



LIWP Farmworker

Health and Safety Appliance Repair and Replacements Policy - DRAFT

Section 1:

Appliance repair and replacement for Health and Safety (H&S) will be permitted in the LIWP Farmworker Housing Program Component. Instances when repair and replacement of appliances for H&S reasons will be allowed are outlined below.

One of the following conditions must be met before an appliance can be repaired or replaced with H&S funds:

1. "Red tagged"¹, inoperable, or combustion appliance safety condition identified as a hazard during CAS testing.

Appliances effected by this policy include repairs and replacements of:

- Central HVAC replacement package units
- Central HVAC replacement split systems
- Mobile home split systems
- Ductless mini-split air conditioners
- Ductless mini-split heat pumps
- Wall furnaces/floor furnaces
- Forced air units
- Evaporative coolers
- Window / wall air conditioners
- Water heaters
- Oven / Range

Section 2:

Under the LIWP Farmworker Program, appliance repair due to a health and safety condition is always categorized as a H&S measure. An appliance replacement due to a health and safety condition may qualify as either an energy efficiency (EE) or H&S measure. The following steps are required when determining which category, EE or H&S, the measure will be billed within.

Please Remember - Regardless of which category the appliance is billed within, the measure repair or replacement must comply with the LIWP Farmworker Installation Standards. Assessments, diagnostics

¹ An appliance may be "red tagged" and/or disabled by utility service personnel if a hazardous condition is found and cannot be resolved. Hazard conditions include items such as, high CO, cracked heat exchanger, gas leaks and flame roll out.



and H&S measures may only be billed to dwellings that also receive the required proportion of EE measures as defined below.

Step 1: Determine if the measure can be justified using an energy audit.

All appliances defined in Appendix 1 as audit measures, must first be modeled in the SnuggPro energy audit following the guidelines established in the LIWP Energy Audit Protocol. When an appliance is able to be cost-effectively qualified as an EE measure, either individually or as part of a package of measures, it must be billed as an EE measure. To qualify as an EE measure, the measure, or measure package SIR must be greater than or equal to 1.0.

A measure may be billed to H&S repair or replacement only after the measure was unable to be included as part of a successful cost-effective EE package that meets or exceeds a 1.0 SIR. All options should be explored to insure measures are primarily installed as EE measures to the greatest degree, as LIWP funding is intended to reduce energy usage and carbon emissions. This may include: reducing the measure cost; installing an alternative technology; installation of Solar PV in conjunction with new energy efficient appliances; or increasing the appliance efficiency.

Step 2: Utilize the LIWP H&S Budget

Buy-down

If it is determined through an energy audit that an appliance with a health and safety condition does not qualify as an EE measure or as part of an EE package, as identified in Step 1, implementers may use their LIWP H&S Budget to “buy-down” the cost of an appliance replacement that would not otherwise qualify based on the audit results. Buying-down the cost of a measure reduces the cost of the appliance in the energy audit, which can help the appliance replacement to qualify as an EE measure. If a H&S buy-down is used, the amount used to buy-down the appliance replacement cost to achieve a measure package SIR of 1.0 shall not exceed 50% of the appliance replacement cost. In addition, the use of H&S buy-down funds cannot increase the measure SIR to above 1.0.

Measures that qualify due to a H&S buy-down shall not be installed before or in lieu of measures that were already cost-effective before the buy-down occurred. Measures can only be considered for buy-down if all cost-effective measures in the initial audit are being installed concurrently.

Repair and Replacement

Ultimately, if H&S issues cannot be addressed/resolved through the audit or using the buy-down option, the H&S Budget can be utilized for both repair and replacement of non-operable or red-tagged appliances that meet the conditions defined in Section 1 of this policy paper above. Appliance replacement using solely the H&S budget may only be considered when repair costs exceed 50% of the replacement cost and the audit package cannot achieve a SIR rating of 1.0 or greater as calculated by the SnuggPro energy audit.

Nonexistent primary heating or cooling systems **should not** be installed using LIWP funds, however implementers may request a wavier on a case-by-case basis.



Please Note: Cost caps will be used to limit expenditures associated with health and safety, diagnostics, and limited home repair, both for individual measures and on a per home basis. These non-energy efficient expenditures shall not exceed 20% of an implementers total direct EE budget allocation and will be limited to less than 50% of a single dwellings expenditure. Measure cost caps are defined in Appendix 1 of the individual implementer bid documents.

H&S repair is capped at 50% of the cost of replacement and to be billed on a time and materials basis using actual material costs and in accordance to Appendix 1 labor rates.

Utilizing additional funding sources is always encouraged. Leveraging with other approved programs such as CSD's Low Income Home Energy Assistance Program (LIHEAP) or utility energy assistance programs will be required when exceeding cost caps, an implementers LIWP H&S budget is exhausted, or a measure does not meet all LIWP measure specifications.

DRAFT