

**Energy Efficiency and Conservation Block Grant
Formula Grants to Smaller Jurisdictions
Frequently Asked Questions and Answers
September 10, 2009**

The following questions have been received by the Department of Commerce and answers provided at the July 2009 application workshops, through phone calls and emails, and through the September 10, 2009 webinar. This will be updated periodically for interested applicants on the agency web site.

Eligible Applicants

Q: We are a city less than 35,000 in population in a county that is receiving funds directly from DOE? Are we eligible to apply for EECBG funds from the Department?

A: Yes, you are eligible. Eligibility is based upon your population and not in which county you are located.

Q: If a city or a county has an appeal pending on whether they should be a direct recipient because they meet the population threshold, should they apply for grant funds from the Department?

A: Yes. They should proceed with their application. If they are successful in their appeal, they should notify the Department of Commerce and withdraw their application as soon as they receive notice of the decision.

Q: Can a jurisdiction apply to all three pots of EECBG – subgrants to smaller jurisdictions, grants for energy efficient transportation planning, and the Resource Conservation Manager program?

A: The smaller jurisdictions can apply for all three. The larger jurisdictions can only apply for energy efficient transportation planning and RCM.

Q: Do the tribes have funding set aside separate from this?

A: Yes. The federally-recognized tribes were awarded funding directly from DOE.

Q: Can counties subcontract with special districts, e.g., public utility districts or public development authorities?

A: Yes.

Q: Can a private entity who is partnering with multiple cities/counties apply in proxy on behalf of their jurisdictional partners?

A: No. An eligible city or county must be the lead to submit the application and manage the contract with Commerce.

Q: Is a public development authority an eligible applicant?

A: No. Only smaller cities with less than 35,000 population and counties with less than 200,000 are eligible to lead the application and contract with Commerce. However, eligible cities and

counties may subcontract with these entities consistent with the list of eligible activities and federal guidelines.

Application Partnerships

Q: If three cities work together to submit a joint application, would they submit jointly or separately?

A: They should submit one application with one of the cities as the lead applicant. The lead applicant city can subcontract with the other two cities.

Q: What if 10 cities and one PDA partner? Are all 10 cities considered lead applicants?

A: No. You must select a single lead applicant to represent the partnership and manage the contract with Commerce.

Q: If cities partner in an application, must they provide separate quarterly reports to the Department?

A: No. The lead applicant will be responsible for quarterly reporting to the Department. However, each partner receiving funds as a subcontractor will be required to provide the information for quarterly reports to the lead applicant for compilation and reporting to the Department. All requirements under the Recovery Act flow through to subcontractors.

Q: If jurisdictions choose to partner in an application, can each jurisdiction get \$135,000?

A: Yes. For example, if three cities apply for a grant they can get three times \$135,000 or \$135,000 each.

Q: Are points awarded for partnership with special districts, e.g., public utility districts or public development authorities?

A: No. Partnering credit can only be given to the applicant if the entity (or entities) is a city or county.

Q: Are jurisdictions required to establish interlocal agreements with their partners?

A: Yes. Some form of agreement is necessary. The agreement needs to require compliance with the Recovery Act and other requirements consistent with the contract with Commerce.

Q: Can a city with population over 35,000 partner with smaller eligible cities?

A: Yes. The larger city can be a partner, but it must use its own funds to partner. It cannot receive any funds through this grant program.

Q: Points are given for partnering. Are there any restrictions in mixing projects? I.e., retro fitting for one partner and a transportation project for the other partner?

A: While partnering on similar projects would be a good idea, there is no restriction in the guidelines on different partners having different projects.

Eligible Activities

Q: Would a city be eligible for an EECBG block grant to generate alternative energy for public use (by municipal offices, schools, public utilities such as street lights and traffic lights, public chargers for electric vehicles, etc.) by installing banks of wind turbines or solar panels installed on open public spaces such as parks, parking lots, our new Town Square, or playgrounds?

A: Yes, a city would be eligible to install renewable energy on land owned by the city if the energy generated were used for city-owned public facilities. However, you need to note that all projects will be scored based on how much energy is saved or generated by renewable energy. Also, you should be aware that installation of renewable energy in green fields would be most probably generate review of the project by the U.S. Department of Energy under the National Environmental Policy Act (NEPA). We are advising applicants that they need to take into account any delays under NEPA that might impact their ability to meet expenditure deadlines.

