DEPARTMENT OF AGRICULTURE

Rural Business—Cooperative Service

Notice of Solicitation of Applications (NOSA) for Inviting Applications for Renewable Energy Systems and Energy Efficiency Improvements

Grants and Guaranteed Loans Under the Rural Energy for America Program

AGENCY: Rural Business—Cooperative Service, USDA.

ACTION: Notice.

SUMMARY: The Rural Energy for America Program, formerly section 9006 under the 2002 Farm Bill, is composed of several types of grants and guaranteed loan programs. These are: Guaranteed loans and grants for the development/construction of renewable energy systems and for energy efficiency improvement projects; grants for conducting energy audits; grants for conducting renewable energy development assistance; and grants for conducting renewable energy feasibility studies.

The Agency is implementing the Rural Energy for America Program (REAP) for Fiscal Year 2010 through the publication of three REAP notices:

- Renewable energy system and energy efficiency improvement grants and guaranteed loans;
- Energy audit and renewable energy development assistance grants; and
- Renewable energy feasibility study grants.

This REAP notice announces that Rural Business—Cooperative Service is accepting applications for fiscal year (FY) 2010 for the purchase of renewable energy systems and the making of energy efficiency improvements for agriculture producers and rural small businesses in eligible rural areas. The amount of funds available for renewable energy systems and energy efficiency improvements in FY 2010 will be approximately 88 percent of mandatory and discretionary funding. Funding will be available in the form of grants and loan guarantees. In addition to grants and loan guarantees, applicants may apply for combination loan guarantee and grant funding (combination package).

Lastly, the Agency intends to publish a proposed rule that will revise the current program at 7 CFR part 4280, subpart B to include renewable energy feasibility study grants, and that will add a new subpart C to address energy audit and renewable energy development assistance grants.

Together, these two subparts will represent the Rural Energy for America Program as authorized under section 9007 of the Farm Security and Rural Investment Act of 2002 as amended by section 9001 of the Food, Energy, and Conservation Act of 2008. The Agency anticipates publishing final regulations to operate the Rural Energy for America Program in fiscal year 2011.

DATES: Complete applications under this Notice must be received by the appropriate USDA Rural Development State Office no later than 4:30 local time on June 30, 2010. Neither complete nor incomplete applications received after this date and time will be considered for funding in FY 2010, regardless of the postmark on the application.

ADDRESS: Application materials may be obtained by contacting one of Rural Development’s Energy Coordinators or by downloading through http://www.grants.gov.

Submit electronic applications at http://www.grants.gov, following the instructions found on this Web site. To use Grants.gov, all applicants (unless the applicant is an individual) must have a Dun and Bradstreet Data Universal Numbering System (DUNS) number, which can be obtained at no cost via a toll-free request line at 1–866–705–7111 or online at http://fedgov.dnb.com/webform. Submit completed paper applications to the Rural Development State Office in the State in which the applicant’s proposed project is located.

Rural Development Energy Coordinators

Note: Telephone numbers listed are not toll-free.

Alabama
Quinton Harris, USDA Rural Development, Sterling Centre, Suite 601, 4121 Carmichael Road, Montgomery, AL 36106–3683, (334) 270–3623, Quinton.Harris@al.usda.gov

Alaska
Dean Stewart, USDA Rural Development, 800 West Evergreen, Suite 201, Palmer, AK 99645–6539, (907) 761–7722, dean.stewart@ak.usda.gov

American Samoa (See Hawaii)

Arizona
Arkansas
Tim Smith, USDA Rural Development, 700 West Capitol Avenue, Room 3416, Little Rock, AR 72201–3225, (501) 301–3280, Tim.Smith@ar.usda.gov

California
Philip Brown, USDA Rural Development, 430 G Street, #4169, Davis, CA 95616, (530) 792–5811. Phil.brown@ca.usda.gov

Colorado
April Dahlager, USDA Rural Development, 655 Parfet Street, Room E–100, Lakewood, CO 80215, (720) 544–2909, april.dahlager@co.usda.gov

Commonwealth of the Northern Mariana Islands—CMI (See Hawaii)

Connecticut (See Massachusetts)

Delaware/Maryland
Bruce Weaver, USDA Rural Development, 1221 College Park Drive, Suite 200, Dover, DE 19904, (302) 857–3626, Bruce.Weaver@de.usda.gov

Federated States of Micronesia (See Hawaii)

Florida/Virgin Islands
Joe Mueller, USDA Rural Development, 4440 NW 25th Place, Gainesville, FL 32606, (352) 338–3482, joe.mueller@fl.usda.gov

Georgia
J. Craig Scroggs, USDA Rural Development, 111 E. Spring St., Suite B, Monroe, GA 30655, Phone 770–267–1413 ext. 113, craig.scroggs@ga.usda.gov

Guam (See Hawaii)

Hawaii/Guam/Republic of Palau/Federated States of Micronesia/Republic of the Marshall Islands/America Samoa/Commonwealth of the Northern Marianas Islands—CMI

