



Department of Energy

Washington, DC 20585

April 20, 2010

The Honorable Charles E. Grassley
United States Senate
Washington, DC 20510

Dear Senator Grassley:

Thank you for your February 26, 2010, letter to Secretary Chu concerning the Department's use of American Recovery and Reinvestment Act (ARRA) (Recovery Act) funding in the Weatherization Assistance Program (WAP). We understand your interest in overseeing government spending of these important funds and apologize for our delay in responding as we gathered the requested information.

Since the Department's Office of Inspector General completed the report referenced in your letter, WAP has made significant progress in increasing its capacity to provide services throughout the country. As you know, WAP faced challenges growing from approximately a \$200 million program in annual appropriations to a \$5 billion program under the Recovery Act. Grantees had to learn how to incorporate the new Davis-Bacon provisions, enhance historic preservation review, and incorporate other policy changes to successfully implement WAP funding. Despite these initial challenges, recent production is on track for goal attainment. In February 2010, the WAP network weatherized 18,091 homes – a 32 percent increase over January. March performance is expected to be even higher. WAP is now on track to reach 20,000 to 30,000 per month production necessary to meet the President's national goal of 593,000 homes weatherized by March 31, 2012. This goal is a central element of President Obama's plan to create jobs, stimulate the economy, and save energy. The number of homes weatherized per month is publicly available on our website.

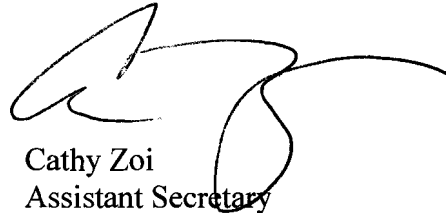
As of April 12, 2010, WAP expended \$724.7 million, or more than 15 percent of the total funds available. The Program now spends more than \$100 million per month – the benchmark to invest all the ARRA funds by the deadline set by the Department. Over 10,000 new jobs have already been created by Recovery Act funding in WAP. It is expected that another 4,000 to 6,000 jobs will be created this year.

The Department increased its staff of Project Officers from six to twenty-five in order to perform yearly comprehensive on-site monitoring visits for each grantee, followed by quarterly topic-specific visits. All of the nearly 1,000 local agencies will receive a quality assurance review of production during the Recovery Act performance period. Another 10 Project Officers will be added in the next 60 days to work directly with the top eight grantees by funding to facilitate faster expenditure and production rates. These plans were in place before the Office of Inspector General's Management Alert on the Illinois Weatherization Program.



We have provided answers to the 10 questions from your letter in Enclosure 1, enclosed, along with additional supporting documentation. If you need additional information, please contact me or Ms. Martha Oliver, Office of Congressional and Intergovernmental Affairs, at (202) 586-2229.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cathy Zoi', with a long horizontal flourish extending to the right.

Cathy Zoi
Assistant Secretary
Energy Efficiency and Renewable Energy

Enclosures