State Energy Program
2020 Grant Application and Guide

Energy-Efficient Retrofits of Local Governments, K-12 Schools, and Non-Profit Organizations

Street Address: 401 Adams Avenue, Suite 560
Montgomery Alabama 36104-4325
sep@adeca.alabama.gov

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2020 Grant Application Guidelines

The Alabama Department of Economic and Community Affairs (ADECA) Energy Division manages the State Energy Program (SEP) for Alabama by the authority of the U.S. Department of Energy (DOE). The SEP is a formula grant used to reduce energy consumption in Alabama.

The Energy Division is accepting applications for grants to be used for the purchase and installation of energy-efficient improvements. Energy efficiency improvements eligible for funding begin on page 16 of this document. Applications should be developed with thoughtful consideration being given to the certifications contained on page 21.

Applications shall be submitted in PDF format to sep@adeca.alabama.gov by **11:59 PM, CST on August 25, 2020**. Any applications received after the deadline will not be considered. All applications must be complete; however, ADECA reserves the right to contact applicants for additional information and/or clarifications.

A confirmation of receipt will be emailed after submittal. Applicants are strongly encouraged to submit applications in advance of the deadline. Please keep a complete copy of your application and any attachments for your record.

Questions pertaining to this Grant Application and Guide may be submitted in writing by email to sep@adeca.alabama.gov. This Grant Application and Guide and the SEP Application Frequently Asked Questions can be found on ADECA's website at https://adeca.alabama.gov/Divisions/energy/sep.

> NOTE: Applicants may submit applications under both this funding announcement and the Energy-Efficient Retrofits of Wastewater Treatment Facilities. However, measures directly related to wastewater operations may not be submitted under this funding opportunity. Only general building efficiency measures, such as LED lighting at wastewater facilities, may be submitted under this funding announcement.

Eligibility

Eligible applicants include incorporated units of local government (municipalities and counties), K-12 public school systems, and non-profit organizations in Alabama. Below is a definition of a non-profit organization for the purposes of this Grant Application and Guide.

A **non-profit organization** is an organization that uses its surplus revenues to further achieve its purpose or mission, rather than distributing its surplus income to the organization's directors

(or equivalents) as profit or dividends. Applicants must have the status of a 501(c) organization and be tax-exempt in order to apply.

Funding

Projects must be completed within 10 months of the effective date of the grant agreement. The Energy Division anticipates awarding grants to begin on October 1, 2020 and to terminate no later than July 31, 2021.

All projects will be scored based on the established rating criteria. The criteria can be found at https://adeca.alabama.gov/Divisions/energy/sep. Those eligible projects receiving the highest scores will be selected for funding. The number of projects funded will be determined by the funds available and the total amount of requests made. The Energy Division reserves the right to reallocate funding for subject areas as deemed necessary. ADECA may request amended projects and/or offer reduced grant participation.

Approximately $360,000 is available for the program. The minimum award amount is $25,000 per applicant and the maximum award amount is $40,000 per applicant.

Method of Payment

Payments may be made on a reimbursement basis or an advance basis. Subrecipients qualifying for advance payment must provide that it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the subrecipient, and financial management systems that meet the standards for fund control and accountability as established in 2 CFR Part 200.302. Subrecipients may also elect to be paid through reimbursement of eligible costs up to the award amount in the grant agreement. Based on a risk assessment conducted by ADECA, all subrecipients will be assigned a risk score. Those subrecipients with higher scores may be required to follow different payment procedures. Those subrecipients considered high risk may be placed on reimbursement only status.

All subrecipients must register in the State of Alabama Accounting and Resource System (STAARS) Vendor Self Service (VSS) portal in order to receive payment. Subrecipients can elect to be paid via Electronic Funds Transfer (EFT) or paper check when registering.

Prohibited Expenditures

SEP regulation 10 CFR Part 420 does not allow expenditures or matching contributions for the following:

- For construction or repair of buildings and structures;
- To purchase land, a building or structure;
- To subsidize fares for public transportation;

- To subsidize utility rate demonstration or state tax credits; or
- To conduct or purchase equipment to conduct research, development, or demonstration.