Tim O’Connell, USDA Rural Development, Federal Building, Room 311, 154 Waiannuenue Avenue, Hilo, HI 96720, (808) 933–8313, Tim.OConnell@hi.usda.gov

Idaho
Brian Buch, USDA Rural Development, 9173 W. Barnes Drive, Suite A1, Boise, ID 83709, (208) 378–5623, Brian.Buch@id.usda.gov

Illinois
Molly Hammond, USDA Rural Development, 2118 West Park Court, Suite A, Champaign, IL 61821, (217) 485–6210, Molly.Hammond@il.usda.gov

Indiana
Jerry Hay, USDA Rural Development, 5975 Lakeside Boulevard, Indianapolis, IN 46278, (317) 873–1100, Jerry.Hay@in.usda.gov

Iowa
Teresa Bomhoff, USDA Rural Development, 873 Federal Building, 210 Walnut Street, Des Moines, IA 50309, (515) 284–4447, teresa.bomhoff@ia.usda.gov

Kansas
David Kramer, USDA Rural Development, 1303 SW First American Place, Suite 100, Topeka, KS 66604–4040, (785) 271–2730, david.kramer@ks.usda.gov

Kentucky
Scott Maas, USDA Rural Development, 771 Corporate Drive, Suite 200, Lexington, KY 40503, (859) 224–7435, scott.maas@ky.usda.gov

Louisiana
Kevin Boone, USDA Rural Development, 905 Jefferson Street, Suite 320, Lafayette, LA 70501, (337) 262–6601, Ext. 133, Kevin.Boone@la.usda.gov

Maine
John F. Sheehan, USDA Rural Development, 967 Illinois Avenue, Suite 4, P.O. Box 405, Bangor, ME 04402–0405, (207) 990–9168, john.sheehan@me.usda.gov

Maryland (See Delaware)

Massachusetts/Rhode Island/Connecticut
Charles W. Dubuc, USDA Rural Development, 451 West Street, Suite 2, Amherst, MA 01002, (413) 826–0842 X 306, Charles.Dubuc@ma.usda.gov

Michigan
Traci J. Smith, USDA Rural Development, 3001 Coolidge Road, Suite 200, East Lansing, MI 48823, (517) 324–5157, Traci.Smith@mi.usda.gov

Minnesota
Lisa L. Noty, USDA Rural Development, 1400 Main West Main Street, Albert Lea, MN 56007, (507) 373–7960 Ext. 120, lisa.noty@mn.usda.gov

Mississippi
G. Gary Jones, USDA Rural Development, Federal Building, Suite 831, 100 West Capitol Street, Jackson, MS 35269, (601) 965–5457, george.jones@ms.usda.gov

Missouri
Matt Moore, USDA Rural Development, 601 Business Loop 70 West Parkade Center, Suite 235, Columbia, MO 65203, (573) 876–9321, matt.moore@mo.usda.gov

Montana
John Guthmiller, USDA Rural Development, 900 Technology Blvd., Unit 1, Suite B, P.O. Box 850, Bozeman, MT 59771, (406) 585–2540, John.Guthmiller@mt.usda.gov

Nebraska
Debra Yocum, USDA Rural Development, 100 Centennial Mall North, Room 152, Federal Building, Lincoln, NE 68508, (402) 437–5554, Debra.Yocum@ne.usda.gov

Nevada
Herb Shedd, USDA Rural Development, 1390 South Curry Street, Carson City, NV 89703, (775) 887–1222, herb.shedd@nv.usda.gov

New Hampshire (See Vermont)

New Jersey
Victoria Fekete, USDA Rural Development, 8000 Midland Drive, 5th Floor North, Suite 500, Mt. Laurel, NJ 08054, (856) 787–7752, Victoria.Fekete@nj.usda.gov

New Mexico
Jesse Bopp, USDA Rural Development, 6200 Jefferson Street NE, Room 255, Albuquerque, NM 87109, (505) 761–4952, Jesse.Bopp@nm.usda.gov

New York
Scott Collins, USDA Rural Development, 9025 River Road, Marcy, NY 13403, (315) 736–3316 Ext. 4, scott.collins@ny.usda.gov

North Carolina

North Dakota
Dennis Rodin, USDA Rural Development, Federal Building, Room 208, 220 East Rosser Avenue, P.O. Box 1737, Bismarck, ND 58502–1737, (701) 530–2068, Dennis.Rodin@nd.usda.gov

Ohio
Randi Monheimius, USDA Rural Development, Federal Building, Room 507, 200 North High Street, Columbus, OH 43215–2418, (614) 255–2424, Randi.Monheimius@oh.usda.gov

Oklahoma
Jody Harris, USDA Rural Development, 100 USDA, Suite 108, Stillwater, OK 74074–2654, (405) 742–1036, Jody.harris@ok.usda.gov

