

United States Department of Agriculture Rural Development

Rural Energy for America Program (REAP)

Simplified Grant Application Template

The simplified grant application template – on the following pages – provides access to fillable forms and a framework of divider pages to organize the grant application for submission to USDA-Rural Development. Please tab the divider pages as indicated.

Other tools are available on the Iowa Rural Development Business and Cooperative Program website at: www.rurdev.usda.gov/ia/rbs.html - click on energy program, then click on final regulation grant information. Please use this website as it is very helpful.

Separate applications must be submitted for renewable energy system and energy efficiency improvement projects. Applicants may only submit **one** application **for each type** of project per fiscal year. Only one type of funding application (grant-only, guaranteed loan-only, or guaranteed loan/grant combination) for each project can be submitted under this subpart per Federal fiscal year.

An original and 1 copy of the application must be submitted to:

North Dakota Rural Development State Office
Attn: Rural Energy Coordinator
PO Box 1737
Bismarck, ND 58502-1737

This template is designed for training and education and does not replace the 4280-B Interim Rule published 4-14-11.

USDA-Rural Development
Rural Energy for America Program (REAP)

Simplified Grant Application

Title of Project: _____

Submitted by

Applicant Name: _____

Address: _____

City: _____

County: _____

State: _____

Zip code: _____

Phone #: _____

E-mail: _____

Fax: _____

Choose one:

A Renewable Energy Systems Project

or

An Energy Efficiency Improvements Project

\$ _____ Grant Request

Combo/Grant Writer Name

Phone #

E-mail

Date Submitted to RD _____

Section REAP Simplified Application
Table of Contents

4280.116 (b) (2) A detailed table of contents, in the order presented below, with clear pagination and chapter identification
 The table of contents will include page numbers for each component of the proposal.
 Begin pagination immediately following the Table of Contents.

	Simplified Grant Application Components	Tab
I.	Title Page	
II.	Table of Contents	
III.	Project specific forms A. SF 424 – Application – the Federal Catalog number is 10.868 B. SF 424 C – Budget C. SF 424 D – Assurances D. 1940-20 “Request for Environmental Information” and attachments	A
IV.	Certifications A. AD 1049 B. AD 1048 C. Exh. A-1, 1940-Q – only required for grants requests exceeding \$100,000 D. Form SF-LLL E. AD 1047 F. 400-1 G. 400-4 H. Guide 6 – Certification Regarding Qualification for Simplified Grant Applications 4280.109	B
V.	Legal organizational documents (including any contracts with investors)	C
VI.	Project Summary A. Title of Project B. Applicant eligibility C. Project Eligibility D. Operation Description E. Financial Information for Size Determination	D
VII.	Matching Funds Documentation	E
VIII.	Self Evaluation Score Documentation is tabbed to match the scoring criteria numbering.	F
IX.	Energy Audit (if project is an energy efficiency project)	G
X.	Technical Report	H

Tab A – Simplified Grant
 Total Eligible Costs of \$200,000 or less
 Divider Page

Federal Tax ID #	
DUNS # <i>To get a DUNS number, call 1-800-234-3867 or go to www.dunandbradstreet.com/US/duns_update/index.html</i>	
Central Contractor Registration # Register your DUNS number with CCR at: https://www.bpn.gov/ccr/ .	
Project Specific Forms 4280.116(b)(1)(i)A,B,C,D These forms can be found on the Iowa website at: http://www.rurdev.usda.gov/ia/rbs-forms.html <i>Insert the forms immediately after this divider page.</i>	
SF 424 – Application for Federal Assistance	
SF 424C – Budget Information <i>A more detailed budget breakdown is required in the Technical Report</i>	
SF 424D – Assurances	
1940-20 – Request for Environmental Information – and documentation <i>Complete the first page of 1940-20 and sign it. Consult with the Rural Development Area Office Specialist if you have questions regarding documentation needed.</i>	
Examples of projects:	Documentation:
<u>Categorical Exclusion Environmental Assessment</u> --Crop drying equipment --Improvements to a facility or process to reduce energy consumption (lights, HVAC, freezers, coolers, etc) --Solar voltaic systems	--legal description of site where project will be located --statement of project – who wants to do what, where, when, and how --Site photo --map or aerial photo with the project identified
<u>Class I Environmental Assessment</u> --Solar thermal - Small ponds/receivers --Small wind turbines less than 100 kW and hub height less than 120'	--Subsequent to the first page of the 1940-20 - Answer questions 1,2,13,15,16,17 – attach third party documents as appropriate & provide legal description --Site photos --Discussion of alternative sites considered From NRCS office --USGS topographical map --Aerial ortho photo – identify exactly where project will be located <u>If wind project:</u> --Photos in all 4 directions from the turbine site. --Schematic of where electrical line to be located

