

CDFA 81.041

Purpose

The Iowa Energy Office (IEO) is utilizing the federal State Energy Plan (SEP) American Recovery & Reinvestment Act (ARRA) grant funds to assist in the implementation of the Iowa Energy Plan. The money will serve as a catalyst for change. IEO hopes by taking the first step in accomplishing various Iowa Energy Plan initiatives, that momentum will continue into the private sector and economy, ultimately benefiting Iowa's energy future.

Eligible Recipients

Eligible recipients include public, private, for-profit and non-profit entities as well as local governments and state agencies. Applicants must submit a Pre-Application to the IEO.

Eligible Activity

Projects must align with the strategies and initiatives of the Iowa Energy Plan. In addition, projects must follow the ARRA Department of Energy (DOE) Funding Opportunity Announcement 52 (DE-FOA-000052). Eligible activities include but is not limited to: energy workforce development, technology-based research and development, biomass conversion potential, natural gas expansion, grid modernization, alternative fuel vehicles, access to energy expertise in underserved areas and other activities as approved by IEO. All project activities are subject to the approval of the Iowa Economic Development Authority Director.

Application Process

The SEP ARRA grant program has a two-phase application process. First a Pre-Application is submitted to the IEO. After IEO approves the Pre-Application, the applicant will be sent the Final Application. Pre-Applications are accepted on a rolling basis.

To request the Pre-Application, contact Ryan Young at ryan.young@iowaeda.com or 515.348.6219.

Disbursement of Funds

Grant funds are disbursed on a reimbursement basis. Recipients may draw grant funds quarterly through IowaGrants.gov.

Restricted Use of Funds

Projects are prohibited from using SEP ARRA funds to:

- Fund gambling establishments, aquariums, zoos, golf courses or swimming pools
- Fund construction, such as construction of mass transit systems and exclusive bus lanes, or for the construction or repair of buildings or structures
- Purchase land, a building or structure, or any interest therein
- Subsidize fares for public transportation
- Subsidize utility rate demonstrations or state tax credits for energy conservation or renewable energy measures

- Conduct or purchase equipment to conduct research, development or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available

Project Monitoring

IEO will use the following process to monitor grant funded activities:

Desktop Monitoring

- IEO will review draw requests in IowaGrants.gov.
- IEO will review timely expenditure of funds by recipients through quarterly reports.
- IEO will identify timeliness issues and contact recipient to address concerns.

Onsite Monitoring

- Site visits by IEO staff will occur as required to validate progress.
- IEO staff will contact the recipient and grant administrator to inform them of a site visit is necessary and to arrange visit details.
- IEO staff will upload documents and information regarding the site visit to IowaGrants.gov.
- IEO staff will enter the date additional requested information is received and approved by IEO in IowaGrants.gov.

Reporting

Recipient will report project progress through quarterly status reports via IowaGrants.gov outlining progress made toward deliverables detailed within the recipient's contract. Progress on completing the following deliverables will be reported where applicable:

- Project Objectives
- Jobs created
- Energy saved
- Renewable energy installed and capacity generated
- Greenhouse Gas (GHG) emissions reduced
- Energy Cost Savings
- Additional funds leveraged
- Square feet of building(s) retrofitted, if applicable
- Project timeline
- Any other relatable metrics the Iowa Energy Office deem worthy of reporting from Section 10 of State Energy Program Notice 09-01 of DE-FOA-000052

Recipient will be required to submit a final report summarizing the project, contract metrics and deliverables, as well as any other required project information. After reviewing the final report, IEO will respond with a final close out document stating the project has been successfully closed, contracted funds have been disbursed and deliverables achieved.

Procurement

Recipients will follow Iowa procurement standards (<https://das.iowa.gov/procurement>) as well as appendix 2 in 2 C.F.R. § 200 if applicable.

