



State Energy Program Application Instructions



**Please submit to:
Iowa Office of Energy Independence
Attn: Sean Bagniewski
Wallace Building
502 E. 9th St
Des Moines, IA 50319**

PROGRAM PURPOSE

The State Energy Program (SEP) is funded by the federal government under the 2009 American Recovery & Reinvestment Act. It will be administered on behalf of the U.S. Department of Energy (DOE) by the Iowa Office of Energy Independence (OEI). This program seeks to increase energy efficiency implementation, to reduce reliance on imported energy, improve the reliability of electricity and fuel supply, and to reduce the impacts of energy production and use on the environment. The overriding goal for the program is to reduce per capita energy consumption by at least 25% of a state's 1990 per capita energy usage by 2012.

The full funding opportunity announcement for SEP under the Recovery Act can be found at www.grants.gov.

ELIGIBLE APPLICANTS

Public, non-profit, and private sector entities are eligible to apply to the Iowa Office of Energy Independence for SEP funding.

USE OF SEP FUNDS

SEP funding may be used for energy efficiency and renewable energy improvements for public, non-profit, and private sector facilities. Specific awards will also be made for technology demonstration projects, training and information projects, and innovative projects. Overall funding includes:

- \$17 million for public sector energy projects;
- \$2 million for technology demonstration projects;
- \$5 million for non-profit energy projects;
- \$7 million for private sector energy projects;
- Up to \$1 million for training and information projects; and
- Up to \$2 million for innovative projects.

Please note that these figures may change as the demand for each project category is determined. For instance, the amount of funding set aside for one category may be decreased and added to another category if it receives fewer applications than expected.

RANGE OF FUNDING AWARDS

For public sector energy projects and non-profit energy projects, there is no limit to the SEP funding that may be awarded. Although there is no limit, this funding will be awarded to as many worthy projects as is reasonably possible. Technology demonstration projects may receive up to \$250,000, although as much as \$500,000 may be allocated under limited circumstances. Private sector projects can receive up to 80% of the project's total cost, in an amount not to exceed \$750,000 per application. Training and information projects can receive up to \$100,000. Innovative projects may receive up to \$250,000, although as much as \$500,000 may be allocated under limited circumstances.

FEDERAL REQUIREMENTS

Recipients of SEP funding provided through the American Recovery and Reinvestment Act of 2009 must:

- Comply with the requirements of all applicable federal, state, and local laws, regulations, DOE policy and guidance;
- Ensure that any subcontractors or subgrantees comply with the requirements of all applicable federal, state, and local laws, regulations, DOE policy and guidance;
- Comply with all applicable anti-discrimination and equal opportunity statutes and regulations. These include but are not limited to Titles VI and VII of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; the Rehabilitation Act of 1973; the Fair Housing Act; the Fair Credit Reporting Act; the Home Mortgage Disclosure Act; the Americans with Disabilities Act; the Uniform Relocation Act; and the Age Discrimination Act of 1975;
- Comply with the National Environmental Policy Act, the National Historic Preservation Act, and related statutes, including requirements for plans and projects to be reviewed and documented in accordance with those processes;
- Comply with the False Claims Act;
- Ensure payment of not less than the prevailing wage under the Davis-Bacon Act to “all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act.”
- Ensure that iron, steel and manufactured goods are produced in the United States, when required;
- Ensure that Recovery Act funds are not used for gambling establishments, aquariums, zoos, golf courses, or swimming pools;
- Ensure that any technology deployed is market-ready and commercially-available;

- Ensure that funding will not be used for the purchase of land or for the construction of buildings;
- Ensure that the records for funding from sources other than the Recovery Act are kept separately;
- Grant full access to records by Inspectors General and the Government Accountability Office of the U.S. Congress;
- Provide all required reporting and allow all required information to be made publicly available;
- Protect whistleblowers and require prompt referral of evidence of a false claim to an appropriate inspector general;
- Ensure that Recovery Act funds will only be used to create new programs or expand existing programs, including ratepayer-funded programs, and not to supplant or replace existing state, ratepayer, or other funding.

Please note that this list of requirements may not be complete. Additional or different requirements may exist for specific situations or may be created in the future. OEI will make every effort to ensure that all appropriate information received is communicated to applicants.

The full funding opportunity announcement, which includes SEP requirements under the Recovery Act, can be found at www.grants.gov.