Please note that for energy efficiency improvements, if the proposed improvement has a greater capacity than the existing equipment, the Agency will pro-rate the energy efficiency improvement's total eligible project costs based on the capacity of the existing equipment. Calculation: existing capacity / proposed capacity = % of the energy efficiency improvement's eligible project costs.

Tab B
Divider Page

Certifications 4280.116 (b) (1) (ii)

<p>These forms can be found on the Iowa website at: http://www.rurdev.usda.gov/ia/rbs-forms.html</p> <p><i>Place the following forms behind this divider page.</i></p>	<p><i>Please indicate:</i> X (enclosed) or NA (not applicable)</p>
AD 1049 Certification Regarding Drug Free Workplace Requirements (Grants) Alternative 1 – “For Grantees other than Individuals.”	
AD 1048 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tiered Covered Transactions	
Exhibit A-1 of 1940-Q Certification for Contracts, Grants and Loans - if the grant exceeds \$100,000.	
Form SF-LLL Disclosure of Lobbying Activities, must be completed if the applicant or borrower has made or agreed to make payment using funds other than Federal appropriated funds to influence or attempt to influence a decision in connection with the application.	
AD 1047 Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions	
Form 400-1 Equal Opportunity Agreement	
Form 400-4 Assurance Agreement	
Guide 6 - Certification Regarding Qualification For Simplified Grant Applications - 4280.114 (<i>this form is on the next page in this template</i>)	

**Certification Regarding Qualification
For Simplified Grant Applications
4280.114**

WHEREAS, _____

herein called the "Applicant", intends to obtain assistance from the United States of America, acting through the U.S. Department of Agriculture, herein called the "Government", acting under the provisions of the Renewable Energy Systems and Energy Efficiency Improvements Grant Program 4280-B regulations.

NOW THEREFORE, the Applicant hereby certifies the following simplified application criteria have been or will be met:

- (1) The applicant is eligible in accordance with 4280.112.
- (2) The project is eligible in accordance with 4280.113.
- (3) Total eligible project costs are \$200,000 or less. The total eligible project cost of my project is

(4) The proposed project will use commercially available renewable energy systems or energy efficiency improvements.

(5) Construction planning and performing development will be performed in compliance with 4280.119. The applicant or the applicant's prime contractor will assume all risks and responsibilities of project development.

(6) The applicant or the applicant's prime contractor is responsible for all interim financing.

(7) The proposed project is scheduled to be completed within 2 years after entering into a grant agreement. The Agency may extend this period if the Agency determines, at its sole discretion, that the applicant is unable to complete the project for reasons beyond the applicant's control.

(8) The applicant agrees not to request reimbursement from funds obligated under this program until after project completion, including all operational testing and certifications acceptable to the Agency.

IN ADDITION, the Applicant hereby certifies the following application processing and administration requirements have been met and/or are agreed to:

(1) Applications documents have been submitted in accordance with 4280.116, or if applying for a combined grant and loan, also in accordance with 4280.165(c).

