

GAO

Report to the Chairman, Subcommittee on  
Energy and Power, Committee on Energy  
and Commerce, House of Representatives

May 1989

# ENERGY MANAGEMENT

## Appeals Procedures for State and Local Assistance Programs



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**Resources, Community, and  
Economic Development Division**

B-235189

May 10, 1989

The Honorable Philip R. Sharp  
Chairman, Subcommittee on Energy  
and Power  
Committee on Energy and Commerce  
House of Representatives

Dear Mr. Chairman:

In response to your request, we examined the Department of Energy's (DOE) administrative review procedures for its state and local energy conservation grant programs. The grant programs are designed to encourage energy program initiatives at the state and local level and to help low-income persons meet home energy costs. The administrative review procedures for the programs are designed to give states an avenue to appeal decisions made by 10 DOE field offices—called support offices—which administer the grant programs day to day.

The grant programs administered by the DOE support offices are the State Energy Conservation Program (energy conservation), the Energy Extension Service (energy extension), the Weatherization Assistance Program (weatherization), and the Institutional Conservation Program.<sup>1</sup> We did not include the Institutional Conservation Program in the scope of this review because it is the subject of a separate review requested by your office that will address appeal avenues available. As agreed with your office, the objectives of our review were to (1) determine how often states have used the administrative review procedures to appeal DOE support office decisions and (2) obtain state officials' views on the adequacy of the procedures.

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**Results in Brief**

Nationwide, no state has attempted to use the energy conservation, energy extension, or weatherization administrative review procedures, according to DOE program officials. Moreover, officials from most of the 14 states we contacted said they had not experienced problems that were significant enough to be appealed. However, two states did appeal energy conservation grant decisions in 1988, but they did not use the administrative review procedures. Instead, the states filed the appeals

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<sup>1</sup>See appendix I for a description of the four energy conservation grant programs.

with DOE's Office of Hearings and Appeals (OHA)<sup>2</sup> based on guidance received from DOE program officials on appropriate appeal routes. Further, along these lines, we found that a number of state and DOE program officials were not familiar with the administrative review procedures.

With respect to the adequacy of the procedures, some state and DOE program officials were confused by the language of the review procedures as to the type of support office decision that could be appealed. Also, when we discussed the administrative review procedures with state officials, a majority said they viewed the process for selecting review panels for the energy conservation and energy extension programs as potentially biased against the states.

## Background

During 1975-81, the Congress established the state and local energy conservation programs administered by DOE. DOE awards grants to the states and monitors the states' program activities to assure they comply with program policy and regulations.

At DOE headquarters, the Office of State and Local Assistance Programs (OSLAP) is responsible for formulating program policy and guidance. In the field, six operations offices which report directly to the Office of the Secretary—not to OSLAP—are responsible for implementing OSLAP's policies and for administering the grant programs. The primary responsibilities of the operations offices involve, among other things, producing nuclear weapons materials and operating scientific research laboratories. For the most part, the operations offices have delegated their grant program responsibilities to DOE field offices called support offices. Nationwide, there are 10 support offices which report directly to the operations offices. Their primary responsibilities are reviewing and approving states' annual program plans, which identify the proposed uses of the grant funds; determining whether individual projects contained in the annual plans comply with program regulations; and administering the grant programs.<sup>3</sup>

According to DOE, in recent years appropriated funds for DOE's energy conservation grant programs have been relatively small, totaling

<sup>2</sup>OHA issues final DOE orders of an adjudicatory nature, except those over which the Federal Energy Regulatory Commission or the Energy Board of Contract Appeals has final jurisdiction.

<sup>3</sup>The organizational relationship among OSLAP, the operations offices, and the support offices is illustrated by the organizational chart in appendix II. As shown in the organization chart, OSLAP has no direct line authority over the support offices; however, there is much interaction between the support offices and OSLAP on programmatic matters.

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\$212.1 million for fiscal year 1988 and \$211.2 million for fiscal year 1989. However, the state and local assistance programs have been greatly enhanced by DOE's actions to resolve alleged violations by crude oil producers of pricing regulations that were in effect between 1973 and 1981. According to DOE, through fiscal year 1988 states had received more than \$3.6 billion in oil overcharge funds, which can be used to fund program activities.