STATE REQUIREMENTS

Any information submitted to OEI for SEP funding is governed by Iowa's Public Records Law under Chapter 22 of the Iowa Code. Applicants should review this chapter before submitting any potentially confidential information because any information not deemed confidential will be available to the public. To request confidentiality, applicants must submit a request in writing stating the legal and factual basis for confidentiality and attach an additional SEP application with all potentially confidential information deleted.

Applicants must include an appropriate energy analysis (energy audit, technical engineering analysis, life cycle cost analysis, etc.) with all applications for building projects. This analysis will be used to verify the measurements and projections submitted for each application.

Additionally, recipients of SEP funds provided through the American Recovery and Reinvestment Act of 2009 must:

- Use fixed price contracts whenever possible;
- Ensure competitive bidding with fair and open competition;
- Provide quarterly, annual, and final reports to OEI on project progress in the form and manner required by OEI;

- Apply methodology provided or approved by OEI to identify and track all project or activity measurements required by OEI;
- Ensure that the recipient has, or will obtain, the ability to operate and maintain any funded improvements or projects;
- Agree to use the Energy Star Portfolio Manager software, or an alternative approved by OEI, if funds will be used for building projects; and
- Provide OEI access to the data from the Energy Star Portfolio Manager software, or from an alternative approved by OEI, if funds will be used for building projects;
- Grant full access to records by the Iowa Accountability and Transparency Board, OEI, and any other necessary state agency.

Please note that this list of requirements may not be complete. Additional or different requirements may exist for specific situations or may be created in the future. OEI will make every effort to ensure that all appropriate information received is communicated to applicants.

The Energy Star Portfolio Manager software can be found at www.energystar.gov.

ELIGIBLE PROJECTS

1. Public Sector Energy Projects

\$17 million will be provided for the buy-down of energy efficiency and renewable energy improvements for public sector entities. Individual improvements must pay for themselves within their useful life or achieve the lowest life cycle cost. Additionally, the aggregated payback for each project cannot be more than 20 years.

Applications for public sector energy projects will be evaluated according to the following criteria and the corresponding point system:

Criterion	Points
<input type="checkbox"/> Fund leveraging and budget reasonableness Funds have been leveraged from other sources (including local funding, utility programs, etc.) and the funding requested, when combined with other funding, is sufficient to complete the proposed project	10 = At least \$2 of other funding for each \$1 of Recovery funding 15 = At least \$5 of other funding for each \$1 of Recovery funding 20 = At least \$7 of other funding for

Criterion	Points
	each \$1 of Recovery funding
<input type="checkbox"/> Project impact The expected quantitative results in: <ul style="list-style-type: none"> ▪ number of jobs created; ▪ number of jobs retained; ▪ energy (kwh/therms/gallons/BTUs/etc.) saved; ▪ renewable energy installed capacity; ▪ renewable energy generated; ▪ greenhouse gas emissions reduced (CO2 equivalents) 	Up to 20
<input type="checkbox"/> Energy cost savings Dollars spent per energy savings (and/or renewable energy generated)	Up to 10
<input type="checkbox"/> Project comprehensiveness Project includes all cost-effective energy efficiency and renewable energy opportunities available	Up to 20
<input type="checkbox"/> Feasibility, readiness, and project schedule All necessary funding, plans, staff, contractors, and resources are in place to successfully begin and complete the project in the timeframes required	8 = project can be started by 9/30/2010 12 = project can be started by 4/1/2010 16 = project can be started by 12/31/2009 20 = project can be started by 9/30/2009
<input type="checkbox"/> Replicability and visibility Completed project will be replicable for other entities and/or will provide a significant example for other entities	Up to 5
<input type="checkbox"/> Administrative capability Applicant has the ability to provide all required project oversight, reporting, and financial accounting to ensure timely and accurate reporting	Up to 5

Criterion	Points
Total Points Possible	100

2. Technology Demonstration Projects

\$2 million will be provided in grants to public sector, non-profit, and private sector entities for technology demonstration projects. To be considered, projects should demonstrate creative uses of commercialized technologies or implement energy technologies that are not currently widely-used in Iowa. Examples include, but are not limited to: smart grid technology, rooftop solar systems, solar thermal water heating, and small wind systems for off-grid locations.

