

Texas-New Mexico Power Company
Low Income Weatherization
Program Manual

2017

Contents

1	Program Description.....	2
2	Program Eligibility Requirements.....	2
2.1	Project Sponsor Eligibility.....	2
2.2	Customer Eligibility.....	3
2.3	Eligible Measures	3
2.4	Ineligible Homes.....	3
3	Responsibilities of Frontier Associates.....	4
4	Incentives.....	4
4.1	Assessment Fee	4
4.2	Measure Incentives	4
4.3	Limits on Incentives.....	5
5	Program Application and Agreement.....	5
5.1	Application	5
5.2	Program Agreements	5
6	Program Protocol.....	5
6.1	Single Family Homes	6
6.2	Multifamily Complexes.....	9
7	Appendix A. 2017 Federal Poverty Guidelines	1
8	Appendix B. Multifamily Tenant Eligibility Form.....	1

1 Program Description

The Texas-New Mexico Power Company (TNMP) Low Income Weatherization Program provides incentives for the installation of energy efficiency measures in the homes of low-income customers. The program is administered by non-profit agencies. All measures are approved on the basis of providing a cost-effective improvement in energy efficiency.

Under electric utility restructuring, funding for energy efficiency programs comes from the electric distribution companies, e.g. TNMP, and not from the retail electric providers, e.g., TXU, Reliant Energy, etc. TNMP funds various energy efficiency programs for residential customers including several Standard Offer Programs (SOP) and Market Transformation Programs (MTP). This manual will deal only with the Low Income Weatherization (LIW) Program, which targets low income qualified residents.

2 Program Eligibility Requirements

2.1 Project Sponsor Eligibility

Project Sponsors must be registered 501(c)(3) or 501(c)(4) entities, housing authorities or local government agencies. They must be able to identify eligible customers and validate income eligibility using the Texas Administrative Code Rules adopted for Energy Assistance Programs. Sponsors must have sufficient staff or manage contractors to perform assessments, the installation of measures, and data entry.

Persons who will be performing assessments must be certified, or working under the direct supervision of an agency staff member with one of the approved certifications. As an option, agencies may enter into subcontract arrangements with qualified firms to provide assessment services.

The types of certifications that are acceptable for those performing assessments are listed in the table below.

<u>Certification Type</u>	<u>Certifying Organization</u>
HERS Rater	(Residential Energy Services- RESNET)
HESP (Home Energy Service Professional)	RESNET
Energy Smart Contractor	RESNET
Building Analyst Professional	Building Performance Institute - BPI
Envelope Professional	BPI
Infiltration and Duct Leakage Certification	BPI

Upon request, agencies will be required to produce documentation of certification for all those who are to be performing assessments.

2.2 Customer Eligibility

In order to be eligible for the program, participants must be a TNMP electric distribution service customer, i.e. their ESI ID number on the electric bill must begin with “1040051.” The ESI ID can be found on the customer’s electric bill. Eligible customers must have a household income that is 200% or less of the current federal poverty guidelines. The Federal Poverty guidelines are included as Appendix A. These federal poverty guidelines are updated annually, usually in the first quarter of the year. Updated income verification forms will be provided to participating agencies, once the guidelines are updated. Eligible customers must use electric air conditioning in their home.

Eligible customers can live in a single-family home, mobile home, or in a multi-family property that is individually metered. A multi-family property is defined as a residential building containing three or more dwelling units.

2.3 Eligible Measures

Only measures that have a Saving-to-Investment Ratio (SIR) of 1.0 or higher on the National Energy Audit Tool (NEAT) will be approved for installation. The measures that are included in the program are the following:

- Attic insulation
- Wall insulation
- Light Emitting Diodes (LEDs)Replacement central air conditioners with an SEER of 14.5 or higher
- Replacement heat pumps with a SEER 14.5 or higher and HSPF of 8.5 or higher
- Replacement Energy Star refrigerators (with a capped incentive)
- Air infiltration control measures
- Duct sealing
- Water heating measures (electric water heaters only)
- Solar screens

2.4 Ineligible Homes

In order to be more consistent with TDHCA guidelines, homes with any of the following conditions will not be eligible for weatherization.