Q: A city is planning to use grant funds for a bike and pedestrian trail in the county that will link to a trail that runs through the city. The county is a direct recipient of EECBG formula funds and did not include the trail in its application to U.S. DOE. Can the city use grant funds for the trail in the county that links to the trail in the city?

A: Yes. Activity # 7.F. allows for state/locals/regional integrated planning activities (i.e. transportation, housing, environmental, energy, land use) with the goal of reducing greenhouse gas emissions and vehicle miles traveled.

Q: When weatherizing a building can you use grant funds for meeting other codes and requirements such as American Disabilities Act requirements?

A: No.

Q: What does the cap of 20% or \$250,000, whichever is greater, for the provision of subgrants to non-governmental organizations for the purpose of assisting in the implementation of the energy efficiency and conservation strategy of the applicant in the federal guidance apply to subgrants of \$135,000?

A: The 20% cap makes sense if grants cannot exceed \$135,000. With respect to subgrants for this purpose, no more than 20% should be used. There is no reason to allow the entire \$135,000 to be used for a subgrant for this specific purpose. For this reason, even though the federal guidance allows use of grants funds for this purpose up to \$250,000, the Department of Commerce is choosing to limit use of the grants to 20%. The federal guidance is based upon grants that exceed the Department's \$135,000 cap on grants.

Q: Does it matter if energy from renewable energy on a public building is net metered or put back into the grid?

A: No.

Q: Can you use the funds for a retrofit of the lighting in a building with a swimming pool?

A: No. The Recovery Act prohibits the use of funds for swimming pools, gambling establishments, aquariums, zoos, and golf courses. No funds can be used for any activity

whatsoever at a prohibited establishment. Any activities at facilities that are adjacent to any of the prohibited establishments and benefit any of the prohibited establishments are also prohibited. We realize this may make it difficult for large single facilities with indoor pools such as schools, but the Recovery Act is clear.

Q: What about the limit on the use of Block Grant funds for revolving loan funds of 20% or \$250,000, whichever is more?

A: Since the funding limit for the grant is \$135,000, and that is less than \$250,000, there is no limit on use of the funds for a revolving loan fund.

Q: Can EECBG funds be used for new construction?

A: Yes. Based on the method that the utilities would use in determining an incentive for a project, the analysis would look like this.

For a new project, including one that begins with a tear down, a city or county will need to fund all the construction costs to meet the state energy code. If the city or county includes measures that improve efficiency beyond the energy code requirements, the incremental cost of the additional energy efficiency achieved could be funded.

For example, improving the efficiency of water heating equipment above the baseline unit.

Energy code-compliant large commercial water heater: \$2200.

Condensing Water Heater: \$4100.

Utility funding: $4100 - 2200 = \$1900$.

Other measures that may be eligible if energy efficiency beyond the code will be achieved:

- Lighting, daylighting, lighting controls.
- Heat recovery ventilation.
- Energy efficient clothes washers.
- Space heating equipment.
- Building insulation.

Q: Can we use EECBG funds to acquire hybrid trucks for public works?

A: For the purchase of vehicles, only the delta (the difference between the cost of a non-hybrid vehicle and a hybrid vehicle of similar function and capacity) is eligible.

Q: What is an “RCM?”

A: Resource Conservation Manager or Resource Efficiency Manager. A Resource Conservation Manager (RCM) is a designated individual who supports a local government energy and resource efficiency program. The RCM’s sole focus is to bring about reductions in the expenditures for energy, water, natural gas, fuel oil, solid waste disposal and other utilities. This is done through improved use practices, greater attention to utility billings and the installation and use of

resource management equipment. For more details, visit <http://www.energy.wsu.edu/projects/rem/>

Q: Can we apply to RCM for a new hire and apply for EECBG funds for the project?

A: Yes. Just keep in mind that the RCM program being administered by WSU is limited to regional RCMs – RCMs shared by more than one jurisdiction. If you want to hire an RCM to work full time for your jurisdiction, you should apply for the EECBG for smaller cities and counties.

Q: We're estimating a \$1 million dollar project, but the energy efficiency component is for equipment replacement only, and not the entire project budget. Can we apply for that discrete portion?

A: Yes.

Q: Are wind power projects eligible?

A: Yes. The projects must be on public land and serve the local city or county jurisdiction. See Activity #13 on page 8 of the application guidelines.

