weatherization of homes occupied by low-income families.</li> <li>● Directed the Secretary to provide directly or through grants, contracts, or other arrangements, appropriate pre-service and in-service training for specialized, supportive, supervisory, or other personnel including job skills teachers, and appropriate technical assistance.</li> </ul>	<p style="text-align: center;"><b>Human Services Reauthorization Act of 1984, Public Law 98-558, October 30, 1984</b></p> <ul style="list-style-type: none"> <li>● Eligibility criteria added: <ul style="list-style-type: none"> <li>◆ If a state elects, assistance under the Low-Income Home Energy Assistance Act of 1981 provided that such basis is at least 125% of the poverty level as determined by OMB.</li> </ul> </li> <li>● Weatherization materials added: <ul style="list-style-type: none"> <li>◆ Furnace efficiency modifications including: <ul style="list-style-type: none"> <li>■ Replacement burners, furnaces, or boilers;</li> <li>■ Devices for minimizing energy loss through heating system, chimney, or venting devices; and</li> <li>■ Electrical or mechanical furnace ignition systems that replace standing gas pilot lights.</li> </ul> </li> <li>◆ Removed requirement that adding allowable weatherization materials required a rulemaking.</li> </ul> </li> <li>● Required that at least 40% of the funds provided for materials, labor, and related matter must be spent for materials.</li> <li>● Expenditure limit increased to <i>an average of</i> \$1,600</li> <li>● Added reweatherization restrictions.</li> <li>● Established a performance fund</li> </ul>

## 1990

### State Energy Efficiency Programs Improvement Act(SEEPIA), Public Law 101-440, October 18, 1990

- Began adjusting the \$1600 statewide average annually by the lesser of the Consumer Price Index or 3%.
- Established a separate expenditure average for capital-intensive heating or cooling modifications.
- Allowed a waiver of 40% material cost requirement if a state adopted advanced energy audit procedures that:
  - ◆ Meet standards established by the Secretary after consultation with the State Energy Advisory Board (STEAB);
  - ◆ Establish priorities based on their cost and contribution to energy efficiency;
  - ◆ Measure the energy requirement of individual dwelling units and the rate of return of the total conservation investment;
  - ◆ Account for interaction among energy-efficiency measures.
- Allowed the use of priority lists in conjunction with the 40% waiver, provided certain requirements were met.
- Allowed subgrantees whose grants were less than \$350,000 to use up to an additional 5% for administration.
- Added Weatherization materials:
  - ◆ Replacement air conditioners;
  - ◆ Ceiling, attic, and whole house fans;
  - ◆ Evaporative coolers;
  - ◆ Screening; and
  - ◆ Window films and shading devices.
- Expanded protection for renters:
  - ◆ Allowing benefits and no rent increase even for renters paying for energy through rent;
  - ◆ Establishing complaint procedures;
  - ◆ Instituting states may place liens;
  - ◆ Allowing states to require financial participation from landlords;
- Relaxed requirement for Job Training Partnership Act (JTPA) labor to when it was “generally” available.
- Extended cut-off date for reweatherization to September 30, 1985.
- Allowed reweatherized units to count as completions provided they did not exceed 5% of total homes weatherized per year.
- Allowed the cost of financial audits to be chargeable as a separate line item cost instead of as an administrative expense.
- Added a reporting requirement to include information and data furnished by each state the average costs incurred in Weatherization of individual dwelling units, the average size of the dwelling units being weatherized, and the average income of the households receiving assistance.
- Directed the Secretary to annually update the population, eligible households, climatic, and residential energy use, and all other data used in allocating funds.
- Repealed the Performance Fund.
  - ◆ Established a new Incentive Fund.
  - ◆ Allowed priority to be given to children.
  - ◆ Allowed the Weatherization of shelters.
  - ◆ Allowed leveraging of non-Federal monies with grant funds.