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## Scope and Methodology

We reviewed the authorizing legislation for the energy conservation, energy extension, and weatherization programs and the subsequent regulations issued by DOE which created the administrative review procedures for each program. To determine how often states had used these appeal procedures and to obtain states' views on their adequacy, we contacted program officials from 14 states (13 states and the Virgin Islands, listed in appendix III and referred to collectively as the states). We also discussed the selection of states with your office. Although our findings are not necessarily representative of all the states, our audit coverage was sufficient for us to determine that there is confusion about the appeal routes available under these programs and that the states perceive bias in the review panel selection for both the energy conservation and energy extension programs.

Using a structured interview instrument, we discussed each of the three grant programs with the state program officials. We also contacted DOE officials in OSLAP, two operations offices, the 10 support offices, OHA, and DOE's Office of General Counsel (see app. III). We did not attempt to verify information obtained during interviews. We also reviewed DOE's 1985-87 Financial Integrity Act reports to determine if any material internal control weaknesses relating to appeal procedures were identified. The reports did not cite any such weaknesses.

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## Administrative Review Procedures

The authorizing legislation for the energy conservation, energy extension, and weatherization programs does not prescribe specific appeal procedures but does require that administrative review procedures be established. Accordingly, DOE published regulations with administrative review procedures for each program. The energy conservation and energy extension procedures, which are identical, require that the operations office manager appoint a panel that renders a decision after hearing evidence from all concerned parties. The panel's recommendation is then subject to review by the DOE Secretary. The weatherization procedures differ in that the operations office manager, rather than an

appointed panel, conducts a public hearing in which all affected parties have an opportunity to present views. If the operations office manager's decision is adverse to the state, the state may then appeal to the DOE Secretary. The administrative review procedures for the energy conservation, energy extension, and weatherization programs are described in more detail in appendix IV. These administrative review procedures are contained in regulations pertaining to the energy conservation grant programs, but federal regulations also provide other appeal routes that have broader applicability than just energy conservation grant programs. At least one of the appeal routes, described in appendix V, has been used by some states to appeal energy conservation grant program decisions.

## States Have Not Utilized Administrative Review Procedures

Nationwide, no state has used the energy conservation, energy extension, or weatherization administrative review procedures to appeal a support office decision, according to DOE program officials. Moreover, we found that many state and DOE program officials either were not aware of the existence of the review procedures or were not familiar with them. Specifically, program officials in only about one-half of the 14 states said that they were definitely aware of the existence of administrative review procedures for these programs. State responses on this issue are provided in appendix VI. Furthermore, only 4 of the 10 DOE support office directors told us they were knowledgeable about the review procedures.

Although many state program officials and DOE support office directors were unfamiliar with the administrative review procedures, most of the states we contacted had not experienced problems that required formal resolution. Energy extension and weatherization program officials in all 14 states told us they had not filed a formal appeal because they had not experienced any significant problems in their dealings with DOE support offices. Further, energy conservation officials in 11 states reported no significant problems that would have warranted a formal appeal. However, energy conservation officials in three states—Arkansas, Minnesota, and Texas—said they had experienced some significant problems. As discussed below, Arkansas and Minnesota filed appeals with OHA under one of the other appeal routes provided for in federal regulations. The Director of the Texas Energy Management Center told us that her state's problems were resolved informally before it became necessary to appeal. Eight of the 10 support office directors told us that disagreements with states typically are resolved informally between the state and the support office.

## Two Recent Appeal Cases Demonstrate Confusion

While the energy conservation, energy extension, or weatherization administrative review procedures had not been used to appeal a support office decision, two states filed energy conservation appeals with OHA in 1988 using one of the other appeal routes provided for in federal regulations. In the first case, OSLAP did not advise the state that the administrative review procedures were an appropriate appeal route because of confusion over the type of decision that can be appealed under the administrative review procedures. In the second case, a support office director did not identify the administrative review procedures as a possible appeal route because he was not familiar with them.

In the first case, in June of 1988 the state of Arkansas made a request to OHA for an exception to certain energy conservation regulations. The request came as a result of an adverse decision by the Dallas Support Office on a specific energy conservation project. OHA, in ruling on the case, ultimately decided against the state.

The significance of this case is that before filing its case with OHA, Arkansas had appealed the same issue to the Director of OSLAP. In a June 1988 letter, the Director told state officials that OSLAP did not have any mechanism for acting on an appeal of a support office decision made pursuant to program regulations. He advised the state that it had only two options—withdraw the project or ask OHA for an exception to the energy conservation regulations.