Q: If the cost of the activity is over \$135,000, can we complete a portion of project while we seek more funding?

A: Yes. You still need to demonstrate energy savings for the first phase that is being funded.

Activity Plan

Q: Can you provide more detail on the activity plan requirement?

A: Show where you are in the process. Demonstrate that your team can meet the deadlines and successfully expend the funds by the required date.

Other activity funds (leveraging)

Q: Is there a match required?

A: No. But applicants will get points for providing their own funds or other funds as part of the project or program.

Q: Regarding other activity funds (leveraging), can a city or county use in-kind contribution of its own staff time?

A: Yes.

Q: What is the date of expenditure for funds that may be used for match (called “other funds” in the application guidelines)?

A: January 1, 2009.

Q: Can you use other federal funds with the Block Grant funds?

A: Yes. Other federal funds, including Recovery Act funds, can be used. However, other Block Grant funds from the RCM and Energy Efficiency through Transportation Planning cannot be used for leveraging these funds.

Q: Do energy efficiency rebates count as matching funds?

A: Yes. Energy efficiency rebates from local utilities are encouraged. But they must be committed.

Q: Can we use other block grant funds as a match?

A: No, you cannot use funds from the RCM or Energy Efficiency through Transportation Planning funds as a match. And keep in mind that any match must be secured funding, e.g., money that has already been awarded to you (not pending or speculative).

Job Retention or Creation

Q: We plan to install new energy efficient equipment. On the application, should we calculate maintenance-related time?

A: Yes. Include that information, but remember that this grant focuses on retaining and creating jobs. When applying, consider whether the project for which you seek funding would create a new hire or help retain an existing job.

Q: Regarding job creation, should we break out long-term and shorter term jobs, e.g., construction?

A: Please use the EECBG Estimated Expected Benefits Calculator provided by the U.S. Department of Energy for Washington State on the EECBG Solution Center Web site, www.eecbg.energy.gov/solutioncenter/applicationresources/default.html.

Energy Saving Calculation

Q: We've done an energy audit. Can we use this for the energy calculation application requirement?

A: Yes. Include your energy audit data, please also use the EECBG Estimated Expected Benefits Calculator provided by the U.S. Department of Energy for Washington State on the EECBG Solution Center Web site, www.eecbg.energy.gov/solutioncenter/applicationresources/default.html.

Q: I have hired a TRACE architectural software analysis for KW savings per year, is this information useful in the application?

A: Yes. Use the energy calculator on the web site referenced in the previous answer, but please also include this information in your application.

Q: We're using software to estimate energy savings. Can we use the data for our application?

A: Yes, per the two previous questions.

Q: We plan to hire an RCM, but we don't know what the energy savings will be. How do we address that in the application?

A: We will discuss this with Karen Messmer at WSU and provide an answer. It will be added to this Q and A.

Q: The Energy Efficiency through Transportation Planning (EETP) grant is similar in scope to the EECBG transportation elements. Can we use the anticipated benefits from EETP for the EECBG application?

A: No, because you would not know whether you will be receiving the EETP grant before you submit your application for the EECBG for smaller cities and counties.

Other Application Information

Q: Should we include information about or subcontractor(s) in the application?

A: Yes, if you have identified them. It is not required.

Allowable Costs

Q: The preliminary application guidelines state that costs incurred prior to the date of award will not be reimbursed. Is this the date of contract or the date of expenditure?

A: It is the date of the award of the contract, which is the date that the applicant is notified that they will be awarded funding.

Q: If a city partners with a school district, can the city, as lead, get funds for administrative expenses?

A: Yes.

Q: What percent should we use in the application when calculating administrative costs?

A: There is no set percent, but administrative costs must be reasonable. The Federal Office of Management and Budget Web site has more information on limits and requirements in circular [A-87, Cost principles for state agencies and local governments](#).

Q: Can consultant fees for work being done now such as development of the application and participation in this webinar be paid through this grant?

A: No, only work done by the consultant under contract after the EECBG award can be reimbursed with the grant.. Any consultant work completed before your contract goes into effect will not be reimbursable.

Supplanting

Q: If you choose to issue general obligation bonds as a part of the funding will grant funds be considered as supplanting because you could have funded the entire project with bonds?

A: No.

Scoring

Q: Will the Department be scoring projects separately or the application as a whole?