2000	2007
<p style="text-align: center;"><b>Energy Policy Act of 2000, Public Law 106-469, October 19, 2000</b></p> <ul style="list-style-type: none"> <li>● Increased statewide average expenditure limit per dwelling to \$2,500 to be adjusted annually.</li> <li>● Included capital-intensive heating and cooling measures in the increased expenditure limit, thereby eliminating the separate capital-intensive expenditure limit.</li> <li>● Deleted waiver of 40% material cost requirement because all States had adopted advanced energy audits.</li> </ul>	<p style="text-align: center;"><b>Energy Independence and Security Act of 2007, Public Law 110-140, December 19, 2007</b></p> <ul style="list-style-type: none"> <li>● Reauthorized the Weatherization Program.</li> <li>● Increased authorized appropriations for FY 2008-2012.</li> <li>● Established Sustainable Energy Resources for Consumers Grants: <ul style="list-style-type: none"> <li>◆ Made funds available to local Weatherization agencies to expand Program for residential buildings not currently eligible.</li> <li>◆ No funds may be used for these grants if the appropriation for Weatherization Program is less than \$275,000,000.</li> </ul> </li> <li>● Definition of ‘state’ expanded to include ‘any other territory or possession of the United States.’</li> </ul>
2005	
<p style="text-align: center;"><b>Energy Policy Act of 2005, Public Law 109-58, August 8, 2005</b></p> <ul style="list-style-type: none"> <li>● Explicitly allowed renewable energy systems to be funded under the Program.</li> <li>● Established criteria and a procedure for evaluating renewable energy systems.</li> <li>● Increased the permissible funding level to \$3000 for such systems, indexed to the lesser of the Consumer Price Index or 3%.</li> </ul>	

CCC or for which approval is sought. The terms and conditions of such fees will be set forth in the applicable agreement.

**§ 1423.13 Appeals, suspensions, and debarment.**

(a) After initial approval, warehouse operators may request that CCC reconsider adverse actions when the warehouse operator establishes that the reasons for the action have been remedied or requests reconsideration of the action and presents to the Director, KCCO, in writing, information in support of such request. The warehouse operator may, if dissatisfied with the Director's determination, obtain a review of the determination and an informal hearing by submitting a request to the Deputy Administrator. Appeals shall be as prescribed in part 780 of this title, and under such regulations the warehouse operator shall be considered as a "participant."

(b) Suspension and debarment actions taken under this part shall be conducted in accordance with part 1407 of this chapter. After expiration of the suspension or debarment period, a warehouse operator may, at any time, apply for approval under this part.

Signed at Washington, DC, on June 7, 2006.

**Glen L. Keppy,**

*Acting Executive Vice President, Commodity Credit Corporation.*

[FR Doc. E6-9834 Filed 6-21-06; 8:45 am]

BILLING CODE 3410-05-P

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**DEPARTMENT OF ENERGY**

**Office of Energy Efficiency and Renewable Energy**

**10 CFR Part 440**

**RIN 1904-AB56**

**Weatherization Assistance Program for Low-Income Persons**

**AGENCY:** Office of Energy Efficiency and Renewable Energy, Department of Energy.

**ACTION:** Direct final rule.

**SUMMARY:** The Department of Energy (DOE) is issuing a direct final rule to amend the regulations for the Weatherization Assistance Program for Low-Income Persons to incorporate statutory changes resulting from the passage of the Energy Policy Act of 2005. In this direct final rule, DOE defines renewable energy systems eligible for funding in the Weatherization Assistance Program, establishes criteria for performance and

quality standards for eligible renewable energy systems, establishes procedures for submission of and action on manufacturer petitions for Secretarial determinations of eligibility of renewable energy technologies and systems, and establishes a ceiling for funding of renewable energy systems in the Weatherization Assistance Program.

**DATES:** This direct final rule is effective August 21, 2006, unless adverse or critical comments are received by July 24, 2006. If the effective date is delayed, timely notice will be published in the **Federal Register**.

**ADDRESSES:** You may submit comments, identified by RIN 1904-AB56, by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *E-Mail:*

*Weatherization.rules@ee.doe.gov.*

Include RIN 1904-AB56 in the subject line of the message.

- *Mail:* Weatherization Assistance Program, U.S. Department of Energy, Mail Stop EE-2K, 5E-066, 1000 Independence Avenue, SW., Washington, DC 20585.