Cost Share

A 20% matching contribution is required for grants made with SEP funds and may be provided through cash and/or in-kind services. For example, if the maximum award amount of $40,000 is requested, a minimum matching contribution amount of $8,000 (20% of $40,000) is required. If the proposed matching contributions cannot be met during the grant period, the grant amount will be reduced in proportion to the reduction in matching contributions.

State Energy Program 2020 Grant Application

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APPLICANTS MUST USE THE FOLLOWING APPLICATION FORMAT AND COMPLETE IN ITS ENTIRETY. FAILURE TO DO SO MAY RESULT IN LOSS OF POINTS.

A. Applicant Information

Legal Name of Entity:	
Mailing Address:	
Name and Title of CEO:	
Name and Title of Accountant:	
Name and Title of Project Director:	
Phone Number and Email of Project Director:	
Federal Employer Identification Number (FEIN):	
DUNS Number:	
Type of Organization:	(Choose One:)

B. Budget

This section is worth 25 points. Please provide the following information to explain the estimated costs for the project budget. Please include the requested grant amount and the matching contribution. (Attach additional sheets as needed.)

1. Personnel and Fringe

   List program personnel by name and function (e.g. program coordinator, engineer, maintenance technician, etc.), include the salary of each person and the percentage of time they will spend on the project (Example: John Brown, Project Director, annual salary of $40,000, 75% of time to be spent on project, total personnel cost $30,000). In addition, list fringe percentage of total personnel cost, and include an explanation of the items included in the fringe rate such as item and percentage, rate, or cost amount for each respective item included. (Example: Fringe rate is 25% of personnel cost, Explanation: FICA 7.65%, Retirement 6.77%, medical $400/month). Personnel can include the Applicant's employees who will be installing the improvements. Personnel costs under a contract should be included under Contractual.

Grant Amount					
Name and Function	Full Salary	Time %	Total Salary	Fringe %	Total Fringe
	$		$0		$0
	$		$0		$0
	$		$0		$0
	$		$0		$0
	$		$0		$0
Grant Amount Totals:			**$0**		**$0**

Matching Contribution					
Name and Function	Full Salary	Time %	Total Salary	Fringe %	Total Fringe
	$		$0		$0
	$		$0		$0
	$		$0		$0
	$		$0		$0
	$		$0		$0
Matching Contribution Totals:			**$0**		**$0**

		Grant Amount	Matching Contribution
TOTAL:	**$ 0**	**$0**	**$0**

Explanation of fringe rate:

2. Supplies and Materials

List estimated type and cost of supplies and materials. Includes all tangible property and project materials for carrying out the approved scope of work that are not considered equipment (e.g. office supplies, postage, caulking, lighting). Materials supplied by a contractor are not allowed in this category and should be placed under Contractual.

Type	Grant	Matching	**TOTAL**

	Amount	Contribution	
	$	$	**$ 0**
	$	$	**$ 0**
	$	$	**$ 0**
	$	$	**$ 0**
	$	$	**$ 0**
	$	$	**$ 0**
	$	$	**$ 0**
	$	$	**$ 0**
	$0	$0	**$ 0**

3. Contracted Services

List categories of services to be contracted with outside agencies or for professional services. Note that written subcontracts must be obtained to engage these services. This category includes professional installation and all materials supplied by the installer.

Contracted Services	Grant Amount	Matching Contribution	**TOTAL**
	$	$	**$ 0**
	$	$	**$ 0**
	$	$	**$ 0**
	$0	$0	**$ 0**

4. Equipment

Provide a description of the equipment, cost, and reason why it is necessary to purchase the equipment. Equipment is defined as tangible, non-expendable property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. Acquisition cost means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. (Note: leased or rented equipment should be listed under the "Other" category.)