(2) The applicant certifies that project development will follow 4280.119, except as follows:

_____ (i) The applicant will participate in project development without direct compensation subject to approval in writing by the prime contractor. All applicable construction practices, manufacturer instructions, and all safety codes and standards will be followed during construction and testing, and the work product must meet all applicable manufacture specifications, and all applicable codes and standards. The prime contractor will be responsible for the overall successful completion of the project including any work done by the applicant,

or

_____ (ii) The applicant can demonstrate to the Agency that the applicant has the necessary experience and other resources to successfully complete the project and may serve as the prime contractor/installer. Projects where the applicant serves as the prime contractor will secure the services of an independent, professionally responsible, qualified consultant to certify testing specifications, procedures, and testing results.

(3) The project is complete when the applicant has provided a written final project development, testing, and performance report acceptable to the Agency. Upon notification of receipt of an acceptable project completion report, the applicant may request grant reimbursement. The Agency reserves the right to observe the testing.

(4) National flood insurance is required, if applicable. Business interruption insurance is not required.

IN WITNESS WHEREOF, I have executed this certification on this _____ day of _____, 20____.

Name of Applicant

Authorized representative of Applicant

Tab C
Divider Page

Legal Organizational Documents 4280.116 (b) (1) (iii)

Tab D
Divider Page

Project Summary 4280.116 (b)(3)(i) through (v)

Title of the project	
Applicant Eligibility (as per 4280.109 & 4280.112)	
Project Eligibility (as per 4280.113)	
Operation Description	
Financial Information for Size Determination	
IRS forms	D-1
NAICS code information – if applying as a small business	D-2
Documentation of commercially available or pre-commercial technology	D-3
Third party contracts for management and maintenance <i>(if applicable)</i>	D-4
Evidence of site control	D-5

*An agricultural producer is an individual or entity directly engaged in the production of agricultural products, including crops (including farming); Livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby **50% or greater of their gross income** is derived from the operations.*

An entity is considered a small business in accordance with the Small Business Administrations (SBA) small business size standards by NAICS found in Title 13 CFR part 121. A private entity including a sole proprietorship, partnership, corporation, cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code), and an electric utility including a Tribal or governmental electric utility that provides service to rural consumers on a cost of service basis without support from public funds or subsidy from the government authority establishing the district, provided such utilities meet SBA's definition of small business. These entities must operate independent of direct Government control. With the exception of the entities described above, all other non-profit entities are excluded.

Rural Energy for America Program (REAP) Project Summary

Name of Applicant:

i. Title of Project:

ii. Applicant Eligibility (4280.109 & 4280.112)

(For any not applicable, mark N/A):

1. _____ **If applying as an Agricultural Producer** – more than 50% of the applicant’s income is from agricultural production. *Documentation is attached to show more than 50% of gross income is from the farming operation – first page of previous year income tax return and schedule F.*

_____ **If applying as a Rural Small Business** – the applicant’s business meets SBA small business size Standards <http://sba.gov/size/index.html>

The NAICS code for my business is _____.

The limitations of the NAICS code are _____.

How my business meets those limitations _____.

Documentation is attached to show how my business meets those limitations – if business size is based on annual sales one of the following:

IRS 1040 Schedule F

IRS 1040 Schedule C

IRS Form 1120

IRS Form 1120S

IRS Form 1065

2. _____ The applicant has no outstanding judgment obtained from the U.S. in a Federal court (other than in United States Tax Court), is not delinquent in the payment of federal income taxes or a federal debt, and has not been debarred from receiving federal assistance. (Answer yes or no).

3. The applicant _____ does or _____ does not have a known relationship or association with an Agency employee. If applicable, name and relationship of employee: _____

iii. Project Eligibility (4280.113)

(For any not applicable, mark N/A)

1. Type of Technology Renewable Energy or Energy Efficiency

The project description is:

2. _____ If this is a Flexible Fuel Pump project, is it a retail pump that combines and dispenses or dispenses a blended liquid transportation fuel? (Answer yes or no). How does the blended liquid transportation fuel, composed of one or more fuel type, meet the Renewable Fuel Standard? _____

How does the blended liquid transportation fuel result in a blended fuel that exceeds the Federal or State requirements, whichever are higher? _____

3. The project is for Commercially available and replicable technology
 Pre-Commercial and replicable technology

Pre-commercial technology – Technologies that have emerged through the research and development process and have technical and economic potential for commercial application, but are not yet commercially available.
Commercially available - A system that has a proven operating history specific to the proposed application. Such a system is based on established design, and installation procedures and practice. Professional service providers, trades, large construction equipment providers, and labor are familiar with installation procedures and practices. Proprietary and balance of system equipment and spare parts are readily available. Service is readily available to properly maintain and operate system. An established warranty exists for parts, labor, and performance.