Oregon
Don Hollis, USDA Rural Development, 200 SE Hailey Ave, Suite 105, Pendleton, OR 97801, (541) 278–8049, Ext. 129, Don.Hollis@or.usda.gov

Pennsylvania
Bernard Linn, USDA Rural Development, One Credit Union Place, Suite 330, Harrisburg, PA 17110–2996, (717) 237–2182, Bernard.Linn@pa.usda.gov

Puerto Rico

Republic of Palau (See Hawaii)

Republic of the Marshall Islands (See Hawaii)

Rhode Island (See Massachusetts)

South Carolina
Shannon Legree, USDA Rural Development, Strom Thurmond Federal Building, 1835 Assembly Street, Room 1007, Columbia, SC 29021, (803) 253–3150, Shannon.Legree@sc.usda.gov

South Dakota
Douglas Roehl, USDA Rural Development, Federal Building, Room 210, 200 4th Street, SW., Huron, SD 57350, (605) 352–6210, doug.roehl@sd.usda.gov

Tennessee
Will Dodson, USDA Rural Development, 3322 West End Avenue, Suite 300,
Nashville, TN 37203–1084, (615) 783–1350, will.dodson@tn.usda.gov

Texas
Daniel Torres, USDA Rural Development, Federal Building, Suite 102, 101 South Main Street, Temple, TX 76501, (254) 742–9756, Daniel.Torres@tx.usda.gov

Utah
Roger Koon, USDA Rural Development, Wallace F. Bennett Federal Building, 125 South State Street, Room 4311, Salt Lake City, UT 84138, (801) 524–4301, Roger.Koon@ut.usda.gov

Vermont/New Hampshire
Cheryl Ducharme, USDA Rural Development, 89 Main Street, 3rd Floor, Montpelier, VT 05602, 802–828–6083, cheryl.ducharme@vt.usda.gov

Virginia
Laurette Tucker, USDA Rural Development, Culpeper Building, Suite 238, 1606 Santa Rosa Road, Richmond, VA 23229, (804) 287–1594, Laurette.Tucker@va.usda.gov

Virgin Islands (See Florida)
Washington
Mary Traxler, USDA Rural Development, 1835 Black Lake Blvd. SW., Suite B, Olympia, WA 98512, (360) 704–7762, Mary.Traxler@wa.usda.gov

West Virginia

Wisconsin
Brenda Heinen, USDA Rural Development, 4949 Kirschling Court, Stevens Point, WI 54481, (715) 345–7615, Ext. 139, Brenda.Heinen@wi.usda.gov

Wyoming
Jon Crabtree, USDA Rural Development, Dick Cheney Federal Building, 100 East B Street, Room 1005, P.O. Box 11005, Casper, WY 82602, (307) 233–6719, Jon.Crabtree@wy.usda.gov

FOR FURTHER INFORMATION CONTACT: For information about this Notice, please contact the USDA Rural Development-Energy Division, Program Branch, STOP 3225, Room 6870, Independence Avenue, SW., Washington, DC 20250–3225, Telephone: (202) 720–1400.

For assistance on this program, please contact the applicable Rural Development Energy Coordinator, as provided in the ADDRESSES section of this notice.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act
In accordance with the Paperwork Reduction Act of 1995, the information collection requirements associated with renewable energy system and energy efficiency improvement grants and guaranteed loans, as covered in this REAP notice, has been approved by the Office of Management and Budget (OMB) under OMB Control Number 0570–0050.

The information collection requirements associated with energy audit and renewable energy development assistance grants and with renewable energy feasibility study grants, which will be addressed in their respective REAP notices, have also been approved by OMB under OMB Control Number 0570–0059 and OMB Control Number 0570–0061, respectively. When the Agency publishes the proposed rule for REAP, it will consolidate the information collection requirements associated with this REAP notice and the other two REAP notices into a single information collection package for OMB approval.

Overview Information

Federal Agency Name. Rural Business-Cooperative Service.


Announcement Type. Initial announcement.

Catalog of Federal Domestic Assistance (CFDA) Number. This program is listed in the Catalog of Federal Domestic Assistance under Number 10.666.

Dates. All applications must be completed and received in the appropriate United States Department of Agriculture (USDA) State Rural Development Office no later than 4:30 p.m. local time June 30, 2010, in order to be considered for funding in FY 2010. Applications received after 4:30 p.m. local time June 30, 2010, regardless of the application’s postmark, will not be considered for funding in FY 2010.


I. Funding Opportunity Description

A. Purpose. This Notice is issued pursuant to section 9001 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill), which amends Title IX of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) and establishes the Rural Energy for America Program under section 9007 thereof. The program is designed to help agricultural producers and rural small businesses reduce energy costs and conserve and help meet the Nation’s critical energy needs. The 2008 Farm Bill mandates the maximum percentages of funding that USDA Rural Development will provide. Within the maximum funding amounts specified in this Notice, funding approved for guaranteed loan only requests and for combination guaranteed loan and grant requests will not exceed 75 percent of eligible project costs, with the grant portion not to exceed 25 percent of eligible project costs, whether the grant is part of a combination request or is a stand-alone grant.