- Any mold present
- Tarp on roof , obvious roof damage or water damaged sheetrock

- Sheet rock missing in ceiling
- Severe foundation problems
- Non-working plumbing, e.g., toilets
- Red-tagged gas appliances

Agencies should make every attempt to screen for these conditions prior to scheduling an assessment. In the event the customer does not disclose any of these conditions and the assessor determines after inspecting the home that the home is not eligible due to one or more of the above conditions, the agency will be eligible for a \$75 payment. If this fee is paid for a home that subsequently is repaired and is now eligible, the \$75 will be deducted from any future assessment fee payment for that home.

3 Responsibilities of Frontier Associates

As implementer for the Program, Frontier’s responsibilities include the following:

- Recruit non-profit agencies to participate in the program
- Provide on-line tools to manage installations and reporting
- Provide technical support to agency staff performing data entry in program database
- Provide updates of program requirements
- Make payments to participating agencies
- Conduct inspections of completed projects to verify installations

4 Incentives

4.1 Assessment Fee

The table below lists fees for assessments for 2017.

Assessment Type	Assessment Fee
Single-family NEAT with blower door and duct blaster	\$375
Same as above with no duct blaster	\$275
Multifamily with NEAT and blower door, but no duct blaster	\$225
Multifamily with priority list	\$100

4.2 Measure Incentives

The incentive for each measure is determined by the agency. Before any data is entered in the NEAT audit program or in the TNMP LIW database costs for each measure must be provided by the agency. The incentive for each approved measure will be calculated by multiplying the cost

per measure by 1.08 to reflect the addition of 8% for the Admin fee, e.g. for a measure that the agency determines costs \$100 (materials and labor) to install, an incentive of \$108 will be paid. The same costs must be entered in to NEAT. Agencies should NOT include the 8% agency Admin fee: in other words the SIR calculation in NEAT does not include the 8% admin fee.

4.3 Limits on Incentives

The total allowable incentive per dwelling unit is \$6,500, which includes the \$375 assessment fee and the 8 % agency Admin fee.

5 Program Application and Agreement

5.1 Application

There is a one page application on the TNMP website. Register on the LIW Program website by clicking on the “First time users click here.” link. Fill out and submit the on-line application found at the following: <http://www.ehomepower.com/>

Be prepared to show proof of insurance in the amounts that were listed in your application.

5.2 Program Agreements

Agencies that are accepted into the program for the year will sign an agreement with Frontier Associates LLC. The agreement will include the amount of funding that is allocated to the agency for the year, milestones for obligation of the funding, as well as other terms of the agreement.

6 Program Protocol

The Texas State Legislature passed a law that requires targeted low income energy efficiency programs to “comply with the same audit requirements that apply to federal weatherization programs.” The audit software used by most federal programs is called the National Energy Audit Tool, or NEAT. This software is in the public domain, and can be downloaded from www.waptac.org. Setup of the NEAT software for the TNMP program requires information about residential electric rates, correct weather files, and requires that the effective residential gas rate be set to \$0.000. NEAT setup files that meet these requirements will be made available to participants before the beginning of the program year. The requirement of the bill has been interpreted as requiring the use of the NEAT audit. At the time of this writing, NEAT Weatherization Assistant Version 8.9 is the most current version available for download.

Agencies will be required to download the results of the NEAT audit (“Recommended Measures Report”) into the TNMP LIW database and then enter information from the NEAT audit into the

database. Only measures that score an SIR of 1.0 or greater in the “Energy Savings Measure Economics” section of the NEAT-recommended measures report will be funded. *Contact Kelly Bradford, kbradford@frontierassoc.com, if a home contains measures that have an SIR of 1.0 or greater in NEAT, but the measures are not selected for funding in the TNMP LIW database.* The TNMP LIW Program database will be used to perform the functions listed below.

- Verify ESI ID numbers and prior measure installations
- Lookup and record AHRI certification for central heat pump and air conditioning measures. AHRI or DOE certification is required for funding of these measures
- Track homes
- Submit work orders for payment by Frontier
- Submit completed homes to Frontier and TNMP

In addition to single-family homes, agencies will be encouraged to include the installation of measures in multi-family complexes which are individually metered for electricity. The assessment requirement for multi-family complexes will not include the use of the NEAT audit software but rather a priority checklist which can be downloaded from the ehomepower website.