You may obtain electronic copies of this rulemaking and review comments received by DOE by visiting the DOE Freedom of Information Reading Room, Department of Energy, Room 1E-190, Forrestal Building, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586-3142, between the hours of 9 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** John Atcheson, Weatherization Assistance Program, U.S. Department of Energy, Mail Stop EE-2K, 5E-066, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586-0771.

**SUPPLEMENTARY INFORMATION:**

- I. Introduction
- II. Amendments to the Weatherization Assistance Program
- III. Final Action
- IV. Procedural Requirements
- V. The Catalog of Federal Domestic Assistance
- VI. Approval of the Office of the Secretary

**I. Introduction**

The Department of Energy (DOE) amends the program regulations for the Weatherization Assistance Program for Low-Income Persons. The program is authorized by Title IV, Part A, of the Energy Conservation and Production Act, 42 U.S.C. 6861 *et seq.* The amendments made by this direct final rule are necessitated by certain changes in the Weatherization Assistance Program mandated in the Energy Policy

Act of 2005 (Pub. L. 109-58) (EPACT 2005). Specifically, section 206 of EPACT 2005 amended section 415(c) of the Energy Conservation and Production Act (42 U.S.C. 6865(c)) to provide funding to low-income persons for renewable energy systems and to set a new ceiling for funding of renewable energy systems in the Weatherization Assistance Program.

In this direct final rule, DOE defines renewable energy systems eligible for funding in the Weatherization Assistance Program, establishes criteria for performance and quality standards for eligible renewable energy systems, establishes procedures for submission of and action on manufacturer petitions for Secretarial determinations of eligibility of renewable energy technologies and systems, and establishes a ceiling for funding of renewable energy systems in the Weatherization Assistance Program.

DOE is today amending the program regulations to include specific requirements mandated by EPACT 2005. DOE is not now proposing any additions to the forms of renewable energy included in the definition of "renewable energy system." Nor is DOE proposing renewable energy system performance and quality standards beyond those included in EPACT 2005. Thus, DOE views these amendments to be noncontroversial and appropriate for direct final rulemaking (see III. Final Action for information on this procedure).

**II. Amendments to the Weatherization Assistance Program**

This section of the preamble provides a section-by-section description of the amendments made by this direct final rule.

*Section 440.1 (Purpose and Scope).* DOE amends 10 CFR 440.1 to explicitly state that the program's goals include the use of renewable energy systems and technologies. While DOE considered renewable energy systems and technologies to be eligible for funding under the program prior to the passage of EPACT 2005, Congress has clarified the scope and treatment of such systems by providing specific definitions and criteria to be used in assessing eligibility and by expanding funding opportunities for renewable energy systems.

*Section 440.3 (Definitions).* DOE amends 10 CFR 440.3, the definitions section, to add definitions of the terms "biomass" and "renewable energy system." These definitions are taken from section 206 of EPACT 2005, which amends 42 U.S.C. 6865(c) to include the definitions in a new subsection (6).

*Section 440.18 (Allowable Expenditures).* DOE amends 10 CFR

440.18 to add a new paragraph (b) that incorporates the new statutory provisions addressing renewable energy systems and specifying a ceiling of \$3,000 per dwelling for labor, weatherization materials, and related matters. Redesignated paragraph (c) (formerly paragraph (b)) is amended to provide that the procedure for annual adjustments to the ceiling for expenditures on a dwelling under the program applies to the \$3,000 renewable energy system cap, as well as to the \$2,500 cap that applies to other eligible weatherization expenditures under the program. This amendment applies prospectively; DOE will not apply the \$3,000 cap retroactively to recalculate weatherization assistance awarded since 2000. Rather, the amendment is intended only to implement the new statutory ceiling applicable to renewable energy systems, and to clarify that the formula used for increasing the ceiling specified in 2000 also applies to the cap for renewable energy technologies and systems.