Description	Grant Amount	Matching Contribution	**TOTAL**
	$	$	**$ 0**

	$	$	**$ 0**
	$	$	**$ 0**
	$	$	**$ 0**
	$0	$0	**$ 0**

5. Other

List other costs including printing, graphics, telephone, rent/lease, maintenance, workshop fees, and computer services.

Expense	Grant Amount	Matching Contribution	**TOTAL**
	$	$	**$ 0**
	$	$	**$ 0**
	$	$	**$ 0**
	$0	$0	**$ 0**

6. Indirect

The ADECA Energy Division will reimburse indirect costs at the Subrecipient's federally negotiated indirect cost rate of the Modified Total Direct Costs (MTDC) (items 1-7, except 6). The ADECA Energy Division DOES NOT REIMBURSE INDIRECT COSTS ON EQUIPMENT PURCHASES). Attach a copy of your indirect cost rate agreement if you are showing indirect costs on your budget. The ADECA Energy Division will not negotiate indirect cost rates with Subrecipients but will accept a federally negotiated indirect cost rate or a 10 percent de minimis rate of the MTDC. If requesting the 10 percent de minimis rate, Subrecipients must submit a certification the entity has never received a federally approved indirect cost rate.

		Grant Amount	Matching Contribution	**TOTAL**
Indirect Cost Rate	%	**$**	**$**	**$ 0**

BUDGET TOTALS

List the totals of each budget category above. Please make sure that the totals in each budget category listed above match the totals of each cost category below.

Cost Categories	Grant	Matching	**Project**

	Amount	Contribution	**Amount**
Personnel & Fringe	$0	$0	**$ 0**
Supplies & Materials	$0	$0	**$ 0**
Contracted Services	$0	$0	**$ 0**
Equipment	$0	$0	**$ 0**
Other	$0	$0	**$ 0**
Indirect Cost (0.0%)	$0	$0	**$ 0**
TOTAL	$0	$0	**$ 0**

C. Risk Assessment

This section is worth up to 15 points. Please answer the questions based on your organization's operations and audit history to the best of your ability. Check the most appropriate response. If N/A is selected, please provide a brief explanation in the Notes column.

Risk Criteria	Possible Points	Points	Notes
1. Does the entity receive at least 10% of total funding from non-Federal sources?	Yes (0 points) ☐ No (1 point) ☐ N/A (0 points) ☐	0	
2. Does the entity actively seek additional funding?	Yes (0 points) ☐ No (1 point) ☐ N/A (0 points) ☐	0	
3. Has the entity received ADECA/Energy funds for at least three years?	Yes (0 points) ☐ No (1 point) ☐ N/A (0 points) ☐	0	
4. Has the entity's turnover rate exceeded 15% since 12 months ago? (Turnover rate = # of employees no longer there/average # of employees for the year)	Yes (2 points) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
5. Has the CEO and/or CFO been in the position for 3 years or less?	Yes (1 point) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
6. Have any other entities (program offices, auditors, staff employed by the entity, etc.) alerted ADECA/Energy to potential risk areas or has another authority (funding source) placed special conditions on its award to the entity?	Yes (3 points) ☐ No (0 points) ☐ N/A (0 points) ☐	0	

7. Has the entity been a defendant in an ongoing civil suit, or one that was adjudicated, within the last five years?	Yes (1 point) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
8. Has any of the entity's current staff been jailed, convicted of a felony, or are they currently under criminal investigation?	Yes (1 point) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
9. Is the entity currently or has it previously been suspended or debarred?	Yes (10 points) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
10. Does the entity have procedures and controls in compliance with OMB? (Fiscal/Personnel policies and procedures, etc.)	Yes (0 points) ☐ No (5 points) ☐ N/A (0 points) ☐	0	
11. Was the last audit completed and submitted to ADECA within 9 months from year end?	Yes (0 points) ☐ No (1 point) ☐ N/A (0 points) ☐	0	
12. If audit findings were cited, does the entity have a corrective action plan for correcting the finding(s)?	Yes (0 points) ☐ No (1 point) ☐ N/A (0 points) ☐	0	
13. Does the entity have a financial management system that is appropriately complex for the amount of funds it manages and in compliance with OMB? (i.e. QuickBooks, etc.)	Yes (0 points) ☐ No (2 points) ☐ N/A (0 points) ☐	0	