Applicants may request up to \$250,000 in their applications for technology demonstration projects. In limited circumstances, up to \$500,000 may be provided for some projects which maximize the criteria included below and which have a clear need for additional funding. Eligible facilities must be either owned by the entity or a long-term leasing agreement must be in place for it. If a long-term leasing agreement is in place, the entity must have paid the utility bills for the building for at least three years.

Applications for technology demonstration projects will be evaluated according to the following criteria and the corresponding point system:

Criterion	Points
<input type="checkbox"/> Fund leveraging and budget reasonableness Funds have been leveraged from other sources and the funding requested, when combined with other funding, is sufficient to complete the proposed project	10 = At least \$1 of other funding for each \$1 of Recovery funding 15 = At least \$3 of other funding for each \$1 of Recovery funding 20 = At least \$5 of other funding for each \$1 of Recovery funding
<input type="checkbox"/> Project impact The expected quantitative results in: <ul style="list-style-type: none"> ▪ number of jobs created; ▪ number of jobs retained; ▪ energy (kwh/therms/gallons/BTUs/etc.) saved; ▪ renewable energy installed capacity; 	Up to 10

Criterion	Points
<ul style="list-style-type: none"> ▪ renewable energy generated; ▪ greenhouse gas emissions reduced (CO2 equivalents) 	
<input type="checkbox"/> Energy cost savings Dollars spent per energy savings (and/or renewable energy generated)	Up to 10
<input type="checkbox"/> Project comprehensiveness Facility at which the project will be installed has implemented or will implement all cost-effective energy efficiency opportunities available	Up to 20
<input type="checkbox"/> Feasibility, readiness, and project schedule All necessary funding, plans, staff, contractors, and resources are in place to successfully begin and complete the project in the timeframes required	4 = project can be started by 9/30/2010 6 = project can be started by 4/1/2010 8 = project can be started by 12/31/2009 10 = project can be started by 9/30/2009
<input type="checkbox"/> Replicability and visibility Completed project will be replicable for other entities and/or will provide a significant example for other entities	Up to 25
<input type="checkbox"/> Administrative capability Applicant has the ability to provide all required project oversight, reporting, and financial accounting to ensure timely and accurate reporting	Up to 5
Total Points Possible	100

3. Non-profit Energy Projects

\$5 million will be provided in low-interest loans for the energy efficiency and renewable energy improvements of non-profit entities. Non-profit entities are all organizations designated as such under Section 501(c)(3) of the United States Internal Revenue

Code. Eligible facilities must be either owned by the non-profit entity or a long-term leasing agreement must be in place for it. If a long-term leasing agreement is in place, the non-profit entity must have paid the utility bills for the building for at least three years. Individual improvements must pay for themselves within their useful life or achieve the lowest life cycle cost. Additionally, the aggregated payback for each project cannot be more than 10 years.

Successful applicants will receive funding from a non-profit energy project revolving loan fund. At least \$2.5 million will be available from the revolving loan fund in the 2009 calendar year. A small fee will be charged for each approved project to compensate any expenses related to the administration of the revolving loan fund.

Applications for non-profit energy projects will be evaluated according to the following criteria and the corresponding point system:

Criterion	Points
<input type="checkbox"/> Fund leveraging and budget reasonableness Funds have been leveraged from other sources and the funding requested, when combined with other funding, is sufficient to complete the proposed project	15 = At least \$1 of other funding for each \$1 of Recovery funding 20 = At least \$2 of other funding for each \$1 of Recovery funding 30 = At least \$3 of other funding for each \$1 of Recovery funding
<input type="checkbox"/> Project impact The expected quantitative results in: <ul style="list-style-type: none"> ▪ number of jobs created; ▪ number of jobs retained; ▪ energy (kwh/therms/gallons/BTUs/etc.) saved; ▪ renewable energy installed capacity; ▪ renewable energy generated; ▪ greenhouse gas emissions reduced (CO2 equivalents) 	Up to 20
<input type="checkbox"/> Energy cost savings Dollars spent per energy savings (and/or renewable energy generated)	Up to 10
<input type="checkbox"/> Project comprehensiveness	