The OSLAP Director told us that he had not knowingly provided incomplete information to the state. According to the Chief of OSLAP's Energy Management Programs Division, who wrote the letter for the director's signature, the energy conservation administrative review procedures were not mentioned because he believed the procedures in the regulations could be used only to appeal the disapproval of a state's entire annual program plan. The wording of the regulations, which can be interpreted to apply only to entire state plans, is discussed in the next section.

In the second case, in September 1988, the state of Minnesota filed an appeal with OHA. The state appealed a decision on a specific energy conservation project by DOE's Chicago Support Office.<sup>4</sup> However, the state

<sup>4</sup>The Chicago Support Office is officially known as the State and Local Conservation Programs Division of the Chicago Operations Office.

and the support office resolved the matter before OHA issued a decision.<sup>5</sup> In July 1988, before Minnesota filed the appeal with OHA, the Chicago Support Office Director told Minnesota officials that DOE did not have a formal appeals procedure and that the state's only route of appeal was to OSLAP. The Director told us he did not inform Minnesota of the energy conservation administrative review procedures because he did not know at the time that they existed.

## Administrative Review Procedures Viewed as Inadequate

We discussed the administrative review procedures with state officials, a number of whom viewed the administrative review procedures as inadequate. State opinions on the adequacy of these procedures are presented in appendix VII. The procedures were deemed to be inadequate primarily because of confusion over the type of decision that can be appealed and the potential for bias against the states in selecting review panels.

The wording of the regulations has caused some confusion about the type of decision that can be appealed under the administrative review procedures, as is shown by the guidance Arkansas officials received from DOE prior to the appeal Arkansas filed with OHA. An OSLAP official told us that disagreements between states and support offices normally center around individual proposed projects, not the annual plans, which consist of many proposed projects.<sup>6</sup> However, the regulations can be interpreted to indicate that only denials of the entire state application can be appealed. For example, the energy conservation and energy extension administrative review procedures are introduced as follows, "If the Operations Office Manager intends to deny an annual state application ...." (emphasis added) Similarly, the weatherization procedures begin, "If a timely application submitted by a State fails to meet requirements ... and the operations office manager intends to deny the application ...." (emphasis added)

Officials from three states said that the wording of the regulations led them to believe that the procedures could be used only when the support office rejected a state's entire annual plan for a program. In addition, 3 of the 10 support office directors believed the disapproval of a

<sup>5</sup>OSLAP officials said the Chicago Support Office changed its decision after receiving additional information about the project from the state.

<sup>6</sup>OSLAP officials said that the energy conservation and energy extension programs' annual plans include individual projects while the weatherization annual plans contain procedures the state will apply to all weatherization activities.

single project could not be appealed under the administrative review procedures. However, the Director of OSLAP, which is responsible for formulating program policy, told us that the disapproval of a single project can be appealed under the procedures. The Director of OHA's Office of Legal Analysis told us that although the language may be confusing, disapproval of single projects can be appealed under the procedures. An ongoing DOE study, discussed in more detail later in the report, includes this issue.

In addition, a majority of state officials contacted considered the energy conservation and energy extension program procedures to be inadequate primarily because of concerns that a review panel appointed by a DOE operations office manager would be biased in favor of the DOE support office view, especially if the operations office manager delegated the panel selection to the support office director.

Some DOE officials agreed with the states' perception that the process could be biased in favor of DOE. For example, 3 of the 10 support office directors agreed that credibility would be a problem if they appointed the review panel; 4 support office directors believed that they would be delegated the review panel selection. Additionally, according to the OSLAP Director, review panels could be biased because panel members probably would be selected by the support office director. The Director of OHA's Office of Legal Analysis agreed that the administrative review procedures offered the potential for selecting a biased review panel.

Although officials from 11 states considered it important for DOE to issue guidance clarifying the appeal procedures, no consensus exists on ways to improve the administrative review procedures. The suggestions we received included revising the procedures—for example, to eliminate the potential bias in the review panel selection—or replacing the procedures with a direct formal appeal route to OSLAP or to OHA. As noted previously, two states did make direct appeals to OHA recently. However, for varying reasons, summarized in appendix VIII, some program officials are opposed to direct OHA appeals.