Documentation is attached to support the commercial availability of the technology in my application.

4. _____ Does the project have technical merit? (*Answer yes or no*).
5. _____ Is the project located in a rural area, as defined in 4280.103? (*Answer yes or no*).
 The Project's address is _____.
 The most recent decennial population census of the project location is _____.
 The project _____ is or _____ is not located in an urbanized area.

The facility for which the project is being proposed must be located in a rural area, as defined in § 4280.103, in a State if the type of applicant is a rural small business, or in a rural or non-rural area in a State if the type of applicant is an agricultural producer. If the agricultural producer's facility is in a non-rural area, then the application can only be for renewable energy systems or energy efficiency improvements on integral components of or that are directly related to the facility, such as vertically integrated operations, and are part of and co-located with the agriculture production operation.

6. _____ Does the applicant have a place of business in a State? (*Answer yes or no*.)
7. The owner of the project is _____.
 Is the owner of the project the same entity as the applicant? _____ (*Answer yes or no*.)
 Is a third party going to be under contract to control revenues and expenditures and operate/maintain the project?
 _____ (*Answer yes or no*.)
8. _____ Will the applicant control the site where the project will be located for the financing term of any associated Federal loans or loan guarantees? (*Answer yes or no*.)
Documentation is attached of this control.
9. _____ Does the applicant have satisfactory sources of revenue in an amount sufficient to provide for the operation, management, maintenance, and debt service of the project – for the life of the project (*answer yes or no*).
10. _____ If this is a hydropower project, is its rated power of 30 megawatts or less, commonly referred to as “micro-hydropower” and “minihydropower”? (*Answer yes or no*.)
11. _____ Does the project have demonstrated technical feasibility? (*Answer yes or no*.)
12. _____ Will the renewable energy system or energy efficiency improvement, or portion thereof, be used for any residential purpose, including any residential portion of a farm, ranch, agricultural facility, or rural small business? (*Answer yes or no*.)

An applicant may apply for funding for the installation of a second meter or provide certification in the application that any excess power generated by the renewable energy system will be sold to the grid and will not be used by the applicant for residential purposes.

iv. Operation Description

1. Describe the applicant's total farm/ranch/business operation and the relationship of the proposed project to the applicant's total farm/ranch/business operation.

2. Provide a description of the ownership of the applicant, including a list of individuals and/or entities with ownership interest, names of any corporate parents, affiliates, and subsidiaries, as well as a description of the relationship, including products, between these entities.

v. Financial Information for Gross Income or Size Determination

(For any not applicable, mark N/A)

Attached is financial information to allow the Agency to determine the applicant's size. All information submitted under this paragraph has been substantiated by authoritative records. Financial size will determine the number of points the applicant is eligible for – for scoring criteria #6 – Small agricultural producer – or – Very Small Business. Voluntarily providing tax returns is one means of satisfying this requirement and providing documentation for scoring criteria #6.

IRS forms submitted are as follows (please check as applicable):

- IRS form 1120 – Corporation
- IRS form 1120S – “S” corporation
- IRS form 1065 – Partnership
- IRS Schedule F – Farming
- IRS Schedule C – Business
- IRS Form 1040

(A) Rural small businesses must provide sufficient information to determine total annual receipts for and number of employees of the business and any parent, subsidiary, or affiliates at other locations. The information provided must be sufficient for the Agency to make a determination of business size as defined by SBA.

Total Annual Receipts – The total income or gross income (sole proprietorship) plus cost of goods sold.