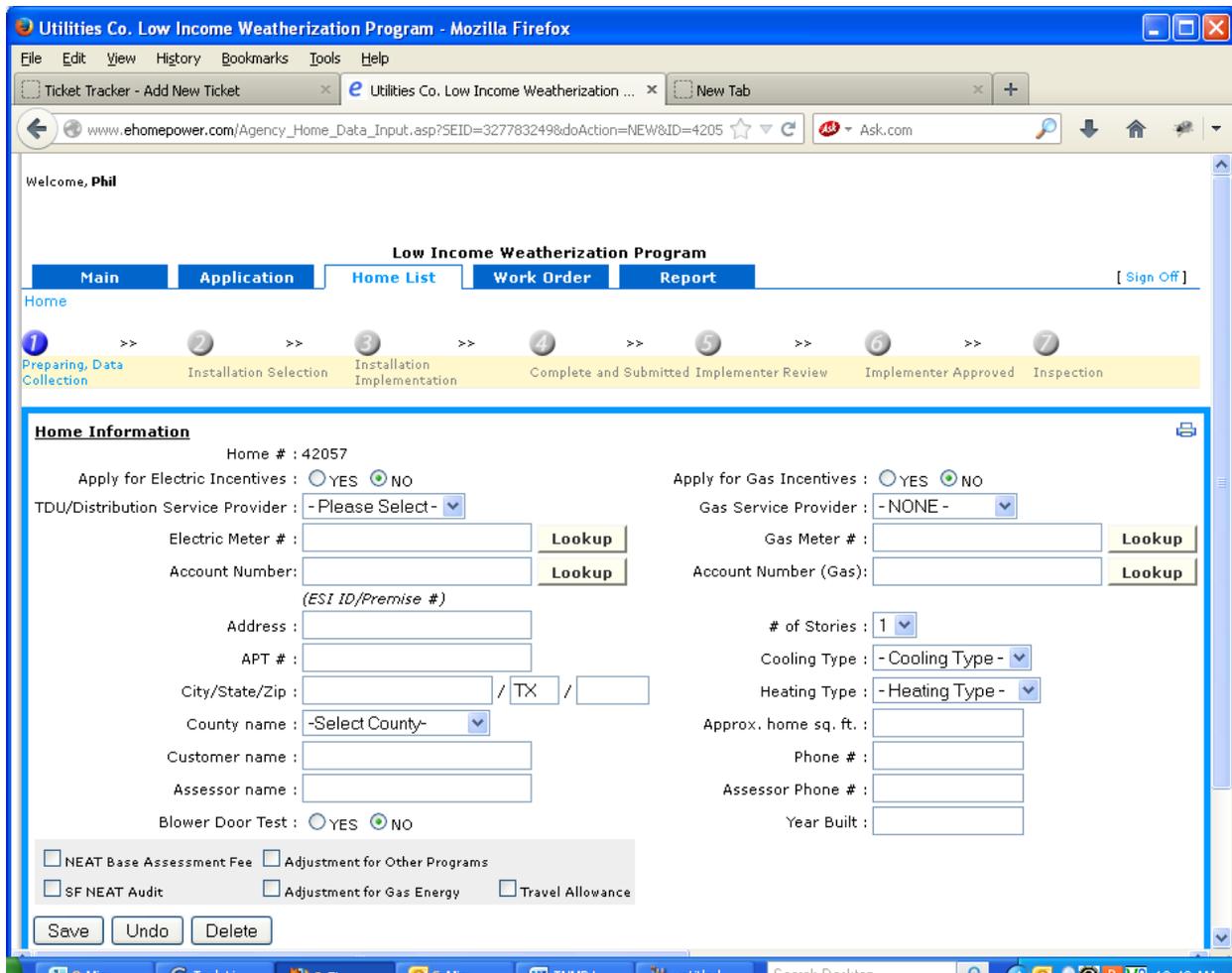
6.1 Single Family Homes

6.1.1 Income Verification

Have the customer fill out the Income Verification Form in order to assure that this customer is eligible for the program. **Upload the Income Verification Form** in the appropriate section of <http://www.ehomepower.com/>.