## DOE Effort to Correct Problems Does Not Have a Timetable

Following OHA's August 1988 decision in the previously described Arkansas case, DOE instituted a study to determine whether OHA has the authority to hear such cases. The study is a joint effort between DOE's General Counsel and the Under Secretary. According to the Director of OHA's Office of Legal Analysis, no one in DOE has formally advised OHA of the study, and until it is completed, he is assuming that OHA has the

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authority to hear appeals filed by states on matters related to the energy grant programs, unless directed otherwise by the Secretary.<sup>7</sup>

In February 1989, a General Counsel staff member assigned to the study of OHA's authority told us that the objectives of the study had been informally expanded. He expects that the study results will help to resolve the issue of which appeal route or routes are appropriate for appealing energy conservation grant program decisions. The General Counsel official also told us, however, that the study does not have written guidelines or objectives, nor is there a timetable for its completion. In addition, he told us that effort on the study had been suspended pending the arrival of the DOE management team appointed by the new administration. As of March 16, 1989, the study had not been reactivated.

The Director of OHA's Office of Legal Analysis said, in his opinion, that the administrative review procedures for these programs are outdated, poorly worded, and impractical. Similarly, the Director of OSLAP acknowledged that regulations governing appeals for the grant programs need to be rewritten to ensure fairness, consistency, and practicality. He said that changes may be made in the future, depending on the outcome of the joint study being conducted by the General Counsel and the Under Secretary.

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## Conclusions

The lack of familiarity of many state and DOE officials with the administrative review procedures may be attributable to the fact that most of the states reported no significant problems that would have prompted them to seek a formal appeal avenue. However, even if states had experienced significant problems, they might not have used the administrative review procedures because of their confusion as to the type of decision that could be appealed under the procedures and their perception that the procedures are biased against the state.

The appeals arena was further complicated in 1988 when two states, after receiving guidance on available appeal routes from DOE officials, filed appeals directly with OHA rather than using DOE's administrative review procedures. DOE officials told us that they have initiated a study of this and other available appeal avenues. As of March 1989, efforts on the study, which does not have written objectives or a timetable for

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<sup>7</sup>DOE Order 1100.3 established OHA. Among other things, it delegates to OHA the authority to issue decisions on the appeal of DOE orders made pursuant to DOE regulations and statutes.

completion, had been suspended. Until DOE resolves these various appeal issues and the decisions made are communicated to states and DOE support offices, confusion is likely to continue regarding appeals procedures for the energy conservation grant programs.

## Recommendations

To resolve uncertainties related to the procedures states may use to appeal support office decisions, we recommend that the Secretary of Energy

- clarify the current types of decisions appealable under the energy conservation, energy extension, and weatherization administrative review procedures and revise the procedures to eliminate the perception of bias in review panel selection for the energy conservation and energy extension programs;
- formalize the objectives of the Under Secretary and General Counsel joint study on appeals procedures and establish a schedule for its timely completion; and
- ensure that officials in OSLAP, support offices, and state program offices have a clear understanding of the administrative review procedures, when to use these procedures, and when to use the other routes available to states to appeal support office decisions.

We discussed information in this report with cognizant DOE officials and have included their comments where appropriate. However, as requested by your office, we did not obtain official agency comments on a draft of this report. In addition, as agreed with your office, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to the Secretary of Energy and other interested parties.

Our work was conducted during the period September 1988 through February 1989 and was carried out in accordance with generally accepted government auditing standards.

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This work was performed under the direction of Keith O. Fultz, Director, Energy Issues. Major contributors to this report are listed in appendix IX.

Sincerely yours,



J. Dexter Peach  
Assistant Comptroller General



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**Abbreviations**

CFR	Code of Federal Regulations
DOE	Department of Energy
EES	Energy Extension Service
OHA	Office of Hearings and Appeals
OSLAP	Office of State and Local Assistance Programs
SECP	State Energy Conservation Program
WAP	Weatherization Assistance Program



# Description of DOE's Four Energy Conservation Grant Programs

From 1975 to 1981, the Congress established five energy conservation and assistance programs. DOE has administrative responsibility for four of the programs, and the Department of Health and Human Services has responsibility for one. These programs are designed to encourage energy program initiatives at the state and local level through a mix of program activities and to help low-income persons to meet home energy costs. Assistance under these programs includes direct financial assistance, personalized information services, technical assistance, and developmental demonstration projects to enhance state and private sector involvement in energy conservation. The four programs administered by DOE are described below.