14. Does the entity have written financial management policies and procedures that provide oversight and address tasks such as separation of duties, budgets, determining reasonable and allowable costs?	Yes (0 points) ☐ No (10 points) ☐ N/A (0 points) ☐	0	
15. Does the entity provide a budget to actual report by program at board meetings?	Yes (0 points) ☐ No (1 point) ☐ N/A (0 points) ☐	0	
16. Does the Applicant have a time and accounting system to track effort by cost objective?	Yes (0 points) ☐ No (1 point) ☐ N/A (0 points) ☐	0	
17. Does the entity have an indirect cost rate that is approved and current?	Yes (0 points) ☐ No (1 point) ☐ N/A (0 points) ☐	0	
18. Does the entity follow their cost allocation/indirect cost plan?	Yes (0 points) ☐ No (1 point) ☐ N/A (0 points) ☐	0	
19. Are the entity's fiscal statistics outside of tolerance or trends (e.g., have there been more expenditures on supplies than average, little or no cash left after paying bills compared to similar entities)? Note: Compare current assets to current liabilities.	Yes (1 point) ☐ No (0 points) ☐ N/A (0 points) ☐	0	

20. Has the entity been placed in a special financial status (e.g., high-risk, documentation submittal, etc.)?	Yes (3 points) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
(a). Is the entity in a negotiated repayment plan with ADECA?	Yes (1 point) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
(b). Is the entity current?	Yes (0 points) ☐ No (3 points) ☐ N/A (0 points) ☐	0	
21. Has the entity used special loan or funding programs to meet its cash needs (e.g., line of credit, short-term loan)?	Yes (3 points) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
22. Do the financial reports show an insufficient/negative fund balance after the entity meets its obligations? Note: (Assets + Deferred Outflows) - (Liabilities + Deferred Inflows) = Net Position. Total Net Position should be positive.	Yes (3 points) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
23. Is the entity delinquent in paying any obligations? (Refer to Audit notes)	Yes (3 points) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
24. Is the debt trend increasing or declining? Note: Review previous year's financial statement.	Increasing (3 points) ☐ Decreasing (0 points) ☐ N/A (0 points) ☐	0	

25. What is the entity's "current ratio"? Note: Current Assets/Current Liabilities. A 1:1 ratio means that the entity can just pay its bills.	1 or above (0 points) ☐ Below 1 (3 points) ☐ N/A (0 points) ☐	0	
26. What is the entity's "debt to net assets ratio"? Note: Total Liabilities/Total Net Assets. Or Assets - Liabilities = Net Assets. This provides information on what the entity owns.	1 or below (0 points) ☐ Above 1 (3 points) ☐ N/A (0 points) ☐	0	
27. Do the Notes to the Financial Statement and Report of the Independent Auditor disclose any potential financial problems at the entity (e.g., pending lawsuits, outstanding judgments, unsecured loans, etc.)?	Yes (3 points) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
28. Do the loan notes reflect poor financial health (e.g., unusually high interest rates, unusual repayment provisions, etc.)?	Yes (3 points) ☐ No (0 points) ☐ N/A (0 points) ☐	0	
29. Does the independent audit report for the most recent fiscal year contain an unmodified (standard) audit opinion?	Yes (0 points) ☐ No (3 points) ☐ N/A (0 points) ☐	0	
30. Does the entity have written procurement policies and procedures that guide employees on how procuring goods and services is implemented?	Yes (0 points) ☐ No (10 points) ☐ N/A (0 points) ☐	0	

Total Points	**0**	
Risk Classification for entity	**(Choose One)**	

Notes:

To the best of my knowledge, the information contained in this risk assessment is accurate. I understand that if this project scores high enough to be considered for funding, documentation to verify this risk assessment will be required.