6.1.2 Check for Previously Funded Measures

For single-family homes, enter the home in the TNMP LIW database before assessing it in order to make sure that TNMP has not paid for weatherization measures in the last ten years. Obtain complete information about the home before you enter it because once you save the information at the top of the file you cannot change it. The “Lookup” button will verify that you have the correct ESI ID or Meter Number for the home, and will auto fill the address information for home, but will do so only after you have chosen “TDU/Distribution Service Provider”. After entering information about the house and the customer, click on “Save” in order to save the information. Then click on “Installation Selection” at the bottom of the file. Look at the top of the file at the “Status: Installation Selection” line. If there is a statement in red indicating “**Need Pre-Approval: Duplicate Account Number,**” send an email to Kelly Bradford, kbradford@frontierassoc.com, to check what measures were previously funded.



6.1.3 Assessment

An **assessment** will be performed by a certified assessor. The information required to perform a NEAT audit requires a substantial amount of information about the building structure. A blower door test and a duct blaster test will be required where appropriate.

6.1.4 Data Entry

The data entry requirements have several steps. The assessment information will be entered in the **NEAT program**. The NEAT “Recommended Measures Report” must be **uploaded** into the TNMP LIW database in the appropriate section. Information from the NEAT audit must be **entered in the TNMP LIW database** so that the incentive for the approved measures can be calculated. The costs and units (e.g. square feet, insulation R- values, number of CFLs, etc.) for measures entered into TNMP LIW database must be consistent with the costs and units entered in NEAT for the same measures.

Note that the TNMP LIW database only re-totals costs and recalculates savings when the “Installation Selection” button is selected. If you enter any new information for a home, be

sure to select “Installation Selection”. (Important Note: in order for savings to be calculated for central AC or heat pump measures, a valid AHRI reference number is required.)

6.1.5 Work Order

When you have the information for a group of houses entered in the TNMP LIW database, you can **submit a work order**. The work order will be reviewed and paid within 10 working days of submittal, unless modifications to the work order are required. A work order can consist of one home or multiple homes: typically, a work order consists of multiple homes. You can select which homes to place on a work order by navigating to “Work Order” tab and selecting “Eligible Homes for New Work Order.”

Use check boxes to select homes to include in the work order. In order for a home to be included on a work order, the NEAT Recommended Measures Report has to have already been uploaded.

6.1.6 Measure Installation

It is the responsibility of the agencies to purchase materials and to hire and manage contractors to perform all required installations, in accordance with program requirements. In the event of a post-installation inspection failure, the agency will be responsible for taking corrective action. Failure to take corrective action will result in the removal of this measure from the database, and a reduction in future work order payments. Deliberate and/or repeated measure installation or reporting discrepancies may result in further administrative action, including contract termination.

6.1.7 Close Out

After all of the measures have been installed, you are ready to **close out the house file**. **Make necessary adjustments** in the database, if there is any difference between the measures that were approved for installation and the measures actually installed in the home. Be sure that the Customer Certification Form correctly indicates the measures that were actually installed in the home and that the form is signed by the customer. **Upload the signed Customer Certification Form** in the appropriate section of <http://www.ehomepower.com/>. If you haven't already done so, upload the Income Verification form. If a central AC unit or heat pump was installed, **enter the condenser serial number** in the TNMP LIW database. When you are ready to close out the home, navigate to the bottom right of the home file and select “Complete and Submit”. This button is not active until you have uploaded both the Customer Certification form and the Income Verification form and, for homes where Central AC or Heat Pump was installed, there was a successful AHRI lookup for the model, and the condenser serial number information has been entered.

6.2 Multifamily Complexes

Note: the general process for handling apartments and homes in the TNMP LIW database are identical. This section clarifies any differences or requirements that are unique for multifamily projects.