Criterion	Points
Facility at which the project will be installed has implemented or will implement all cost-effective energy efficiency opportunities available	Up to 20
<input type="checkbox"/> Feasibility, readiness, and project schedule All necessary funding, plans, staff, contractors, and resources are in place to successfully begin and complete the project in the timeframes required	4 = project can be started by 9/30/2010 6 = project can be started by 4/1/2010 8 = project can be started by 12/31/2009 10 = project can be started by 9/30/2009
<input type="checkbox"/> Replicability and visibility Completed project will be replicable for other entities and/or will provide a significant example for other entities	Up to 5
<input type="checkbox"/> Administrative capability Applicant has the ability to provide all required project oversight, reporting, and financial accounting to ensure timely and accurate reporting	Up to 5
Total Points Possible	100

4. Private Sector Energy Projects

\$7 million will be provided in low-interest loans for the energy efficiency and renewable energy improvements of private sector entities. Eligible facilities must be either owned by the private sector entity or a long-term leasing agreement must be in place for it. If a long-term leasing agreement is in place, the private sector entity must have paid the utility bills for the building for at least three years. Individual improvements must pay for themselves within their useful life or achieve the lowest life cycle cost. Additionally, the aggregated payback for each project cannot be more than 10 years.

Private sector entities must include some leveraging of funds or their application will not be considered. Successful applicants will receive funding from a private sector energy project revolving loan fund. At least \$3.5 million will be available from the revolving loan fund in the 2009 calendar year. Applications may be submitted for up to 80% of a project's total cost, in an amount not to exceed \$750,000 per application. A small fee

will be charged for each approved project to compensate any expenses related to the administration of the revolving loan fund.

Applications for private sector energy projects will be evaluated according to the following criteria and the corresponding point system:

Criterion	Points
<input type="checkbox"/> Fund leveraging and budget reasonableness Funds have been leveraged from other sources and the funding requested, when combined with other funding, is sufficient to complete the proposed project	15 = At least \$1 of other funding for each \$1 of Recovery funding 20 = At least \$2 of other funding for each \$1 of Recovery funding 30 = At least \$3 of other funding for each \$1 of Recovery funding
<input type="checkbox"/> Project impact The expected quantitative results in: <ul style="list-style-type: none"> ▪ number of jobs created; ▪ number of jobs retained; ▪ energy (kwh/therms/gallons/BTUs/etc.) saved; ▪ renewable energy installed capacity; ▪ renewable energy generated; ▪ greenhouse gas emissions reduced (CO2 equivalents) 	Up to 20
<input type="checkbox"/> Energy cost savings Dollars spent per energy savings (and/or renewable energy generated)	Up to 10
<input type="checkbox"/> Project comprehensiveness Facility at which the project will be installed has implemented or will implement all cost-effective energy efficiency opportunities available	Up to 20
<input type="checkbox"/> Feasibility, readiness, and project schedule All necessary funding, plans, staff, contractors, and resources are in place to successfully begin and complete the project in the timeframes required	4 = project can be started by 9/30/2010 6 = project can be started by 4/1/2010

Criterion	Points
	8 = project can be started by 12/31/2009 10 = project can be started by 9/30/2009
<input type="checkbox"/> Replicability and visibility Completed project will be replicable for other entities and/or will provide a significant example for other entities	Up to 5
<input type="checkbox"/> Administrative capability Applicant has the ability to provide all required project oversight, reporting, and financial accounting to ensure timely and accurate reporting	Up to 5
Total Points Possible	100

5. Training and Information Projects

\$1 million in grants will be available for training and information projects. Public sector, non-profit, and private sector entities may apply for up to \$100,000 to help fund projects which help implement the State Energy Program by increasing Iowa's capacity for energy efficiency and renewable energy improvements. Such projects must have some leveraging of funds or the application will not be considered. Additionally, OEI will work with Iowa Workforce Development to ensure that there is no duplication of efforts, that funding is used effectively, and that the state coordinates with existing programs.