Recipients that are cities and counties must follow the cost reasonableness standard set forth in 2 C.F.R. § 200.323. Cities and counties must develop an independent price or cost estimate before receiving bids or proposals for service. The appropriate form of analysis should be based on the complexity of the procurement. Example methodologies include:

- Compare prior (historical) proposed and contract prices for the same or similar goods and services
- Compare competitively published catalog prices, published market prices, or similar indices

National Environmental Policy Act (NEPA)

All funded projects must be reviewed under NEPA, 42 U.S.C. § 4321 et seq. Recipients will follow DOE NEPA environmental review process detailed in 10 C.F.R Part 1021. NEPA review is a multi-step process. Recipients may not start work projects until notified by IEO that the project is categorically excluded from NEPA review or that DOE has completed NEPA review.

Bounded Categories

Some activities have been categorically excluded from further NEPA review, absent extraordinary circumstances, cumulative impacts or connected actions that may lead to significant impacts on the environment, or any inconsistency with “integral elements” (as contained in 10 C.F.R. Part 1021, Appendix B). To fall under the categorical exclusion, activities must also adhere to the requirements of Iowa’s programmatic agreement with its State Historic Preservation Office and not have short or long-term adverse impacts to floodplain or wetland areas.

The following list of bounded categories will not require NEPA Review:

1. Administrative activities associated with management of the designated State Energy Office and management of programs and strategies to encourage energy efficiency and renewable energy, including energy audits.
2. Development and implementation of programs and strategies to encourage energy efficiency and renewable energy.
3. Development and implementation of training programs.
4. Development and implementation of building codes and inspection services, and associated training and enforcement of such codes in order to support code compliance and promote building energy efficiency.
5. Implementing financial incentive programs such as rebates and energy savings performance contracts for existing facilities or for energy efficient equipment, provided that the incentives are not so large that they would be deemed to be grants that create projects that would not otherwise exist. (For example, giving a wind farm that cost \$100 million a sum of \$50 million and calling it a rebate would not fall within this Bounded Category).
6. Funding energy efficiency upgrades, provided that projects adhere to the requirements of the respective state’s programmatic agreement with its SHPO, and are limited to:
 - a. installation of insulation;
 - b. installation of energy efficient lighting;

- c. HVAC upgrades (to existing systems);
 - d. weather sealing;
 - e. purchase and installation of ENERGY STAR appliances (includes, but not limited to, furnaces and air conditioners);
 - f. replacement of windows and doors; and
 - g. high efficiency shower/faucet upgrade.
7. Development, implementation, and installation of onsite renewable energy technology from renewable resources, provided that projects are installed in or on an existing structure or within the boundaries of a facility and limited to:
- a. Solar Electricity/Photovoltaic - appropriately sized system or unit not to exceed 60 kW.
 - b. Wind Turbine - 20 kW or smaller.
 - c. Solar Thermal (including solar thermal hot water) - system must be 20 kW or smaller.
 - d. Ground Source Heat Pump - 5.5 tons of capacity or smaller, horizontal/vertical, ground, closed-loop system.
 - e. Combined Heat and Power System - boilers sized appropriately for the buildings in which they are located.
 - f. Biomass Thermal - 3 MMBTUs per hour or smaller system with appropriate Best Available Control Technologies (BACT) installed and operated.
8. Development, implementation and installation of energy efficient or renewable energy-powered systems (limited to lighting, cooling, heat) installed in existing buildings and facilities.
9. Installation of fueling pumps and systems for fuels such as compressed natural gas, hydrogen, ethanol and other commercially available biofuels, (but not storage tanks) installed on the site of a current fueling station.
10. Purchase of alternative fuel vehicles.
11. Installation of electric vehicle charging stations installed on existing facilities.

Environmental Questionnaire

For recipients of projects that do not fall within a bounded category, the specific project information must be submitted to DOE for review. Recipients must complete and submit the EQ-1 form available online at: <https://www.eere-pmc.energy.gov/NEPA.aspx#>.

Recipients must comply with all NEPA requirements prior to receiving authorization to begin the funded project. Additionally, DOE reviews projects for the effect on historic properties, pursuant to section 106 of the National Historic Preservation Act (NHPA), and the impacts to floodplains and wetlands, pursuant to 10 C.F.R. Part 1022, Compliance with Floodplain and Wetland Environmental Review Requirements. To streamline these requirements, DOE completes each of these reviews under the umbrella of its NEPA review process.