A: The application as a whole will be scored.

Q: What do you mean by “persistence of benefits”?

A: Energy savings, greenhouse gas emissions reduced, jobs created and other benefits that will persist beyond the Recovery Act funding period.

Q: Are the points for scoring on a sliding scale?

A: Yes.

Letters of Commitment

Q: Please provide more details on the letter of commitment.

A: The letter ensures that a responsible official understands the requirements of the grant program and commits to enter into a contract with Commerce.

Q: We have a signed resolution from our county commissioners. Can we use this as the letter of commitment?

A: Yes. The letter format is not critical. It must clearly state that a responsible official understands the requirements of the grant program and commits to enter into contract with Commerce.

Q: If several cities apply, do you require multiple commitment letters?

A: For applications with multiple partners, you must either submit separate letters from each, or a single letter with signatures from all partners.

Letters of Support

Q: Do we need letters of support for our application?

A: No. There will be no points awarded for letters of support. What is important are partners that provide funds for the project or program that leverage the grant funds.

Davis-Bacon Act

Q: If a project is being done by a city with their own staff, does Davis-Bacon apply?

A: Under most Davis-Bacon statutes, only employees of contractors or subcontractors are subject to Davis-Bacon wage requirements. In some instances, rather than contracting or subcontracting out construction work, a grant recipient performs the construction in house, with its own "force account" employees. Such force account work is not subject to Davis-Bacon wage requirements under statutes that cover only employees of contractors or subcontractors. However, we again recommend that you consult legal counsel pending further guidance from U.S. DOE.

Q: Regarding the Davis-Bacon Act. Would Commerce’s requirements supersede the jurisdiction’s?

A: The Davis-Bacon Act is a federal act.. The U.S Department of Labor has oversight; Commerce does not. Grantees will be responsible for compliance with the Davis-Bacon Act requirements pursuant to the Recovery Act.. For more information, visit www.dol.gov/compliance/laws/comp-dbra.htm.

Buy American

Q: Regarding the Buy American requirements, if funding is being invested in private weatherization is it considered a public project or public work?

A: We have not received specific guidance on this topic from the U.S Department of Energy (U.S. DOE). The interim rule issued by the Office of Management and Budget on April 23, 2009 defines “public project or public work” as follows.

(2) Public building and public work means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

We are still working on getting a specific answer to this question regarding private weatherization. You may want to consult legal counsel pending further guidance from U.S. DOE. In considering this issue, applicants should also think about whether the products that would be used to weatherize a home would create issues of compliance with the Buy America requirement – i.e. are they manufactured in the U.S.?

For a complete copy of the OMB interim rule, go to <http://edocket.access.gpo.gov/2009/pdf/E9-9073.pdf>

NEPA/SEPA Review

Q: Will there be NEPA coordination with SEPA?

A: Q: Is NEPA required?

A: It depends upon the activity. Please refer to the application guidelines and Attachment C to the guidelines for the list of activities that do not require NEPA review.

Coordinating NEPA with SEPA is encouraged. For more information, please refer to Attachment C to the Application Guidelines. The Governor’s Office of Regulatory Assistance is available to work with applicants.

Q: Does NEPA apply to code development?

A: No. According to the DOE guidance, it is categorically excluded.

Contract Guidance

Q: Is there going to be a guidance document for the public bid process? Is a contracting guidance document available?

A: There will be a contract guidance document that includes the federal requirements..

Commerce is working on that now. We will post it to our Web site and use it for the grant recipient training sessions. However, we are not aware of any federal guidance on procurements. It is our understanding from U.S. Department of Energy that local governments must follow their own procurement processes.

Miscellaneous

Q: When will EECBG awards be announced?

A: Most likely mid to late October, but it will depend on the number and scope of applications received.

Q: What is the larger strategy for these funds?

A: The Energy Efficiency and Conservation Strategy that the state submitted to U.S. DOE as part of its application on June 22. The Strategy is on the Commerce Recovery Act web site.

Q: We missed the August 17 application deadline. Can we still apply for EECBG funds?

A: Yes. EECBG applications are due September 30, 2009 at 5:00 pm. The August date you mentioned relates to the State Energy Program (SEP) Energy Efficiency and Renewable Energy Loan and Grant Program, an entirely different funding opportunity. For more information about SEP, visit www.commerce.wa.gov/site/526/default.aspx.