Signature **Date**

D. Project Detail and Energy Savings Information

This section is worth up to 45 points and describes the project, timeline, and projected savings. Submit one copy of Section D for each school/building. You may attach additional sheets for this section if necessary.

1. **BUILDING INFORMATION**	
Name of Building:	
Physical Address:	
City, State, Zip Code:	
County:	
Gross Square Footage:	ft2
Original Construction Date:	
Funding Requested for this Building:	
Estimated Completion Time:	
Does the building have any national or state historic site designations?	Yes ☐ No ☐

Is the applicant aware of any adverse environmental impact which may arise from the implementation of any of the proposed energy conservation measures?	Yes ☐ No ☐

2. **DESCRIPTION OF PROJECT**
(This section is worth up to 5 points)

Provide a brief description of the measures to be installed.

3. **EXTENT OF THE REDUCTION IN ENERGY CONSUMPTION**
(This section is worth up to 5 points)

Provide a brief explanation of how the project will reduce energy consumption.

4. **QUALIFICATIONS AND EXPERIENCE OF APPLICANT**
(This section is worth up to 5 points)

Provide a description of the qualifications and experience of the applicant pertaining to the administration of grant awards and/or energy efficiency projects.

5. **ENERGY-RELATED ACTIVITIES OUTSIDE OF PROJECT**
(This section is worth up to 5 points)

Provide information on activities outside of the proposed project related to energy efficiency, renewable energy, or conservation, including performance contract, other retrofit activity, energy assessments completed, maintenance staff or teacher education, student curriculum, recycling programs, or similar projects.

6. **PROJECT PLAN / TIMELINE**
(This section is worth up to 5 points)

Deliverables *(Description of task and what is to be accomplished. Include tasks such as procuring supplies and materials/contracts, bids, installation, etc.)*	Estimated Cost	Start Date (mm/yy)	Duration (days)
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		
	$		

7. ELIGIBLE ENERGY-EFFICIENT RETROFITS

(This section is worth up to 10 points)

Please complete the following charts of all eligible measures that will be installed. Use additional pages if necessary.

- ✓ **ALL FIELDS IN EACH LINE ITEM MUST BE COMPLETED TO BE CONSIDERED**
- ✓ **EACH MEASURE MUST HAVE AN ESTIMATED PAYBACK PERIOD OF LESS THAN 10 YEARS *(PHOTOVOLTAIC EXCEPTED)***
- ✓ **ENERGY-EFFICIENT WINDOWS AND DOORS ARE NOT ELIGIBLE**
- ✓ **ENERGY SAVINGS CALCULATIONS MUST BE SHOWN IN SECTION 8**

CONVENTIONAL LIGHTING (*offices, classrooms, incandescent, T-12, LED*)						
CURRENT		**PROPOSED**		**Est. Cost**	**Est. Annual Savings**	**Est. Payback Period**
Qty	**Type**	**Qty**	**Type**			
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.

HIGH BAY LIGHTING (*warehouses, gymnasiums, HID*)						
CURRENT		**PROPOSED**		**Est. Cost**	**Est. Annual Savings**	**Est. Payback Period**
Qty	**Type**	**Qty**	**Type**			
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.

LIGHTING CONTROLS (*timers and occupancy sensors*)			
PROPOSED	**Est.**	**Est.**	**Est.**

Qty	Type	Cost	Annual Savings	Payback Period
		$	$	yrs.
		$	$	yrs.
		$	$	yrs.
		$	$	yrs.

HVAC REPLACEMENT (*ground source heat pumps must be closed-loop and 5.5 tons or smaller*)

CURRENT		PROPOSED		Est. Cost	Est. Annual Savings	Est. Payback Period
Size (Tons)	Type, Age, & SEER	Size (Tons)	Type & SEER			
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.