The applicant's determination of business size is as follows:

- _____ IRS form 1120 – Corporation – line 11 _____ IRS Schedule C – Business – line 7
- _____ IRS form 1120 S – “S” Corporation – line 6 _____ IRS Schedule F – Farming – lines 11
- _____ IRS form 1065 – Partnership – line 8

Documentation as to the number of employees is as follows:

or

(B) Agricultural producers: Provide the gross market value of your agricultural products, gross agricultural income, and gross non-farm income of the applicant for the calendar year preceding the year in which you submit your application.

The applicant's determination of business size is as follows:

- _____ IRS form 1120 – Corporation – line 1a _____ IRS Schedule C – Business – line 1
- _____ IRS form 1120 S – “S” Corporation – line 1a _____ IRS Schedule F – Farming – lines 3 & 4
- _____ IRS form 1065 – Partnership – line 1a

_____ Line 22 of IRS form 1040 + line 28 and 30 from Schedule C (gross non-farm income)

vi. Capacity of Energy Efficiency Improvements

(If not applicable, mark N/A)

For energy efficiency improvements - if the proposed improvement has a greater capacity than the existing equipment, the Agency will pro-rate the energy efficiency improvement's total eligible project costs based on the capacity of the existing equipment. Calculation: existing capacity / proposed capacity = % of the energy efficiency improvement's eligible project costs.

- _____ Existing capacity / _____ Proposed capacity = _____% of the eligible project costs
- _____ % of eligible project cost X _____ total project costs = _____ eligible project costs
- _____ Eligible project costs x 25% = _____ maximum grant award (should match SF 424)

Example. A business plans to build a new production line with a capacity of 625 units per hour to replace an existing production line that produces 500 units per hour. The total project costs of the new production line is \$20,000, of which \$15,000 would otherwise qualify as eligible project costs. However, because the new production line has a greater production capacity than the existing line (625 units per hour versus 500 units per hour), only a portion of the \$15,000 of otherwise eligible project costs would be used in determining total eligible project cost and the maximum grant assistance available. In this example, because the original capacity (500 units per hour) is 80 percent of the new capacity (625 units per hour), only 80 percent of the \$15,000 of otherwise eligible project costs associated with the new production line (*i.e.*, \$12,000) will be considered as total eligible project cost to be financed under this subpart. The maximum grant award in this example would be \$3,000, which is equal to \$12,000 x 25 percent.

The Applicant certifies that the statements made in this Project Summary are true to the best of their knowledge and has executed this certification on the _____ day of _____, 20_____

Name of Applicant

Printed Name of Authorized Representative of Applicant

Signature of Authorized Representative of Applicant

Tab E
Divider Page

Matching Funds Documentation 4280.116 (b) (5)

<p>A spreadsheet identifying sources of matching funds, amounts and status of matching funds. The spreadsheet will also include a directory of matching funds source contact information.</p>	
<p>Attach any applications, correspondence, or other written communication between applicant and matching fund source.</p> <p>The matching funds letter is not a letter of intent. It should be a <u>commitment</u> to the project for a specific amount of dollars.</p>	

Without specific statutory authority other Federal grant awards and applicant in-kind contributions cannot be used to meet the matching fund requirement.

Passive third-party equity contributions are acceptable for renewable energy system projects, including those that are eligible for Federal production tax credits, provided the applicant meets the requirements of § 4280.112.

Matching Funds Commitment Documentation Spreadsheet

	Source of Funds	Contact Name Phone, Fax Address	Dollars	Commitment Letter attached	
1	REAP Grant	Area Office Location	\$	Pending Award of Grant	
2	Guaranteed REAP Loan	Area Office Location	\$	Pending Award of G-loan	
3	Applicant funds	Applicant Name	\$		
4	Lending Institution Loan		\$		
5	Investor funds		\$		
6			\$		
7			\$		
			Total project cost	\$	(Should match total project cost on SF 424C located behind Tab A)

Tab F
Divider Page

Self Evaluation Score 4280.116 (b) (6)

Self-score the project using the evaluation criteria 4280.117 (c).
Guide 4 follows this divider page.