B. Statutory Authority. This program is authorized under Title IX, Section 9001, of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110–246).

C. Definition of Terms. The following terms and the terms defined in 7 CFR part 4280 are applicable to this Notice. If this Notice and 7 CFR part 4280 both define the same term, that term shall have the meaning provided in this Notice.


Departmental regulations. The regulations of the Department of Agriculture’s Office of Chief Financial Officer (or successor office) as codified in 7 CFR parts 3000 through 3099, including but not necessarily limited to 7 CFR parts 3015 through 3019, 7 CFR part 3021, and 7 CFR part 3052, and successor regulations to these parts.

E EI. Energy efficiency improvement.

Hydroelectric energy. Electrical energy created by use of various types of moving water including, but not limited to, diverted run-of-river water, in-stream run-of-river water, and in-conduit water.

Hydropower. Energy created by hydroelectric or ocean energy.

Ocean Energy. Energy created by use of various types of moving water including, but not limited to, tidal, wave, current, and thermal changes.

Rated power. The amount of energy that can be created at any given time.

Renewable biomass. (i) Materials, pre-commercial thinnings, or invasive species from National Forest System land and public lands (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)) that:

(A) Are byproducts of preventive treatments that are removed to reduce hazardous fuels; to reduce or contain disease or insect infestation; or to restore ecosystem health;

(B) Would not otherwise be used for higher-value products; and

(ii) Materials harvested in accordance with applicable law and land management plans and the requirements for old-
growth maintenance, restoration, and management direction of paragraphs (e)(2), (e)(3), and (e)(4) and large-tree retention of subsection (f) of section 102 of the Healthy Forests Restoration Act of 2003 (16 U.S. C. 6512); or
(ii) Any organic matter that is available on a renewable or recurring basis from non-Federal land or land belonging to an Indian or Indian tribe that is held in trust by the United States or subject to a restriction against alienation imposed by the United States, including:
(A) Renewable plant material, including feed grains; other agricultural commodities; other plants and trees; and algae; and
(B) Waste material, including crop residue; other vegetative waste material (including wood waste and wood residues); animal waste and byproducts (including fats, oils, greases, and manure); and food waste and yard waste.
Renewable energy. Energy derived from:
(i) A wind, solar, renewable biomass, ocean (including tidal, wave, current, and thermal), geothermal or hydroelectric source; or
(ii) Hydrogen derived from renewable biomass or water using wind, solar, ocean (including tidal, wave, current, and thermal), geothermal or hydroelectric energy sources.

RES. Renewable energy system.
Small hydropower. A hydropower project for which the rated power of the system is 30 megawatts or less.

State. Any of the 50 states of the United States, the Commonwealth of Puerto Rico, the District of Columbia, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands.

II. Funding Information

A. Available Funds. The amount of funds available for renewable energy systems and energy efficiency improvements in FY 2010 will be approximately 88 percent of mandatory and discretionary funding made available for this REAP notice under the Rural Energy for America Program.

Based on the quality of the applications received under this REAP notice, the Agency reserves the right, at its discretion, to move funds from this notice to fund applications received under the other two REAP notices. Conversely, the Agency may, at its discretion, move money for the other two REAP notices to fund applications received under this REAP notice. The Agency’s ability to move funds is subject to the limitation contained in section 9007(c)(3)(B) of 2002 Farm Bill, which limits funding for feasibility studies to not exceed more than 10 percent of the funds made available to carry out the total amount made available under this REAP notice and the feasibility study REAP notice.

B. Number of Awards. The number of awards will depend on the number of eligible applicants participating in this program.

C. Grant Funding Limitations. For the purposes of this Notice, the maximum amount of grant assistance to one individual or entity will not exceed $750,000 for FY 2010 based on the total amount of renewable energy system, energy efficiency improvement, and renewable energy feasibility study grants awarded to the individual or entity under the Rural Energy for America Program. In order to ensure that small projects have a fair opportunity to compete for the funding and consistent with the priorities set forth in the statute, the Agency will not use less than 20 percent of the funds allocated for grants of $20,000 or less.

D. Types of Instrument. Grant, guaranteed loan, and grant/guaranteed loan combinations.

III. Application Submission Information

Applicants seeking to participate in this program must submit applications in accordance with this Notice and 7 CFR part 4280, as applicable. Applicants must submit complete applications in order to be considered. Note that for the Agency to consider an application, the application must include all environmental review documents with supporting documentation in accordance with 7 CFR part 1940 subpart G.