National Historic Preservation Act

Recipients must comply with standards for treatment of historic properties, documentation and reporting requirements per Section 106 of the National Historic Preservation Act and programmatic agreement between the Iowa Economic Development Authority and the State Historic Preservation Office. Recipients will retain qualified consultant(s) to prepare reports. If not applicable, a form will be provided to document for future reference.

Buy American

The Buy American provision in the ARRA of 2009 (section 1605 of Title XVI), provides that, subject to three listed exceptions, none of the funds appropriated or otherwise made available by the Act may be used for a project for the construction, alteration or repair of a public building or public work unless all the iron, steel and manufactured goods used are produced in the United States. The law also requires this prohibition be applied in a manner consistent with U.S. obligations under international agreements.

Definitions:

An alteration is defined as a limited construction project for an existing building that comprises the modification or replacement of one or a number of existing building systems or components. Alteration means remodeling, improving, extending, or making other changes to a facility, exclusive of maintenance repairs that are preventive in nature. The term includes planning, engineering, architectural work, and other similar actions.

Public building or 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. Indian tribes are also considered governmental entities for the purpose of defining “public building or public work” and are therefore subject to the Buy American provisions of the Recovery Act.

A manufactured good is defined as a good brought to the construction site for incorporation into the public building or work that has been processed into a specific form and shape or combined with other materials to create a material that has a different property than the individual raw materials. For example, trees cut down to a 2x4 lumber used to frame a structure would be subject to the Recovery Act Buy American provisions. Similarly, copper piping used to plumb a building would be covered. Other types of manufactured goods that are attached to or fixed to real property (fixtures) are also subject to the provision. Each item must be reviewed separately by DOE to make this determination.

There is no requirement with regard to the origin of components or subcomponents in manufactured goods used in a project, as long as the manufacturing occurs in the United States.

There are three exceptions to the Buy American provision. All waiver requests are considered and reviewed by DOE on a case-by-case basis:

1. The Buy American Recovery Act provisions would be inconsistent with the public interest.
2. The iron, steel and relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality (“Nonavailability”).
3. The inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent (“Unreasonable Cost”).

Davis-Bacon Act

Recipients must comply with the Davis-Bacon wage requirements. The Davis-Bacon Act (40 U.S.C. 3141-3148) requires payment of locally prevailing wages (including fringe benefits) to laborers and mechanics on federal government contracts more than \$2,000 for construction, alteration or repair projects. The provisions of the Davis-Bacon Act apply to both contractors and subcontractors.

Supporting Documentation & Other Guidance

Reference materials and documents can be found at:

<https://iowaeconomicdevelopment.sharepoint.com>

2 CFR 200 Administrative Requirements for Federal Awards
 2 CFR 910 DOE Audit Requirements
 10 CFR 420 Energy Conservation
 10 CFR 600 DOE Financial Assistance Rules
 36 CFR 800 Protection of Historic Properties
 ARRA NEPA Exemption Certification
 ARRA SHPO Exemption Certification
 Davis Bacon Payroll Form WH-347
 DOE-FOA-000052 SEP
 SEP Program Notice 09-01 (Attached to FOA-000052 above)
 Dept. of Labor Title 40 Wage Rates (Davis-Bacon Act)
 DOE DBA Desk Guide Rev. 2
 DOE Financial Assistance Guide April 2017
 DOE SEP & ARRA compliance June 2016 (OMB)
 National Historic Preservation Act (NHPA) Checklist Form
 NEPA 40 CFR 1500-1508
[NEPA Questionnaire website](#)
 Original ARRA Award 2009 Reporting Requirements Checklist
 Program Guidance for Buy American
 Public Law 111-5
 SEP ARRA Award letter 2009 (DE-EE0000162)
 SEP Program Notice 10-006D Reporting Requirements
 SEP Program Notice 10-008E
 SEP Program Notice 18-01
 SEP Program Notice 17-01 Formula Grant Guidance FINAL
 SF 425 DOE Federal Financial Report
 Special Terms & Conditions for use in most Grants/Cooperative Agreements