Applications for training and information projects will be evaluated according to the following criteria and the corresponding point system:

Criterion	Points
<input type="checkbox"/> Fund leveraging and budget reasonableness Funds have been leveraged from other sources and the funding requested, when combined with other funding, is sufficient to complete the proposed project, while remaining cost-effective	10 = At least \$1 of other funding for each \$1 of Recovery funding 15 = At least \$2 of other funding for each \$1 of Recovery funding

Criterion	Points
	20 = At least \$3 of other funding for each \$1 of Recovery funding
<input type="checkbox"/> Project impact The expected quantitative results in: <ul style="list-style-type: none"> ▪ number of jobs created; ▪ number of jobs retained 	Up to 20
<input type="checkbox"/> Feasibility, readiness, and project schedule All necessary funding, plans, staff, contractors, and resources are in place to successfully begin and complete the project in the timeframes required	8 = project can be started by 9/30/2010 12 = project can be started by 4/1/2010 16 = project can be started by 12/31/2009 20 = project can be started by 9/30/2009
<input type="checkbox"/> Replicability and visibility Project will build capacity for more energy improvements in Iowa	Up to 20
<input type="checkbox"/> Technical capability Individuals responsible for training have experience providing applicable training and can provide results of their past efforts	Up to 15
<input type="checkbox"/> Administrative capability Applicant has the ability to provide all required project oversight, reporting, and financial accounting to ensure timely and accurate reporting	Up to 5
Total Points Possible	

6. Innovative Projects

\$2 million will be available for the buy-down of innovative projects which deal with energy efficiency or renewable energy. Public sector, non-profit, and private sector entities may all apply for these projects. Applicants should be prepared to justify the rationale for why their project could not fit under any of the other five categories. OEI reserves the sole discretion in making the final determination on these issues.

Applicants may request up to \$250,000 in their applications for innovative projects. In limited circumstances, up to \$500,000 may be provided for some projects which maximize the criteria included below and which have a clear need for additional funding.

Applications for innovative projects will be evaluated according to the following criteria and the corresponding point system:

Criterion	Points
<input type="checkbox"/> Fund leveraging and budget reasonableness Funds have been leveraged from other sources and the funding requested, when combined with other funding, is sufficient to complete the proposed project	10 = At least \$1 of other funding for each \$1 of Recovery funding 15 = At least \$3 of other funding for each \$1 of Recovery funding 20 = At least \$5 of other funding for each \$1 of Recovery funding
<input type="checkbox"/> Project impact The expected quantitative results in: <ul style="list-style-type: none"> ▪ number of jobs created; ▪ number of jobs retained; ▪ energy (kwh/therms/gallons/BTUs/etc.) saved; ▪ renewable energy installed capacity; ▪ renewable energy generated; ▪ greenhouse gas emissions reduced (CO2 equivalents) 	Up to 20
<input type="checkbox"/> Energy cost savings Dollars spent per energy savings (and/or renewable energy generated)	Up to 10
<input type="checkbox"/> Feasibility, readiness, and project schedule All necessary funding, plans, staff, contractors, and resources are in place to successfully begin	8 = project can be started by 9/30/2010

Criterion	Points
and complete the project in the timeframes required	12 = project can be started by 4/1/2010 16 = project can be started by 12/31/2009 20 = project can be started by 9/30/2009
<input type="checkbox"/> Replicability and visibility Completed project will be replicable for other entities and/or will provide a significant example for other entities	Up to 15
<input type="checkbox"/> Administrative capability Applicant has the ability to provide all required project oversight, reporting, and financial accounting to ensure timely and accurate reporting	Up to 5
Total Points Possible	100

DEADLINE

The deadline for SEP applications to be received by OEI is 5:00 PM Central Standard Time on August 12, 2009.

The deadline for any future rounds of SEP applications will be announced as required.

MODIFICATIONS

Any modifications to this application package will be posted at <http://www.energy.iowa.gov/ARRA09/SEP/modifications.html>. Applicants may receive updates for this and other Recovery programs by signing up for OEI's Recovery Updates.

ATTACHMENTS CHECKLIST

Please submit the original completed and signed application and three copies to the Iowa Office of Energy Independence. Please accompany the application with the following items:

- Documentation of 501(c)(3) designation for non-profit applicants, as required by #2 of the application
- Documentation of building ownership or a long-term leasing agreement, as required by #6 of the application
- Documentation of utility bill payments for at least three years, as required by #6 of the application
- Detailed cost estimates, as required by #7 of the application
- Documentation of all other funding sources, as required by #8 of the application
- An appropriate energy analysis (energy audit, technical engineering analysis, life cycle cost analysis, etc.), as required by #11 of the application
- Energy Star Portfolio Manager data and rating, as required by #11 of the application
- Documentation required for #12 of the application
- A resume and any other necessary information, as required by #15
- A written request for confidentiality with an additional application showing the deletion of all potentially confidential information, if necessary.