A. Where To Obtain Applications

Applicants may obtain applications from the applicable Rural Development Energy Coordinator, as provided in the ADDRESSES section of this Notice. In addition, for grant applications, applicants may access the electronic grant application for the Rural Energy for America Program at http://www.Grants.gov. To locate the downloadable application package for this program, the applicant must use the program’s CFDA Number (i.e., 10.868) or FedGrants Funding Opportunity Number, which can be found at http://www.Grants.gov. To use Grants.gov, all applicants must have a Dun and Bradstreet Universal Numbering System (DUNS) number (unless the applicant is an individual), which can be obtained at no cost via a toll-free request line at 1–866–705–5711 or online at http://fedgov.dnb.com/webform.

B. When To Submit

Submit applications to the appropriate USDA Rural Development State Office. All applications must be received at the appropriate State Office by 4:30 p.m. local time on June 30, 2010 to be considered for funding in FY 2010. Applications are competed and funded periodically at times determined by each State Office. Applicants are encouraged to contact the appropriate Energy Coordinator to determine when their State intends to make awards. Applications received at the appropriate State Office after 4:30 p.m. local time on June 30, 2010 will not be considered for funding in FY 2010. Applications received after the deadline date will compete in FY 2011.

C. Where To Submit

All applications are to be submitted to the Rural Development Energy Coordinator in the State in which the applicant’s proposed project is located. A list of Rural Development Energy Coordinators is provided in the ADDRESSES section of this Notice. Alternatively, for grants, applicants may submit applications to the Agency via the Grants.gov Web site.

D. How To Submit

Applicants may submit applications either as hard copy or electronically as specified in the following paragraphs. When submitting an application as hard copy, applicants must submit one original and one copy of the complete application.

(1) Grant applications. Grant applications may be submitted either as hard copy to the appropriate Rural Development Energy Coordinator or electronically using the government-wide Grants.gov Web site. Users of Grants.gov who download a copy of the application package may complete it off line and then upload and submit the application via the Grants.gov site, including all information typically included on the application, and all necessary assurances and certifications. After electronically submitting an application through the Web site, the applicant will receive an automated acknowledgement from Grants.gov that contains a Grants.gov tracking number.

(2) Guaranteed loan applications. Guaranteed loan only applications (i.e., those that are not part of a guaranteed loan/grant combination request) must be submitted as hard copy.
(3) Guaranteed loan/grant combination applications. Applications for guaranteed loans/grants (combination applications) must be submitted as hard copy.

E. Other Submission Requirements and Information

(1) Application restrictions. Applicants can apply for only one renewable energy system project and one energy efficiency improvement project in FY 2010. A renewable energy system application cannot be submitted in FY 2010 if a Rural Energy for America Program feasibility study grant application has also been submitted in FY 2010 for the same renewable energy system project.

(2) Eligibility considerations. Eligibility is limited to projects that:

(i) have completed the environmental review process according to 7 CFR 4280.114(d);
(ii) have demonstrated project eligibility according to 7 CFR 4280.108;
(iii) have demonstrated technical feasibility; and
(iv) have submitted complete applications.

(3) Grants.gov. When you enter the Grants.gov site, you will find information about submitting an application electronically through the site as well as the hours of operation. USDA Rural Development strongly recommends that applicants do not wait until the application deadline date to begin the application process through Grants.gov.

(4) Original signatures. USDA Rural Development may request that the applicant provide original signatures on forms submitted through Grants.gov at a later date.

(5) Intergovernmental review. The Rural Energy for America Program is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials.

(6) Award considerations. In determining the amount of a loan guarantee or grant provided, the Agency shall take into consideration the following six criteria:

(i) The type of renewable energy system to be purchased;
(ii) The estimated quantity of energy to be generated by the renewable energy system;
(iii) The expected environmental benefits of the renewable energy system;
(iv) The quantity of energy savings expected to be derived from the activity, as demonstrated by an energy audit;
(v) The estimated period of time for the energy savings generated by the activity to equal the cost of the activity; and
(vi) The expected energy efficiency of the renewable energy system.

F. Hydropower Eligibility

For the purposes of this Notice, only hydropower projects with a rated power of 30 megawatts or less are eligible. The Agency refers to these hydropower sources as “small hydropower,” which includes hydropower projects commonly referred to as “micro-hydropower” and “mini-hydropower.”

IV. Program Provisions

This section of the Notice identifies what information renewable energy system and energy efficiency improvement (RES/EEI) applications are to contain, funding limitations, and other submission requirements and award information. Except as provided in this Notice, RES/EEI applications are to follow the provisions specified in 7 CFR part 4280, subpart B.

A. Project Eligibility

(1) The project eligibility requirements specified in 7 CFR 4280.108 apply to applications submitted under this Notice. The Agency notes that energy efficiency improvements to existing renewable energy systems are eligible energy efficiency improvement projects.

(2) In addition to the requirements specified in 7 CFR 4280.108, no renewable energy system or energy efficiency improvement, or portion thereof, can be used for any residential purpose, including any residential portion of a rural small business, farm, ranch, or agricultural facility. However, 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.

B. Applications

In addition to the requirements found in 7 CFR 4280, subpart B, the following also applies to applications submitted under this Notice.