- The State Energy Conservation Program is a program established by the Energy Policy and Conservation Act of 1975, as amended, to promote energy efficiency and reduce energy demand growth within the states, through the development and implementation of comprehensive state energy conservation plans. There is a 20-percent state matching requirement.
- The Energy Extension Service program, established by the National Energy Extension Service Act of 1977, is a federal/state partnership designed to deliver energy information and technical assistance to small-scale energy users, such as small businesses and individuals. The program has a 20-percent state matching requirement.
- The Weatherization Assistance program provides for installation of weatherization materials for low-income households, in particular, the elderly and the handicapped. The program is designed to make home weatherization improvements that reduce heat loss and conserve energy. It was authorized under the Energy Conservation and Production Act of 1976, as amended, by the National Energy Conservation Policy Act of 1978, the Energy Security Act of 1980, and the Human Services Reauthorization Act of 1984.
- The Institutional Conservation Program was established by the National Energy Conservation Policy Act of 1978. The program is designed to reduce energy consumption and costs in schools and hospitals and has a 50-percent grantee matching requirement.

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**Appendix III  
DOE and State Offices Contacted During  
This Review**

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Richland Operations Office  
State and Local Assistance Program Branch  
(also known as the Richland Support Office)  
Richland, Washington

San Francisco Operations Office  
Loans and Grants Division<sup>1</sup>  
(also known as the San Francisco Support Office)  
Oakland, California

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**State Offices**

Alabama Science, Technology, and Energy Division  
Montgomery, Alabama

Arkansas Energy Office<sup>1</sup>  
Little Rock, Arkansas

California Energy Commission<sup>1</sup>  
Sacramento, California

Governor's Energy Office  
Tallahassee, Florida

Office of Energy Resources<sup>1</sup>  
Atlanta, Georgia

Department of Public Service  
Minnesota Department of Energy and Economic Development  
St. Paul, Minnesota

Department of Energy and Transportation  
Jackson, Mississippi

Missouri Department of Natural Resources  
Division of Energy  
Jefferson City, Missouri

North Carolina Department of Commerce  
Energy Division<sup>1</sup>  
Raleigh, North Carolina

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**Appendix III  
DOE and State Offices Contacted During  
This Review**

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Department of Commerce  
Division of Community Affairs and Development  
Oklahoma City, Oklahoma

Governor's Division of Energy, Agriculture,  
and Natural Resources<sup>1</sup>  
Columbia, South Carolina

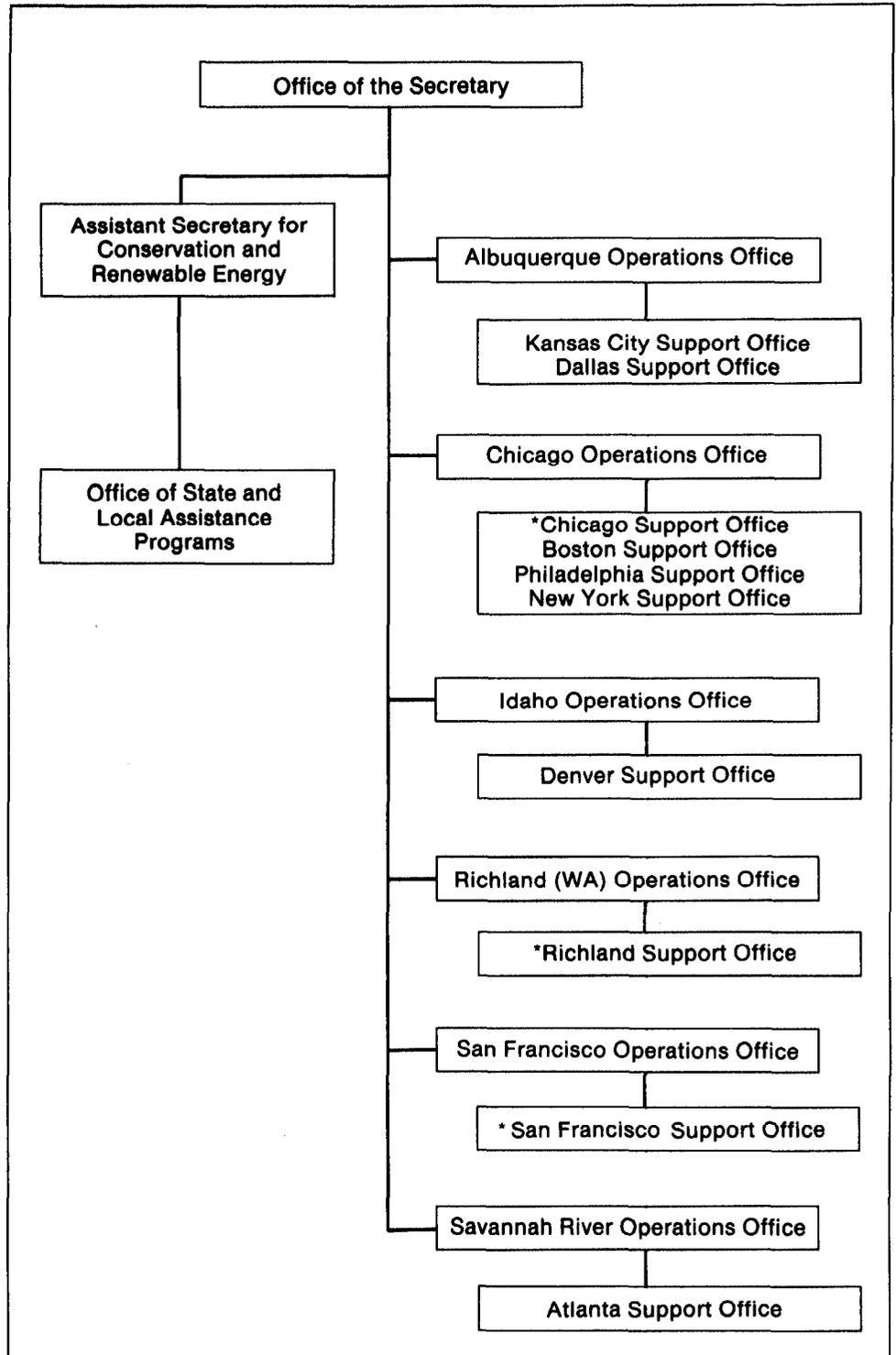
Tennessee Department of Economic and  
Community Development  
Energy Division  
Nashville, Tennessee