*Section 440.21 (Weatherization materials, standards and energy audit procedures).* DOE amends 10 CFR 440.21 to incorporate criteria for defining and evaluating what is an acceptable renewable energy technology or system for funding under the Weatherization Assistance Program. A new paragraph (c)(1) in this section specifies performance and quality standards criteria for renewable energy systems. These criteria are taken from amendments to the Energy Conservation and Production Act made by EPACT 2005, specifically 42 U.S.C. 6865(c)(5)(D) and (6)(A)(iii) and (iv). New paragraph (c)(2) establishes a procedure for submission of and action on petitions by manufacturers requesting the Secretary of Energy to certify a new technology or system as an eligible renewable energy system. This amendment implements 42 U.S.C. 6865(c)(5)(A)(ii) and (B), added to the Energy Conservation and Production Act by EPACT 2005. In applying these requirements, DOE will build upon the approaches used now for energy efficiency materials and procedures.

### III. Final Action

DOE is publishing this direct final rule without prior proposal because DOE views these amendments as noncontroversial and anticipates no significant adverse comments. However, in the event that significant adverse or critical comments are filed, DOE has prepared a notice of proposed rulemaking (NPR) proposing the same amendments. This NPR is published as a separate document in this **Federal**

**Register** publication. The direct final rule will be effective August 21, 2006, unless significant adverse or critical comments are received by July 24, 2006. If DOE receives significant adverse or critical comments, the revisions to 10 CFR part 440 in this direct final rule will be withdrawn before the effective date. In the case of withdrawal of this action, the withdrawal will be announced by a subsequent **Federal Register** document. All public comments will then be addressed in a separate final rule based on the proposed rule that is also issued today. DOE will not implement a second comment period on this action. Any persons interested in commenting on this rule should do so at this time.

### IV. Procedural Requirements

#### A. Review Under Executive Order 12866

Today's direct final rule has been determined not to be "a significant regulatory action" under Executive Order 12866, "Regulatory Planning and Review," 58 FR 51735 (October 4, 1993). Accordingly, this action was not subject to review under that Executive Order by the Office of Information and Regulatory Affairs of the Office of Management and Budget (OMB).

#### B. National Environmental Policy Act

DOE has determined that promulgation of this direct final rule falls into a class of actions that would not individually or cumulatively have a significant impact on the human environment, as determined by DOE regulations implementing the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*). Specifically, this direct final rule is covered under the Categorical Exclusion found in DOE's National Environmental Policy Act regulations at paragraph A.5 of appendix A to subpart D, 10 CFR part 1021, which applies to rulemakings that interpret or amend an existing regulation without changing the environmental effect of the regulation. Accordingly, neither an environmental assessment nor an environmental impact statement is required.

#### C. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) requires preparation of an initial regulatory flexibility analysis for any rule that by law must be proposed for public comment, unless the agency certifies that the rule, if promulgated, will not have a significant economic impact on a substantial number of small entities. As required by Executive Order 13272, "Proper Consideration of Small Entities in

Agency Rulemaking," 67 FR 53461 (August 16, 2002), DOE published procedures and policies on February 19, 2003, to ensure that the potential impacts of its rules on small entities are properly considered during the rulemaking process (68 FR 7990). DOE has made its procedures and policies available on the Office of General Counsel's Web site at <http://www.gc.doe.gov>.

DOE has reviewed today's direct final rule under the provisions of the Regulatory Flexibility Act and the procedures and policies published on February 19, 2003. The direct final rule amends DOE's Weatherization Assistance Program regulations to incorporate statutory changes made to the grant program. These amendments do not independently have any economic impact on small entities. Moreover, the EPACT 2005 changes expand the benefits available under the program for grant recipients; the statutory changes cause no adverse impact on any recipient. On the basis of the foregoing, DOE certifies that the amendments will not have a significant economic impact on a substantial number of small entities. Accordingly, DOE has not prepared a regulatory flexibility analysis for this rulemaking. DOE's certification and supporting statement of factual basis will be provided to the Chief Counsel for Advocacy of the Small Business Administration pursuant to 5 U.S.C. 605(b).