(1) One funding type applications. Only one type of funding application (grant-only, guaranteed loan-only, or guaranteed loan/grant combination) for each project can be submitted.

(2) Environmental information. Each application must include all environmental review documents with supporting documentation in accordance with 7 CFR part 1940, subpart G.

(3) Foreign technology. As stated in 7 CFR 4280.108, projects must be for a pre-commercial or commercially available technology. The definition of “pre-commercial” and “commercial” are at 7 CFR 4280.103. The Agency’s position is that if the system is currently commercially available only outside the United States (U.S.), then applicants must provide authoritative evidence of the foreign operating history, performance, and reliability in order to address the proven operating history identified in the definition. “Commercial” applicants must provide evidence that professional service providers, trades, large construction equipment providers and labor are readily available domestically and familiar with installation procedures and practices, and spare parts and service are readily available in the U.S. to properly maintain and operate the system. All warranties must be valid in the U.S.

(4) Commercial application demonstration of pre-commercial technologies. In accordance with the definition of “pre-commercial” technology found in 7 CFR 4280.103, technical and economic potential for commercial application must be demonstrated to the Agency. In order to demonstrate the system has emerged through research and development as well as the demonstration process, applicants must provide authoritative evidence of the operating history, performance, and reliability past completion of start-up, shake-down, and commissioning. Typically, and in line with financial and operating performance evaluation protocol, the documented operating history, which may be established domestically or outside the U.S., should provide performance data for a minimum of 12 months. The time period will address the economic and technical performance potential of the pre-commercial technology, as defined in 7 CFR 4280.103. Lastly, in accordance with demonstrating the potential for commercial application, applicants must provide evidence that professional service providers, trades, large construction equipment providers, and labor are readily available domestically and sufficiently familiar with installation procedures and practices, and spare parts and service are available in the U.S. to properly maintain and operate the system. Any warranties have to be valid in the U.S.

(5) Format. To ensure that projects are accurately scored by the Agency, applicants are requested to tab and number each evaluation criteria and include, in that section, its corresponding supporting documentation and calculations according to 7 CFR 4280.112.
C. Funding Limitations

(1) Grant-only applications. For renewable energy system grants, the minimum grant is $2,500 and the maximum is $500,000. For energy efficiency improvement grants, the minimum grant is $1,500 and the maximum grant is $250,000.

(2) Loan guarantee-only applications. For loan guarantees, the minimum guaranteed loan amount is $5,000 and the maximum amount of a guarantee to be provided to a borrower is $25 million. The maximum loan guarantee for a guaranteed loan in excess of $10 million is 60 percent. For FY 2010, the guarantee fee amount is 1 percent of the guaranteed portion of the loan and the annual renewal fee is 0.250 percent (one-quarter of one percent) of the guaranteed portion of the loan.

(3) Guaranteed loan and grant combination applications. Funding for grant and loan combination packages are subject to the funding limitations specified in paragraphs (1) and (2) of this section. For grant and loan combination packages, the minimum grant portion of the combined funding request is $1,500 for energy efficiency improvement projects and $2,500 for renewable energy system projects.

D. Award Process

In addition to the process for awarding funding under 7 CFR part 4280, subpart B, the Agency will make awards using the following considerations:

(1) Application period. Applications may be submitted at any time during FY 2010. Complete applications must be received by the appropriate State Office by 4:30 pm local time June 30, 2010, to be considered for funding in FY 2010. Applications received after that time and date will be retained by the State Office for consideration in funding in FY 2011.

(2) Resubmittal of FY 2009 applications. If an applicant submitted an application for funding in FY 2009 and that application was determined eligible but was not funded, the Agency will consider that FY 2009 application for funding in FY 2010 as provided below.

(i) An applicant for the program in FY 2009 must submit a written request for the Agency to reconsider its FY 2009 application in FY 2010. Guarantee Loan and Grant Combination applications will require a written request from both the lender and grant applicant to maintain the application request.

(ii) If the applicant will be revising its FY 2009 application, a new application must be submitted. If the applicant will not be revising its FY 2009 application, a new application is not required.

(iii) The submission date of record of each FY 2009 application requesting consideration for FY 2010 will remain unchanged from its original FY 2009 submittal date.

(iv) For all applicable applications, current financial statements that meet program requirements as outlined in 7 CFR 4280.111(b)(4) must be submitted with the written request. The submission of financial statements will not require a new application to be submitted, unless the financial information results in a change to the application’s score.

(v) Exempt as provided elsewhere in this section, applications for grants of $20,000 or less do not have to submit a new application because the Agency has decided not to assign ten (10) additional priority points to those grants under this Notice. The Agency will update the application score without requiring submittal of a new application.

(vi) Request for funding consideration of FY 2009 applications in FY 2010 must be received no later than 4:30 pm local time June 30, 2010, in order to be considered. Request for funding consideration of FY 2009 applications received after 4:30 pm local time June 30, 2010, regardless of the request’s postmark, will not be considered further.

