



VA WEATHERIZATION ASSISTANCE PROGRAM

Information Notice 03-2025

TO: ALL WEATHERIZATION SUB-GRANTEES
FROM: Tim Pettit, Associate Director for Energy Efficiency *TP*
DATE: 07/03/2025
SUBJECT: Infrastructure Investment and Jobs Act (IIJA) Average Cost Per Unit (ACPU)
Management

Effective Date: July 15, 2025

Purpose:

This document serves to provide guidance for sub-grantees to manage the Infrastructure Investment and Jobs Act (IIJA) Average Cost Per Unit (ACPU).

Background:

Per [Weatherization Program Notice IIJA-7](#), the ACPU for these funds are an average over the seven-year grant period of performance. For the Weatherization Assistance Program, the ACPU is determined and adjusted each year by using the percentage increase in the Consumer Price Index (CPI) or 3%, whichever is less. This is outlined in [10 CFR 440.18\(c\)](#).

To calculate the ACPU, take the combined total of the Program Operations, Program Operations Agency Job Labor, and Program Operations Agency Cost budget categories on a Hancock invoice and divide by the number of jobs attached. This calculation factors in all Program Operations expenses, not just the Program Operations direct job expenses of materials and labor.

As of June 18, 2025, the network's IIJA ACPU is \$13,345.30. Although we do not know what the exact ACPU requirement will be at the end of the IIJA period of performance, it is safe to assume that it will be around the Program Year 2025 ACPU level of \$8,547, since it falls in the middle of the seven-year grant. Our current ACPU is approximately \$4,798.30 (or 56%) over the estimated target, nearly halfway into the grant's period of performance. This implies that future IIJA ACPU levels must be significantly under the \$8,547 target to be compliant.

New DHCD Requirements:

To bring down the network ACPU for IIJA, DHCD will start enforcing lower ACPU levels. Due to persistent elevated network-wide ACPU levels for IIJA, DHCD will be un-submitting invoices with an ACPU level of \$9,000.00 or higher for all subgrantees running an agency ACPU in excess of \$9,000. DHCD encourages the network to immediately maximize use of cost engineering methods and leveraged funding opportunities to deliver IIJA-funded weatherization jobs below the target ACPU.

This will be effective for all IIJA invoices submitted July 15th or thereafter.

Under rare and infrequent circumstances, DHCD may allow for an invoice to go through with an ACPU over \$9,000. However, subgrantees must provide documentation to DHCD for approval, before an invoice is submitted, that outlines a clear plan for bringing the individual sub-grantee ACPU level substantially down by March 31, 2026.

For the plans submitted for these circumstances, please email both michelle.tilton@dhcd.virginia.gov and Nicole.branch@dhcd.virginia.gov.