To justify the score, submit the total score along with appropriate calculations and attach documentation, or specific cross-references to information elsewhere in the application.

**Rural Energy for America Program
Evaluation Criteria Scoring Guideline
Per Interim Rule - 4280.117 (c)**

Name of Applicant: _____
Type of Technology: _____
Funding Request: _____

Final Grant Score (sum of Categories 1-9):

(1) Quantity of Energy Replaced, Produced, or Saved.

Points may only be awarded for one category (A, B, C or D).

(i) Energy replacement

If the proposed renewable energy system is intended primarily for self use by the agricultural producer or rural small business, and will provide energy replacement of:

Greater than 0 but equal to or less than 25%, award 5 points.	Points
Greater than 25%, but equal to or less than 50%, award 10 points.	
Greater than 50%, award 15 points.	
Determine energy replacement by dividing the estimated quantity of renewable energy to be generated over a 12 month period by the estimated quantity of energy consumed over the same 12 month period during the previous year by the applicable energy application. The estimated quantities of energy must be converted to British thermal units (BTU's), Watts, or similar energy equivalents to facilitate scoring. If the estimated energy produced equals more than 150% of the energy requirements of the applicable process(es), score the project as an energy generation project.	

Documentation in the file to substantiate the score for this category.

or

(ii) Energy Savings (include additional 5 points if applicable)

(1) If the estimated energy expected to be saved by the installation of the energy efficiency improvements will be from:

20% up to but not including 30%, award 5 points.	Points
30% up to but not including 35%, award 10 points.	
35% or greater, award 15 points.	
Energy savings will be determined by the projections in an energy assessment or audit. If capacity changes, savings should be pro-rated to similar size of existing equipment/facility.	

(2) Additional points.

If the project has total eligible project costs of <u>\$50,000 or less</u> AND opts to obtain a professional energy audit, award an additional 5 points.	Points
---	---------------

Documentation in the file to substantiate the score for this category.

or

(iii) Energy generation

If the proposed renewable energy system is intended primarily for production of energy for sale, award 10 points.	Points
--	---------------

Documentation in the file to substantiate the score for this category.

or

(iv) Flexible Fuel Pump(s)

If the proposed project is for one or more flexible fuel pumps, points will be awarded based on the overall percentage of proposed flexible fuel pumps to the applicant's total retail pump inventory at the facility. If the proposed flexible fuel pump percentage is:

5% or below, award 5 points.	Points
Above 5% and up to but not including 10%, award 10 points.	
10% or greater, award 15 points.	
The percentage of proposed flexible fuel pumps shall be calculated using the following equation: Equation: FFP% = (FFPx/ TP) x 100 FFP% = Proposed flexible fuel pump(s) percentage. FFPx = Number of proposed flexible fuel pumps to be installed at applicants facility. TP = Number of proposed pumps to be installed plus the number of pumps installed and operating at the facility.	

Documentation in the file to substantiate the score for this category.

(2) Environmental benefits

If the purpose of the proposed system contributes to the environmental goals and objectives of other Federal, State, or local programs, award 10 points.	Points
Award points only if the applicant provides documentation from an appropriate authority supporting this claim.	

Documentation in the file to substantiate the score for this category.

(3) Commercial availability

If the proposed system or improvement is currently commercially available and replicable, award 5 points.	Points
If the proposed system or improvement is commercially available and replicable and is also provided with a <u>5 year or longer warranty</u> providing the purchaser protection against system degradation or breakdown or component breakdown, award 10 points.	

Documentation in the file to substantiate the score for this category.

(4) Technical Merit (To be completed by the Agency or NREL)

Carry forward score from technical review sheet. Maximum score possible is 35 points.	Points
---	---------------

(5) Readiness

If the applicant has written commitments, prior to the Agency receiving the complete application, from the source(s) confirming commitment of:

50% up to but not including 75% of the matching funds, award 5 points.	Points
75% up to but not including 100% of the matching funds, award 10 points.	
100% of the matching funds, award 15 points.	