Energy Management Center  
Governor's Office of Budget and Planning  
Austin, Texas

Virgin Islands Energy Office  
Fredericksted, St. Croix  
U.S. Virgin Islands

# Organizational Chart Showing the Positions of OSLAP, the Operations Offices, and the Support Offices Within DOE

Figure II.1: DOE's Organizational Structure for State and Local Assistance Programs



\*Note: These support offices are co-located with their respective operations offices.

# DOE and State Offices Contacted During This Review

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DOE Headquarters	Office of State and Local Assistance Programs <sup>1</sup>
	Office of General Counsel <sup>1</sup>
	Office of Hearings and Appeals Office of Legal Analysis <sup>1</sup>

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DOE Operations Offices	Savannah River Operations Office <sup>1</sup> Aiken, South Carolina
	San Francisco Operations Office <sup>1</sup> Oakland, California

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DOE Field Support Offices	Atlanta Support Office <sup>1</sup> Atlanta, Georgia
	Boston Support Office Boston, Massachusetts
	Chicago Operations Office State and Local Conservation Division (also known as the Chicago Support Office) Argonne, Illinois
	Dallas Support Office <sup>1</sup> Dallas, Texas
	Denver Support Office Lakewood, Colorado
	Kansas City Support Office Kansas City, Missouri
	New York Support Office New York, New York
	Philadelphia Support Office Philadelphia, Pennsylvania

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<sup>1</sup>These offices were visited by GAO. All others were contacted by telephone.

# Administrative Review Procedures Applicable to the State Energy Conservation, Energy Extension, and Weatherization Grant Programs

The administrative review procedures for the state energy conservation and energy extension programs are identical and are found in 10 CFR 420.9 and 10 CFR 465.10, respectively. They provide for the following.

- If an operations office manager does not approve a state's annual application, the state may amend and resubmit the application. If the manager intends to deny the resubmitted application, he or she must notify the state, giving the reasons for the denial and the date, time, and place of a public hearing to be held by a review panel. The review panel—selected by the manager—consists of three members, one from DOE, one person representing state interest who is not from the affected state, and one from the program target audience in the state affected.
- The state may submit written views and must be offered an opportunity to make an oral presentation at the public hearing. The review panel submits a written report of its findings and recommendations to the operations office manager who then submits the panel's report along with his or her recommendations to the DOE Secretary. The Secretary issues a final determination, accompanied by a statement of the reasons for the actions taken.