6.2.1 Income Eligibility

A multifamily complex is defined as a residential building containing three or more dwelling units. The **income eligibility** of the residents of a complex should be determined before any other actions are taken. If a multi-family complex is designated as participating in one of several types of land use agreement programs, they are categorically eligible for the TNMP LIW program. These programs are listed on the Tenant Eligibility Certification form included as Appendix C. For properties that are categorically eligible as a result of their participation in one or more of the low income housing programs listed on the form, the property manager/owner should sign the form, and supporting documentation, e.g., land-use restriction agreement, should be uploaded to the database.

6.2.2 Check for Previously Funded Measures

In order to avoid spending time or money on a complex that has had weatherization funded by TNMP in the last 10 years, **email the address of a complex** that you plan to weatherize to Kelly Bradford, kbradford@frontierassoc.com, so that information on the complex can be checked.

6.2.3 Assessment

Assessments must be performed by a certified assessor. A priority checklist can be downloaded from the ehomepower website and used for these assessments. For multifamily homes, the information does not have to be entered in the NEAT audit program. Blower door tests and duct blaster tests are required to assess potential air infiltration reduction and duct efficiency measures. If the ducts are in a furr-down or other conditioned space, the duct sealing measure is not applicable and no duct blaster is required.

6.2.4 Data Entry

Enter information from the priority list in the TNMP LIW database. The approved measures will be determined by the priority check list. The program incentive will be determined by the agencies' unit prices for measure installation, which are uploaded by Frontier to the TNMP LIW database.

6.2.5 Work Orders

Submit groups of data files (in the TNMP LIW database both homes and apartments are labeled as "Homes") for a **work order**. The Program Manager will review the work order and approve payment. Prior to submittal of a work order, agencies should check to make sure that all

measures included in the database are in the NEAT audit report, or that the measures meet the applicability and cost-effectiveness requirements in the Priority List.

6.2.6 Installation

Installation requirements are the same as for single-family homes. It is the responsibility of the agencies to purchase materials and to hire and manage contractors to perform all required installations, in accordance with program requirements. In the event of a post-installation inspection failure, the agency will be responsible for taking corrective action. Failure to take corrective action will result in the removal of this measure from the database, and a reduction in future work order payments. Deliberate and/or repeated measure installation or reporting discrepancies may result in further administrative action, including contract termination.

6.2.7 Close Out

After all of the measures have been installed, you are ready **close out the house file**. **Make necessary adjustments** in the database, if there is any difference between the measures that were approved for installation and the measures actually installed in the home. Be sure that the Customer Certification Form correctly indicates the measures that were actually installed in the home and that the form is signed by the customer. **Upload the signed Customer Certification Form** in the appropriate section. If you haven't already done so, upload the Income Verification form. If a Central AC unit was installed, **enter the condenser serial number** in the TNMP LIW database.

When you are ready to close out the home, navigate to the bottom right of the home file and select "Complete and Submit". This button is not active until you have uploaded both the Customer Certification form and the Income Verification form and, for homes where Central AC or Heat Pump was installed, there was a successful AHRI lookup for the model, and the condenser serial number information has been entered.

7 Appendix A. 2017 Federal Poverty Guidelines

200% of HHS Poverty			
Size of Family Unit	Annual Income	Monthly Income	Weekly Income
1	\$24,120	\$2,010	\$464
2	\$32,480	\$2,707	\$625
3	\$40,840	\$3,403	\$785
4	\$49,200	\$4,100	\$946
5	\$57,560	\$4,797	\$1,107
6	\$65,920	\$5,493	\$1,268
7	\$74,280	\$6,190	\$1,428
8	\$82,640	\$6,887	\$1,589
Each Additional Person Add:	\$8,360	\$697	\$161

Notice: Income ceilings are for **February 1, 2017 – January 31, 2018**. Annual updates are posted on <http://www.puc.texas.gov/industry/electric/forms/Default.aspx>.