(3) Demonstrated financial need. As required in 7 CFR 4280.107(a)(5), 4280.109(b)(2), and 4280.193(a), the applicant for a grant or combination guaranteed loan and grant, must demonstrate financial need. Only those packages that demonstrate financial need will be considered for funding.

(4) Funding awards. Considering the availability of funds, State Offices will fund those applications that score the highest; that is, the score an application receives will be compared to the scores of other applications, with higher scoring applications receiving first consideration for funding.

(5) Grant-only applications of $20,000 or less. To ensure that small projects have a fair opportunity to compete for the funding and consistent with the priorities set forth in the statute, the Agency will use not less than 20 percent of the funds allocated to the Rural Energy for America Program for grants of $20,000 or less.

(6) Combination applications. Applicants whose combination applications are approved for funding must utilize both the loan guarantee and the grant. The Agency reserves the right to reduce the total loan guarantee and grant award as appropriate.

(7) Application withdrawal. During the period between the submission of an application and the execution of documents, the applicant must notify the Agency, in writing, if the project is no longer viable or the applicant is no longer requesting financial assistance for the project. When the applicant notifies the Agency, the selection will be rescinded or the application withdrawn.

(8) Change of contractor or vendor. After an award has been made, the recipient of the award can request to change a contractor or vendor if the technical merit score for the project remains the same or is higher. Prior to changing a contractor or vendor, the recipient must submit to the Agency a written request providing information that allows the Agency to rescind the project’s technical merit. If the Agency determines that the project achieves the same or higher technical merit score, the recipient may make the change. No additional funding will be available from the Agency if costs for the project have increased. If the Agency determines that the project does not achieve the same or higher technical merit score, the change will not be approved.

(9) Evaluation criteria. Agency personnel will score each application based on the evaluation criteria specified in 7 CFR 4280.112(e).

(10) Intergovernmental review. If State or local governments raise objections to a proposed project under the intergovernmental review process that are not resolved within 90 days of the Agency’s selection of the application, the Agency will rescind the selection and will provide the applicant with a written notice to that effect.

V. Administrative Information Applicable to This Notice

A. Notifications

(1) Eligibility. If an applicant is determined by the Agency to be eligible for participation, the Agency will notify the applicant in writing. If an applicant is determined by the Agency to be ineligible, the Agency will notify the applicant, in writing, as to the reason(s) the application was rejected. Such applicant will have appeal rights as specified in this Notice.
(2) Award. Each applicant will be notified of the Agency’s decision on their application.

B. Administrative and National Policy Requirements

(1) Review or appeal rights. A person may seek a review of an Agency decision under this Notice from the appropriate Agency official that oversees the program in question or appeal to the National Appeals Division in accordance with 7 CFR part 11 of this title. If the review or appeal involves a combination funding request, both the lender and borrower must request the review or appeal.

(2) Notification. If at any time prior to application approval it is decided that favorable action will not be taken on an application, the Agency will notify the applicant in writing of the decision and of the reasons why the request was not favorably considered. The notification will inform applicants of their rights to informal review, mediation, and appeal of the decision in accordance with 7 CFR part 11 and 7 CFR part 1900, subpart B.

C. Exception Authority

This notice incorporates the exception authority found in 7 CFR 4280.104.

D. Member or Delegate Clause

No member of or delegate to Congress shall receive any share or part of this grant or any benefit that may arise therefrom; but this provision shall not be construed to bar as a contractor therefrom; but this provision shall not bar an individual from receiving a share or part of a grant or any benefit that may arise therefrom; but this provision shall not bar an individual from receiving a share or part of a specific project or if required, estimated timeline for each permit required and the anticipated schedule for meeting those requirements and obtaining those agreements.

Agreements, permits, and certifications. Identify all necessary agreements and permits required for the project and the status and schedule for securing those agreements and permits, including the items specified in paragraphs (b)(1) through (6).

(1) Identify zoning and code issues and required permits and the anticipated schedule for meeting those requirements and securing those permits. This list should include all local, state, and federal permits required, estimated timeline for each permit and current status of acquiring each permit.

(2) Identify land use agreements required for the project and the anticipated schedule for securing the agreements and the term of those agreements.

(3) Identify available component warranties for the specific project location and size.

(4) For systems planning to interconnect with a utility, describe the utility’s system requirements, purchase arrangements, or licenses where required and the anticipated schedule for meeting those requirements and obtaining those agreements.

(5) Identify all environmental issues, including environmental compliance issues, associated with the project on Form RD 3225 or any similar projects designed, installed, or supplied and currently operating with references, if available; and (4) Describe the system operator’s qualifications and experience for servicing, operating, and maintaining hydropower projects. Provide a list of the same or similar projects designed, installed, or supplied and currently operating with references, if available.

Appendix A—Technical Reports for Hydropower Projects

The technical requirements specified in this appendix apply to all hydropower projects. Hydropower projects are those projects that create hydroelectric or ocean energy.