The DOE regulations that define the administrative review procedures for the weatherization program are found in 10 CFR 440.30. They provide the following.

- If the operations office manager intends to deny a state's weatherization assistance program application, he or she must return the application to the state with a written statement of reasons for denial. The state may amend the application and resubmit it. If the manager intends to deny the state's resubmission, he or she must notify the state, giving the reasons for the denial and the date, place, and time of a public hearing to be held by the manager. The state may submit written views and must be offered an opportunity to make an oral presentation at the public hearing. The manager must make a final determination in writing. If the manager decides against the state, the state may appeal in writing to the Secretary. If the Secretary has taken no action after 21 days, the Secretary is deemed to have approved the determination of the operations office manager.

# Appeal Routes Other Than the State Energy Conservation, Energy Extension, and Weatherization Administrative Review Procedures That Are Available to the States

1. 10 CFR 205, Subpart H - Under this regulation any person aggrieved by an order issued by DOE, under certain circumstances, may file an appeal. OHA officials told us they had received two appeals, one each from Arkansas and Minnesota, under this procedure. Both were received in 1988. The Arkansas appeal was initially submitted under 10 CFR 205, Subpart D (exception relief) but was handled by OHA as an appeal under 10 CFR 205, Subpart H.

2. 10 CFR 205, Subpart D - This regulation provides procedures for applying for an exception from a regulation, ruling, or generally applicable requirement. Such a request for an exception is normally based on an assertion of serious hardship or gross inequity resulting from the regulation or requirement involved. OHA officials said that over the years they had received about 10 requests for exception relief from states or territories in connection with the conservation grant programs. They said most came from tropical areas such as Hawaii and Guam where unique weather conditions prevailed.

3. Financial Assistance Appeals Board (10 CFR 600.26) - While this appeal route may be available in some circumstances, its use is almost exclusively to postaward disputes. According to an OHA official, disputes in the DOE energy grant programs are generally preaward disputes, most would not be subject to the Board's jurisdiction. OHA officials were unaware of any instance where a state had used this appeal avenue in the energy conservation grant programs.

4. Filing of a lawsuit in an appropriate court - OHA officials told us this avenue was available to states at any time; however, they were unaware of any such cases involving the energy grant programs.

# Extent to Which States Were Familiar With Administrative Review Procedures

Extent of awareness	Number of states by program		
	Energy Conservation	Energy Extension	Weatherization
Definitely aware	7	6	8
Possibly aware	2	2	1
Uncertain	0	0	0
Probably not aware	1	2	2
Definitely not aware	4	4	3
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>

# Opinions of State Officials on the Adequacy of Program Review Procedures

Adequacy	Number of states responding by program		
	Energy Conservation	Energy Extension	Weatherization
Very adequate	2	1	5
Somewhat adequate	3	3	1
Neither adequate nor inadequate	0	0	1
Somewhat inadequate	4	5	5
Very inadequate	4	4	1
No opinion	1	1	1
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>

Note: As shown in appendix VI, about one-half of the state officials we contacted were not familiar with the administrative review procedures. This table presents the results of our further discussions with the state officials about the administrative review procedures and shows that a majority of the officials viewed the process as inadequate.

# Opinions of State Officials on Direct Appeals to OHA

During our interviews with state officials from 14 states, we asked them for their opinions on the desirability of having an appeal route directly to OHA, such as the one used by the state of Arkansas. The following table summarizes their responses regarding the State Energy Conservation Program (SECP), the Energy Extension Service Program (EES) and the Weatherization Assistance Program (WAP).

**Table VIII.1: Officials' Opinions on Direct Appeal to OHA**

Opinions	Number of states		
	SECP	EES	WAP
No opinion provided	4	4	5
Preferred that OSLAP decide appeals but absent an appeal route to OSLAP preferred a direct appeal route to OHA	2	3	0
<b>Favored appeal to OHA because:</b>			
Provides a review level outside the support offices and OSLAP	1	1	2
Provides a low cost, durable, timely, and objective appeal avenue	1	1	1
<b>Did not favor appeal to OHA because:</b>			
Intrudes on OSLAP's policymaking role	2	1	1
OHA does not take into account the individual state's needs <sup>a</sup>	3	3	3
Appeal route deemed unnecessary	1	1	2
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>

<sup>a</sup>One weatherization program state official said that in addition to not addressing individual state needs, OHA personnel do not have program expertise.

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# Major Contributors to This Report

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