8 Appendix B. Multifamily Tenant Eligibility Form

https://www.puc.texas.gov/industry/electric/forms/ee/PropOwnerCert_form.pdf

File Edit View History Bookmarks Tools Help

Public ... X http://...admin=2 Utilities Co. ... Public Utility Co... +

https://www.puc Search

This PDF document contains forms. The filling of form fields is not supported. Open With Different Viewer X

Page: 1 of 1 60%

Public Utility Commission of Texas
Property Owner Certification Form of Tenant Income Eligibility
For Full Incentive Energy Efficiency Services

This form is to verify that at least 75 percent of the units: (1) are rented by income eligible customers, and (2) have a separate electric meter. The Public Utility Commission of Texas has authorized energy efficiency programs to reduce the utility bills of income eligible tenant households. Contractors participating in the programs receive higher incentive payments when at least 75 percent of the tenants qualify as income eligible. The purpose of the higher payment is to enable the contractor to provide the improvements to 100 percent of the units at a cost that will provide the benefit of lower electric bills to tenants with a very low or no increase in rent. One form must be filled out for each qualifying multi-family apartment complex.

Name of applicant (property owner or agent)		Name of property owner	
Address		Suite number	
City		State TX	Zip Code
Area Code ()	Phone Number	Area Code ()	Fax Number

Name of multi-family apartment complex		Number of units in complex	
Name of management company		Name of on-site property manager	
Street address			
City		State TX	Zip Code
Area Code ()	Phone Number	Area Code ()	Fax Number

The multi-family apartment complex qualifies in one of the following categories. Check the appropriate category box.

Category 1

The multifamily apartment complex participates in one or more of the programs listed below. (Check each box that applies):

<input type="checkbox"/> Public Housing Authority	<input type="checkbox"/> Housing Trust Fund
<input type="checkbox"/> Multi-family Bond Program, with less than 25% units at market rate	<input type="checkbox"/> Low-Income Housing Tax Credit Program, with less than 25% units at market rate
<input type="checkbox"/> Project based Section 8	<input type="checkbox"/> Affordable Housing Disposition Program
<input type="checkbox"/> HOME Rental Housing Development	<input type="checkbox"/> Rural Rental Section 515 (FMHA)

If you checked one or more of the boxes in Category 1, please sign and date the form. You must attach documentation such as the lease use restriction agreement, showing participation in the above checked program.

Category 2

At least 75 percent of the tenant household incomes before taxes are at or below 200% of the Federal Poverty Guidelines. (Do not complete the worksheet below if you checked any of the boxes in Category 1. Do not check this box before completing the worksheet) To accurately determine tenant household income you may use the tenant rental application showing the number of individuals residing in the unit and the household income dated from within the past 18 months. If the rental application does not show the required information or the information is over 18 months old, then the tenant(s) must fill out a Commission approved Self-Certification Form. Compare the tenant total household income per week, month or year to the amount shown in the table below for the number of persons residing in the unit. If the total household income is equal to or less than the amount shown in the table the unit is income eligible for the full incentive. If the unit is not income eligible, the unit is eligible for the residential incentive level. Please check the box next to Category Two and sign and date the form. Copies of the worksheet(s) and Self Certification Forms must be attached to this form. You may attach copies of the rental applications in lieu of the worksheet.

Number of income eligible units _____

Number non-income eligible units, including vacant units _____

Total number of units: _____

Percent of income eligible units (income eligible units divided by the total number of units) _____%

Size of Family Unit	200% of HHS Poverty Guidelines		
	Annual Income	Monthly Income	Weekly Income
1	\$24,120	\$2,010	\$464
2	\$32,480	\$2,707	\$625
3	\$40,840	\$3,405	\$785
4	\$49,200	\$4,100	\$946
5	\$57,560	\$4,797	\$1,107
6	\$65,920	\$5,493	\$1,268
7	\$74,280	\$6,190	\$1,428
8	\$82,640	\$6,887	\$1,589
For each additional person, add:	\$8,360	\$697	\$161

Notes: Income settings are for February 1, 2017 - January 31, 2018. Annual updates are posted on <http://www.puc.texas.gov/industry/electric/forms/Default.aspx>. Under penalty of perjury, I certify that the above declaration is true and correct. I understand that the information is subject to audit and investigation by the Public Utility Commission of Texas upon reasonable notification and during normal business hours.

Applicant signature (property owner or agent)	Date	Contractor signature	Date
---	------	----------------------	------

The information provided on this form will be used solely for the purpose of determining whether the complex is eligible for this program and will be kept confidential by the contractor and by the Public Utility Commission of Texas. It will not be sold or provided to any other party.