#### D. Paperwork Reduction Act

This direct final rule will not impose any new collection of information subject to review and approval by OMB under the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.*

#### E. Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4) generally requires Federal agencies to examine closely the impacts of regulatory actions on State, local, and tribal governments. Subsection 101(5) of Title I of that law defines a Federal intergovernmental mandate to include any regulation that would impose upon State, local, or tribal governments an enforceable duty, except a condition of Federal assistance or a duty arising from participating in a voluntary Federal program. Title II of that law requires each Federal agency to assess the effects of Federal regulatory actions on State, local, and tribal governments, in the aggregate, or to the private sector, other than to the extent such actions merely incorporate requirements specifically set forth in a

statute. Section 202 of that title requires a Federal agency to perform a detailed assessment of the anticipated costs and benefits of any rule that includes a Federal mandate which may result in costs to State, local, or tribal governments, or to the private sector, of \$100 million or more. Section 204 of that title requires each agency that proposes a rule containing a significant Federal intergovernmental mandate to develop an effective process for obtaining meaningful and timely input from elected officers of State, local, and tribal governments.

This direct final rule will not impose a Federal mandate on State, local or tribal governments, and it will not result in the expenditure by State, local, and tribal governments in the aggregate, or by the private sector, of \$100 million or more in any one year. Accordingly, no assessment or analysis is required under the Unfunded Mandates Reform Act of 1995.

#### *F. Treasury and General Government Appropriations Act, 1999*

Section 654 of the Treasury and General Government Appropriations Act, 1999 (Pub. L. 105–277) requires Federal agencies to issue a Family Policymaking Assessment for any proposed rule that may affect family well-being. Today's direct final rule will not have any impact on the autonomy or integrity of the family as an institution. Accordingly, DOE has concluded that it is not necessary to prepare a Family Policymaking Assessment.

#### *G. Executive Order 13132*

Executive Order 13132, 64 FR 43255 (August 4, 1999), imposes certain requirements on agencies formulating and implementing policies or regulations that pre-empt State law or that have federalism implications. Agencies are required to examine the constitutional and statutory authority supporting any action that would limit the policymaking discretion of the States and carefully assess the necessity for such actions. DOE has examined this direct final rule and has determined that it would not pre-empt State law and would not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. No further action is required by Executive Order 13132.

#### *H. Executive Order 12988*

With respect to the review of existing regulations and the promulgation of

new regulations, section 3(a) of Executive Order 12988, Civil Justice Reform, 61 FR 4729 (February 7, 1996), imposes on Executive agencies the general duty to adhere to the following requirements: (1) Eliminate drafting errors and ambiguity; (2) write regulations to minimize litigation; and (3) provide a clear legal standard for affected conduct rather than a general standard and promote simplification and burden reduction. The review required by sections 3(a) and 3(b) of Executive Order 12988 specifically requires that Executive agencies make every reasonable effort to ensure that the regulation: (1) Clearly specifies the preemptive effect, if any; (2) clearly specifies any effect on existing Federal law or regulation; (3) provides a clear legal standard for affected conduct while promoting simplification and burden reduction; (4) specifies the retroactive effect, if any; (5) adequately defines key terms; and (6) addresses other important issues affecting clarity and general draftsmanship under any guidelines issued by the Attorney General. Section 3(c) of Executive Order 12988 requires Executive agencies to review regulations in light of applicable standards in sections 3(a) and 3(b) to determine whether they are met or it is unreasonable to meet one or more of them. DOE has completed the required review and determined that, to the extent permitted by law, this direct final rule meets the relevant standards of Executive Order 12988.

#### *I. Treasury and General Government Appropriations Act, 2001*

The Treasury and General Government Appropriations Act, 2001 (44 U.S.C. 3516, note) provides for agencies to review most disseminations of information to the public under guidelines established by each agency pursuant to general guidelines issued by OMB. OMB's guidelines were published at 67 FR 8452 (February 22, 2002), and DOE's guidelines were published at 67 FR 62446 (October 7, 2002). DOE has reviewed today's notice under the OMB and DOE guidelines and has concluded that it is consistent with applicable policies in those guidelines.