Documentation in the file to substantiate the score for this category.

(6) Small Agricultural Producer/Very Small Rural Business

If the applicant is an agricultural producer producing agricultural products with a gross market value of:

less than \$600,000 in the preceding year, award 5 points.	Points
less than \$200,000 in the preceding year, OR	
is a Very Small Rural Business as defined in 4280.103 (a business with less than 15 employees and less than \$1 million in annual receipts), award 10 points.	

Documentation in the file to substantiate the score for this category.

(7) Simplified application

If an applicant is eligible for and uses the simplified application process or if the project has total eligible project costs of \$200,000 or less, award 5 points.	Points
--	---------------

Documentation in the file to substantiate the score for this category.

(8) Previous grantees and borrowers

If the applicant has not been awarded a grant or loan under this program within the 2 previous Federal fiscal years, award 5 points.	Points
---	---------------

Documentation in the file to substantiate the score for this category.

(9) Simplified Payback

A maximum of 15 points will be awarded for either renewable energy systems or energy efficiency improvements; points will not be awarded for more than one category.

(i) Renewable energy systems, including flexible fuel pumps - if the simple payback of the proposed project is:

Less than 10 years, award 15 points.	Points
10 years up to but not including 15 years, award 10 points.	
15 years up to and including 20 years, award 5 points.	
Longer than 20 year, award 0 points.	

Documentation in the file to substantiate the score for this category (see 4/14/11 Interim Rule, 4280.103 Definitions, for complete Simple Payback criteria & calculations)

For **energy generation** projects, the calculation for simple payback is as follows =

$$\frac{\text{Total Project Costs (including REAP Grant) of \$}}{*(\text{Average Net Income (ANI) \$} + \text{Interest Expense \$} + \text{Depreciation Expense for the project \$})} = \text{yrs simple payback}$$

For **energy replacement**, the calculation for simple payback is as follows =

$$\frac{\text{Total Project Costs (including REAP Grant) of \$}}{\text{Dollar Value of Energy Generated \$}} = \text{yrs simple payback}$$

For **flexible fuel pumps**, the calculation for simple payback is as follows =

$$\frac{\text{Total Project Costs (including REAP Grant) of \$}}{*(\text{Increase in Net Income (INI) \$} + \text{Interest Expense \$} + \text{Depreciation Expense for the project \$})} = \text{yrs simple payback}$$

Or

(ii) Energy efficiency improvements - if the simple payback of the proposed project is:

If the proposed project will return the cost of investment in

Less than 4 years, award 15 points.	Points
4 years up to but not including 8 years, award 10 points.	
8 years up to 12 years, award 5 points.	
Longer than 12 years, award 0 points.	

Documentation in the file to substantiate the score for this category (see 4/14/11 Interim Rule, 4280.103 Definitions, for complete Simple Payback criteria & calculations)

For **energy efficiency improvement projects**, the calculation for simple payback is as follows =
Total Project Costs (including REAP Grant) of \$ *divided by Dollar Value of Energy Saved \$* = **yrs simple payback**

Note: EEI projects calculate savings based on similar size capacity. If capacity changes, savings pro-rated to similar size of existing equipment/facility.

See 4/14/11 Interim Rule, 4280.103 Definitions, for complete Simple Payback criteria & calculations.

(10) State Director and Administrator priorities and points.

State Director, for its State allocation under this subpart, or the Administrator, for making awards from the National Office reserve may award up 10 points.	Points
Points may be awarded if the application is for an underrepresented technology or for flexible fuel pumps or if selecting the application would help achieve geographic diversity. In no case shall an application receive more than 10 points under this criterion.	

Tab G

Divider Page

Energy Assessment or Audit (for Energy Efficiency Projects Only) 4280.116(b)(7)(i)(B)

For energy efficiency improvement projects with total eligible project costs greater than \$50,000, an energy audit must be conducted by or reviewed and certified by an energy auditor.