The Technical Report for hydropower projects must demonstrate that the project design, procurement, installation, startup, operation, and maintenance of the renewable energy system 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 and 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 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 review of the project must be answered to the Agency’s satisfaction before the application will be approved. The applicant must submit the original Technical Report plus one copy to the Rural Development State Office. Hydropower projects with total eligible project costs greater than $400,000 require the services of a licensed professional engineer (PE) or team of PEs. Depending on the level of engineering required for the specific project or if necessary to ensure public safety, the services of a licensed PE or a team of licensed PEs may be required for smaller projects.

(a) Qualifications of project team. The hydropower project team should consist of a system designer, a project manager, equipment supplier, a project engineer, a construction contractor, and a system operator and maintainer. One individual or entity may serve more than one role. The project team must have demonstrated expertise in hydropower development, engineering, installation, and maintenance.
(f) Design and engineering. Provide authoritative evidence that the system will be designed and engineered so as to meet its intended purpose, will ensure public safety, and will comply with applicable laws, regulations, agreements, permits, codes, and standards. Projects shall be engineered by a qualified party. Systems must be engineered as a complete, interconnected system with matched components. The engineering must be comprehensive, including site selection, system and component selection, conversion system component selection, design of the local collection grid, interconnection equipment selection, and system monitoring equipment. Systems must be constructed by a qualified party.

(1) Provide a concise but complete description of the hydropower project, including location of the project, resource characterization, specifications, electric power system interconnection equipment, and project monitoring equipment. Identify possible vendors and models of major system components. Provide the expected system energy production on a monthly and annual basis.

(2) Describe the project site and address issues such as site access, proximity to the electrical grid, environmental concerns with emphasis on land use, air quality, water quality, habitat fragmentation, visibility, noise, construction, and installation issues. Identify any unique construction and installation issues.

(g) Project development schedule. Identify each significant task, its beginning and end, and its relationship to the time needed to initiate and carry the project through startup and shakedown. Provide a detailed description of the project timeline, including resource assessment, system and site design, permits and agreements, equipment procurement, and system installation from excavation through startup and shakedown.

(1) Project economic assessment. Provide a study that describes the costs and revenues of the proposed project to demonstrate the financial performance of the proposed project. Provide a detailed analysis and description of project costs, including project management, resource assessment, project design, project permitting, land agreements, equipment, major installation equipment, system installation, startup and shakedown, warranties, insurance, financing, professional services, and operations and maintenance costs. Provide a detailed description of applicable investment incentives, productivity incentives, loans, and grants. Provide a detailed analysis and description of annual project revenues, including electricity sales, production tax credits, revenues from green tags, and any other production incentive programs throughout the life of the project. Provide a description of planned contingency fees or reserve funds to be used for unexpected large component replacement or repairs and for low productivity periods. In addition, provide other information necessary to assess the project’s cost effectiveness.

(h) Equipment procurement. Demonstrate that equipment required by the system is available and can be procured and delivered within the proposed project development schedule. Hydropower systems may be constructed of components manufactured in more than one location. Provide a description of any unique equipment procurement issues such as scheduling and timing of component manufacture and delivery, ordering, warranties, shipping, receiving, and on-site storage or inventory. Provide a detailed description of equipment certification. Identify all the major equipment that is proprietary and justify how this unique equipment is needed to meet the requirements of the proposed design. Include a statement from the applicant certifying that "open and free" competition will be used for the procurement of project components in a manner consistent with the requirements of 7 CFR part 3015 of this title.

(i) Equipment installation. Describe fully the management of and plan for site development and system installation, provide details regarding the scheduling of major installation equipment, including cranes, barges or other devices, needed for project construction, and provide a description of the startup and shakedown specifications and process and the conditions required for startup and shakedown for each equipment item individually and for the system as a whole. Include a statement from the applicant certifying that equipment installation will be made in accordance with all applicable safety and work rules.

(j) Operations and maintenance. Identify the operations and maintenance requirements of the system necessary for the system to operate as designed over the design life. The application must:

(1) Ensure that systems must have at least a 3-year warranty for equipment. Provide information regarding turbine warranties and availability of spare parts.

(2) Describe the routine operations and maintenance requirements of the proposed project, including maintenance schedules for the mechanical and electrical systems and system monitoring and control requirements;

(3) Provide information that supports expected design life of the system and timing of major component replacement or rebuilds;

(4) Provide and discuss the risk management plan for handling large, potential failures of major components such as the turbine gearbox or rotor. Include in the discussion, costs and labor associated with the operation and maintenance of the system, and plans for in-sourcing or out-sourcing;

(5) Describe opportunities for technology transfer for long-term project operations and maintenance by a local entity or owner/operator; and

(6) For owner maintained portions of the system, describe any unique knowledge, skills, or abilities needed for service operations or maintenance.

(l) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives. Describe the budget for and any unique concerns associated with the dismantling and disposal of project components and their wastes.