#### *J. Executive Order 13211*

Executive Order 13211, "Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use," 66 FR 28355 (May 22, 2001), requires Federal agencies to prepare and submit to the OMB a Statement of Energy Effects for any proposed significant energy action. A "significant energy action" is defined as any action by an agency that

promulgated or is expected to lead to promulgation of a final rule, and that: (1) Is a significant regulatory action under Executive Order 12866, or any successor order; and (2) is likely to have a significant adverse effect on the supply, distribution, or use of energy, or (3) is designated by the Administrator of Office of Information and Regulatory Affairs (OIRA) as a significant energy action. For any proposed significant energy action, the agency must give a detailed statement of any adverse effects on energy supply, distribution, or use should the proposal be implemented, and of reasonable alternatives to the action and their expected benefits on energy supply, distribution, and use. Today's regulatory action would not have a significant adverse effect on the supply, distribution, or use of energy and is therefore not a significant energy action. Accordingly, DOE has not prepared a Statement of Energy Effects.

#### *K. Congressional Notification*

As required by 5 U.S.C. 801, DOE will report to Congress on the promulgation of today's rule prior to its effective date. The report will state that it has been determined that the rule is not a "major rule" as defined by 5 U.S.C. 804(2).

#### **V. The Catalog of Federal Domestic Assistance**

The Catalog of Federal Domestic Assistance number for the Weatherization Assistance Program for Low-Income Persons is 81.042.

#### **VI. Approval of the Office of the Secretary**

The Secretary of Energy has approved publication of today's direct final rule, as well as the accompanying notice of proposed rulemaking.

#### **List of Subjects 10 CFR Part 440**

Administrative practice and procedure, Aged, Energy conservation, Grant programs—energy, Grant programs—housing and community development, Housing standards, Indians, Individuals with disabilities, Reporting and recordkeeping requirements, Weatherization.

Issued in Washington, DC, on June 9, 2006.

#### **Douglas L. Faulkner,**

*Principal Deputy Assistant Secretary, Energy Efficiency and Renewable Energy.*

■ For the reasons set forth in the preamble, DOE amends part 440 of chapter II of title 10, Code of Federal Regulations, to read as follows:

**PART 440—WEATHERIZATION ASSISTANCE PROGRAM FOR LOW-INCOME PERSONS**

■ 1. The authority citation for part 440 continues to read as follows:

**Authority:** 42 U.S.C. 6861 *et seq.*; 42 U.S.C. 7101 *et seq.*

**§ 440.1 [Amended]**

■ 2. Section 440.1 is amended by adding the words “or to provide such persons renewable energy systems or technologies” after the words “low-income persons,” where they are first used.

■ 3. Section 440.3 is amended by adding in alphabetical order definitions of “biomass” and “renewable energy system” to read as follows:

**§ 440.3 Definitions.**

\* \* \* \* \*

*Biomass* means any organic matter that is available on a renewable or recurring basis, including agricultural crops and trees, wood and wood wastes and residues, plants (including aquatic plants), grasses, residues, fibers, and animal wastes, municipal wastes, and other waste materials.

\* \* \* \* \*

*Renewable energy system* means a system which when installed in connection with a dwelling—

(1) Transmits or uses solar energy, energy derived from geothermal deposits, energy derived from biomass (or any other form of renewable energy which DOE subsequently specifies through an amendment of this part) for the purpose of heating or cooling such dwelling or providing hot water or electricity for use within such dwelling; or wind energy for nonbusiness residential purposes; and

(2) Which meets the performance and quality standards prescribed in § 440.21 (c) of this part.

\* \* \* \* \*

■ 4. Section 440.18 is amended by:

■ a. Redesignating paragraphs (b) through (e) as paragraphs (c) through (f);

■ b. Adding a new paragraph (b);

■ c. Amending redesignated paragraph (c) by adding the phrase “(\$3,000 for renewable energy systems)” after the words “The \$2,500 average” in the introductory sentence.

The additions read as follows:

**§ 440.18 Allowable expenditures.**

\* \* \* \* \*

(b) The expenditure of financial assistance provided under this part for labor, weatherization materials, and related matters for a renewable energy

system, shall not exceed an average of \$3,000 per dwelling unit.