For energy efficiency improvement projects with total eligible project costs of \$50,000 or less, an energy assessment or an energy audit may be conducted by either an energy assessor or an energy auditor.

Energy audit – A report conducted by a Certified Energy Manager or Professional Engineer that focuses on potential capital-intensive projects and involves detailed gathering of field data and engineering analysis. The report will provide detailed project cost and savings information with a high level of confidence sufficient for major capital investment decisions. It will estimate costs, expected energy savings from the subject improvements, and dollars saved per year. The report will estimate weighted-average payback period in years.

Energy Assessment - A report conducted by an experienced energy assessor, certified energy manager or professional engineer assessing energy cost and efficiency by analyzing energy bills and briefly surveying the target building, machinery, or system. The report identifies and provides a savings and cost analysis of low-cost/no-cost measures. The report will estimate the overall costs and expected energy savings from these improvements, and dollars saved per year. The report will estimate weighted average payback period in years.

Tab H

Divider Page

Technical Report (required of every project)

4280.116 (b)(7)(i)(A) and (C)

The Technical Report for projects with total eligible project costs of \$200,000 or less must demonstrate that the project design, procurement, installation, startup, operation, and maintenance of the renewable energy system or energy efficiency improvement will operate or perform as specified over its design life in a reliable and a cost effective manner. The Technical Report must also identify all necessary project agreements, demonstrate that those agreements will be in place, and that necessary project equipment and services are available over the design life.

All technical information provided must follow the format specified in Sections 1 through 10 of this appendix. Supporting information may be submitted in other formats.

Design drawings and process flowcharts are encouraged as exhibits. A discussion of each topic is not necessary if the topic is not applicable to the specific project. Questions identified in the Agency's technical review of the project must be answered to the Agency's satisfaction before the application will be approved. Depending on the level of engineering required for the specific project or if necessary to ensure public safety, the services of a licensed professional engineer or a team of licensed professional engineers may be required.

All information provided in the Technical Report will be evaluated against the requirements provided in Appendix A of this subpart. Any Technical Report not prepared in the following format and in accordance with Appendix A, where applicable, will be penalized under scoring for technical merit.

Technical Report Requirements – Please consult Appendix A guidelines at http://www.rurdev.usda.gov/ia/rbcs_energy_ia_info.html	
(1) Qualifications of the project team -The applicant has described the project team service providers, their professional credentials, and relevant experience. The description supports that the project team service, equipment, and installation providers have the necessary professional credentials, licenses, certifications, or relevant experience to develop the proposed project.	
(2) Agreements and Permits -The applicant has described the necessary agreements and permits required for the project and the schedule for securing those agreements and permits.	
(3) Energy or Resource Assessment -The applicant has described the quality and availability of a suitable renewable resource, or an assessment of expected energy savings for the proposed system.	
(4) Design and Engineering -The applicant has described the design, engineering, and testing needed for the proposed project. The description supports that the system will be designed, engineered, tested so as to meet its intended purpose, ensure public safety, and comply with applicable laws, regulations, agreements, permits, codes, and standards.	
(5) Project Development Schedule -The applicant has described the development method including the key project development activities and the proposed schedule for each activity. The description identifies each significant task, its beginning and end, and its relationship to the time needed to initiate and carry the project through to successful completion. The description addresses grantee or borrower project development cash flow requirements.	
(6) Project Economic Assessment -The applicant has described the financial performance of the proposed project, including the calculation of simple payback. The description addresses project costs and revenues, such as applicable investment and production incentives and other information to allow the assessment of the project's cost effectiveness.	
(7) Equipment Procurement - The applicant has described the availability of the equipment required by the system. The description supports that the required equipment is available, and can be procured and delivered within the proposed project development schedule.	
(8) Equipment Installation -The applicant has described the plan for site development and system installation.	
(9) Operations and Maintenance -The applicant has described the operations and maintenance requirements of the system necessary for the system to operate as designed over the design life.	
(10) Dismantling and disposal of project components -The applicant has described the plan for dismantling and disposing of project components at the end of their useful lives and associated wastes.	