ENERGY CONTROLS *(programmable thermostats, energy management systems, etc.)*

PROPOSED		Est. Cost	Est. Annual Savings	Est. Payback Period
Qty	Type			
		$	$	yrs.
		$	$	yrs.
		$	$	yrs.

		$	$	yrs.

INSULATION

Current		Proposed		Est. Cost	Est. Annual Savings	Est. Payback Period
Age (yrs)	Type & R-Value	Qty (ft2)	Type & R-Value			
				$	$	yrs.
				$	$	yrs.
				$	$	yrs.

RENEWABLE ENERGY
(Existing rooftops & parking shade structures; or a ≤ 60 KW system unit installed on the ground within the boundaries of an existing facility. Solar Thermal systems must be ≤ 20 KW)

Proposed		Est. Cost	Est. Annual Savings	Est. Payback Period
Qty	Type			
		$	$	yrs.
		$	$	yrs.
		$	$	yrs.

OTHER

Proposed		Est. Cost	Est. Annual Savings	Est. Payback Period
Qty	Type			
		$	$	yrs.
		$	$	yrs.
		$	$	yrs.

8. **ENERGY SAVINGS CALCULATIONS**
(This section is worth up to 10 points)

Sample calculation for a lighting retrofit project:

Current lighting:
90 watts per fixture
Number of fixtures: 245

Proposed lighting:
14 watts per fixture
Number of fixtures: 225

Cost of Project: $14,625
Run time: 60 hours per week, 3,120 hours per year
Electricity rate: $0.12 per kWh

Annual savings
Current usage: *(90 w ÷ 1,000) x 3,120 hrs. = 280.8 kWh x 245 fixtures =* ***68,796 kWh***
Proposed usage: *(14 w ÷ 1,000) x 3,120 hrs. = 43.68 kWh x 225 fixtures =* ***9,828 kWh***
Energy Savings: *68,796 kWh – 9.828 kWh = 58,968 kWh savings ÷ 1,000 =* ***58.968 MWh***
Cost Savings: *58,968 kWh x $0.12 =* ***$7,076 annual***
Payback: *$14,625 project cost ÷ $7,076 annual cost savings =* ***2.1 years***

9. **ADDITIONAL INFORMATION**
(Any additional information you wish to provide regarding your proposed measure)

E. Certifications

This section is worth 15 points.

The applicant certifies that it will submit applicable supporting documentation including but not limited to contractor invoices and proof of payment.

The applicant certifies that it will submit data collected on the proposed project in quarterly program status reports including summary of work performed and hours worked on the project as well as final report within 30 days following the completion of the project which will include information such as reduction in energy consumption and energy cost savings.

The applicant certifies that it will implement the agency-wide use of ENERGY STAR Portfolio Manager. Portfolio Manager is an interactive energy management tool that allows tracking and assessing energy and water consumption across your entire portfolio in a secure online environment. Additional information regarding ENERGY STAR Portfolio Manager is available at http://energystar.gov/buldings.

The applicant certifies that they will maintain an active registration in the System for Award Management (SAM) at https://www.sam.gov for the duration of the grant period.

The applicant certifies that it will maintain a written procurement policy and follow proper procurement procedures as stated in *2 CFR Parts 200 and 910*, all applicable subparts or appendices, and the Alabama Competitive Bid and Public Works Laws.

The applicant certifies that the individual signing below is authorized to bind the offer presented in the application.

The applicant certifies their commitment to the grant application figures below:

Requested Grant Amount:	**$ 0**
Matching Contribution:	**$ 0**
Matching Contribution Type	**(Choose One:)**
Total Project Cost	**$ 0**

Certification

I, the undersigned, am authorized to obligate my entity and enter into agreements for my organization. I understand that the above certifications do not guarantee funding and a grant agreement will be executed prior to project funds being expended. I further understand that if the above statements cannot be verified, no grant funds will be awarded under this program. Finally, to the best of my knowledge the above certifications are true and correct.	
Applicant:	
Signature of Authorized Signatory:	Date:
Title of Signatory:	