\* \* \* \* \*

■ 5. Section 440.21 is amended by:

■ a. Revising paragraph (a);

■ b. Redesignating paragraphs (c) through (h) as paragraphs (d) through (i);

■ c. Adding a new paragraph (c);

■ d. Amending the introductory sentence of redesignated paragraph (e) by removing the words “paragraph (c)” and adding in their place the words “paragraph (d)”; and, in redesignated paragraph (e)(2), by removing the words “paragraph (d)(1)” and adding in their place the words “paragraph (e)(1)”; and

■ e. Amending redesignated paragraph (g) by removing the words “paragraphs (b) through (e)” and adding in their place the words “paragraphs (b) through (f)”.

The revisions and additions read as follows:

**§ 440.21 Weatherization materials standards and energy audit procedures.**

(a) Paragraph (b) of this section describes the required standards for weatherization materials. Paragraph (c) (1) of this section describes the performance and quality standards for renewable energy systems. Paragraph (c) (2) of this section specifies the procedures and criteria that are used for considering a petition from a manufacturer requesting the Secretary to certify an item as a renewable energy system. Paragraphs (d) and (e) of this section describe the cost-effectiveness tests that weatherization materials must pass before they may be installed in an eligible dwelling unit. Paragraph (f) of this section lists the other energy audit requirements that do not pertain to cost-effectiveness tests of weatherization materials. Paragraphs (g) and (h) of this section describe the use of priority lists and presumptively cost-effective general heat waste reduction materials as part of a State’s energy audit procedures.

Paragraph (i) of this section explains that a State’s energy audit procedures and priority lists must be re-approved by DOE every five years.

\* \* \* \* \*

(c)(1) A system or technology shall not be considered by DOE to be a renewable energy system under this part unless:

(i) It will result in a reduction in oil or natural gas consumption;

(ii) It will not result in an increased use of any item which is known to be, or reasonably expected to be, environmentally hazardous or a threat to public health or safety;

(iii) Available Federal subsidies do not make such a specification

unnecessary or inappropriate (in light of the most advantageous allocation of economic resources); and

(iv) If a combustion rated system, it has a thermal efficiency rating of at least 75 percent; or, in the case of a solar system, it has a thermal efficiency rating of at least 15 percent.

(2) Any manufacturer may submit a petition to DOE requesting the Secretary to certify an item as a renewable energy system.

(i) Petitions should be submitted to: Weatherization Assistance Program, Office of Energy Efficiency and Renewable, Mail Stop EE-2K, 1000 Independence Avenue, SW., Washington, DC 20585.

(ii) A petition for certification of an item as a renewable energy system must be accompanied by information demonstrating that the item meets the criteria in paragraph (c)(1) of this section.

(iii) DOE may publish a document in the **Federal Register** that invites public comment on a petition.

(iv) DOE shall notify the petitioner of the Secretary’s action on the request within one year after the filing of a complete petition, and shall publish notice of approvals and denials in the **Federal Register**.

\* \* \* \* \*

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**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 39**

[Docket No. FAA-2006-24090; Directorate Identifier 2006-CE-16-AD; Amendment 39-14664; AD 2006-13-11]

RIN 2120-AA64

**Airworthiness Directives; Pilatus Aircraft Ltd. Models PC-6, PC-6-H1, PC-6-H2, PC-6/350, PC-6/350-H1, PC-6/350-H2, PC-6/A, PC-6/A-H1, PC-6/A-H2, PC-6/B-H2, PC-6/B1-H2, PC-6/B2-H2, PC-6/B2-H4, PC-6/C-H2, and PC-6/C1-H2 Airplanes**

**AGENCY:** Federal Aviation Administration (FAA), Department of Transportation (DOT).

**ACTION:** Final rule.

**SUMMARY:** We are adopting a new airworthiness directive (AD) that supersedes AD 2002-21-08, which applies to certain Pilatus Aircraft Ltd (Pilatus) Model PC-6 airplanes. AD 2002-21-08 currently requires you to inspect the aileron assembly for correct