# Kentucky Energy and Environment Cabinet

# Energy Efficiency Conservation Block Grant

# (EECBG)

# Application Instruction Manual

# OVERVIEW

The Bi-Partisan Infrastructure Law (BIL) funded for only the second time in history, the Energy Efficiency Conservation Block Grant (EECBG) Program. Kentucky’s allocation under the EECBG program is $2,237,940.

The Kentucky Energy and Environment Cabinet (EEC), Office of Energy Policy (OEP) is seeking applications for EECBG projects. All applications must be submitted electronically and received by 4:00 p.m. Eastern Daylight time May 31, 2024.

OEP anticipates providing the majority of the received funding for grant awards between $500,000 - $1,000,000 each.

# ELIGIBILITY AND KEY CONSIDERATIONS:

**Eligible Applicants:**

Eligible applicants for this program include local governments who **did NOT** receive a direct allocation under the federal Energy Efficiency Conservation Block Grant from U.S. Department of Energy (DOE). A list of local governments receiving direct awards can be found at <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.energy.gov%2Fsites%2Fdefault%2Ffiles%2F2023-01%2FIIJA%2520%252840552%2529%2520EECBG%2520Program_Attachment%25201a.%2520_Local%2520Govt.%2520Allocations_FINAL.xlsx&wdOrigin=BROWSELINK>

Applications received from local governments who received a direct allocation will **not** be evaluated.

# Eligible Projects:

In Kentucky, for this solicitation of EECBG project funding – a project must meet thefollowing criteria.

The Cabinet seeks applications for a variety of program activities that provide direct energy savings for local governments rather than planning activities.

All projects must meet one of the following criteria to be eligible for EECBG funding in Kentucky. Only these types of projects shall be awarded.

1. Grants governmental agencies for the purpose of performing energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the eligible entity;
2. Application and implementation of energy distribution technologies that significantly increase energy efficiency including;
	1. Distributed resources; and
	2. District heating and cooling systems
3. Activities to increase participation and efficiency rates to reduce, capture, and to the maximum extent practicable, use methane and other greenhouse gases generated by landfills or similar sources;
4. Implementation of Material Conservation Programs at the local level
5. Replacement of traffic signals and street lighting with energy efficient lighting technologies including:
	1. Light emitting diodes; and
	2. Any other technology of equal or greater energy efficiency.
6. Implementation and installation on or in any government building of the eligible entity of onsite renewable energy technology that generates electricity from renewable resources, including:
	1. Solar energy
	2. wind energy
	3. fuel cells and
	4. biomass.

EEC will not be requiring cost share. However, as submitted projects are evaluated, projects that include cost share will receive additional points.

**Grant Program Funding**

The Commonwealth of Kentucky will award most of the available $2.2 million to projects as outlined under Eligible Projects. The Cabinet intends, but is not required, to select promising projects from the applications received and award the available funds for those projects. As mentioned above, the Cabinet is looking for projects between $500,000 and $1million. The Cabinet reserves the right to award an applicant a lesser amount than the application request. The Cabinet intends, but is not required to award the first contracts by **August 1, 2024**.

**Grant Application Timing and Delivery**

Grant Applications are due in the Office of Energy Policy not later than **4:00 p.m. Eastern Daylight Time on May 31, 2024.** Applications must be submitted electronically to Energy.ky.gov

Any application submitted after the above deadline will be considered non-responsive and not be considered or scored. All applications must include the Detailed Budget Workbook or it will not be deemed a complete application and therefore not reviewed. The application and supporting forms can be located [Energy Efficiency and Conservation Block Grant Program - Kentucky Energy and Environment Cabinet](https://eec.ky.gov/Energy/Programs/Pages/Energy-Efficiency-and-Conservation-Block-Grant-Program.aspx)

# Additional Considerations:

**APPLICATON REQUIREMENTS**

Applicants must complete and provide the items listed below in their grant application.

Applicants must complete and submit the Commonwealth of Kentucky ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG) PROJECT APPLICATION. The application is accessible at [https:/energy/eec.ky.gov/Pages](https://eec.ky.gov/Pages/Volkwagen-Settlement.aspx).

By submitting an application for the ***EECBG project application***, the applicant is agreeing to provide:

# Supporting Documentation:

The complete application must include:

* The unit of Government applying for funding under this solicitation
* The Universal Entity Identifier (UEI #)
* The authorized person submitting the application and role in the unit of Government;
* Authorized Applicant’s Contact Information
* Project Information for projects that fall into one of the following categories.
	+ Grants to nonprofit organizations and governmental agencies for the purpose of performing energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the eligible entity;
	+ Application and implementation of energy distribution technologies that significantly increase energy efficiency including;
		- Distributed resources; and
		- District heating and cooling systems
	+ Activities to increase participation and efficiency rates to reduce, capture, and to the maximum extent practicable, use methane and other greenhouse gases generated by landfills or similar sources;
	+ Implementation of Material Conservation Programs at the local level
	+ Replacement of traffic signals and street lighting with energy efficient lighting technologies including:
		- Light emitting diodes; and
		- Any other technology of equal or greater energy efficiency.
	+ Implementation and installation on or in any government building of the eligible entity of onsite renewable energy technology that generates electricity from renewable resources, including:
		- Solar energy
		- wind energy
		- fuel cells and
		- biomass.
* Project Title – Provide a project title that encompasses the work to be done at the local level
* Amount Requested – This will be the amount of funding from EECBG funds. Keep in mind the agency is planning on issuing grants from $500,000 to $1,000,000 each..
* Total Project Cost – If the local government entity will be contributing funds for the project, the application must show the amount the local government will contribute and the amount requested through EECBG funding which will equal the total project costs.
* Start Date— keeping in mind that the agency plans to have contracts in place on or around August 1, 2024 – please provide an anticipated start date.
* End Date – Provide the anticipated length of time for project completion.
* Description of Proposed Project – This is an opportunity to provide detailed information on the project scope. This will include proposed project activities, needs to be addressed by the project, community benefits, any emission reductions associated with the project and a brief justification for the funding.
* Estimated timeline for project milestones – description of activities and when each milestone is initiated and planned ending.
* Metrics
	+ Estimated Energy Savings from project implementation
	+ Estimated annual dollars saved by the community with project implementation
	+ Estimated renewable energy generated
	+ Estimated monetary cost savings from renewable energy generation
* Detailed Project Budget – Applications that fail to include a detailed project budget will be deemed incomplete and will not be considered. The budget form is accessible at [Energy Efficiency and Conservation Block Grant Program - Kentucky Energy and Environment Cabinet](https://eec.ky.gov/Energy/Programs/Pages/Energy-Efficiency-and-Conservation-Block-Grant-Program.aspx)
	+ Personnel – List any personnel and titles of personnel working on the project for which reimbursement will be requested.
	+ Fringe – Provide the fringe rate associated with employees of the local government and give an explanation of what the fringe rate includes.
	+ Travel -- Provide any travel that will be incurred and charged toward the grant project, the purpose of the travel and if your agency uses a federal, state, or local travel rate.
	+ Equipment – Under 2 CFR 200 – equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000. List any equipment and purpose in the project. [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200)
	+ Supplies – Supplies are generally defined as an item with an acquisition cost of $5,000 or less and a useful life expectancy of less than one year. Supplies are generally consumed during the project period of performance. [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200)
	+ Contractual – List any vendors, contractors, or consultants supplying commercial supplies or services used to support this project.
	+ Construction – Any construction work that is performed by a vendor or subrecipient to the grant awardee should be entered under Contractual.
	+ Other – Other direct costs are costs items required by the project which do not fit clearly into other categories and are not included in the indirect pool if indirect cost rates are being applied. Example would include meeting costs, printing costs, etc.
	+ Indirect – Indirect costs are those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. If a federally approved indirect rate has been negotiated the entity may use that rate. A copy of the indirect rate shall be submitted with the application. If not, a rate of 10% should be used.
* Each applicant is responsible for submitting all relevant, factual, and correct information with the application to enable the evaluators to afford each applicant the maximum score based on the available data submitted by the applicant.

**OTHER CONSIDERATIONS**

Each approved application award (contract) will include ***federal Flow Down Requirements*** as requiredby U.S. DOE. These requirements shall include but not limited to:

* Davis-Bacon (DBA) prevailing wage laws **–** [Davis-Bacon 101: An Overview of the Davis-Bacon Act (ky.gov)](https://eec.ky.gov/Energy/Programs/Documents/davis-bacon-101-overview-davis-bacon-act.pdf)
* Build America/Buy America (BABA) requirements – [Davis-Bacon 101: An Overview of the Davis-Bacon Act (ky.gov)](https://eec.ky.gov/Energy/Programs/Documents/davis-bacon-101-overview-davis-bacon-act.pdf)
* National Environment Policy Act (NEPA) provisions -- **link to our web site for document**
* State Historic Preservation Office (SHPO) provisions – **link to our web site for document**

**Evaluation ad Scoring of Applications**

The Cabinet will conduct a comprehensive, fair and impartial evaluation of all applications and score the applications based on the following factors:

* Strength of the submittal in meeting the objectives of the application criteria *(50 points)* with consideration being given to the following:
	+ Energy usage reduction through energy efficiency measures
	+ Renewable energy generated
	+ Storage of generated renewable energy
	+ Demonstration of projected emission reductions including greenhouse gas emissions, SO2, NOx, PM)
* Qualifications, Experience, Capabilities, and Scheduling *(25 points)*
	+ Relevant experience with the technology or process;
	+ Strength of team assembled for project (including commitment of key participants) as evidenced by letters of commitment or support; and
	+ Schedule, milestones, and deliverables of project.
* Reasonableness and clarity of budget -- A budget, using at a minimum the budget categories listed in Attachment 2, must be provided. Justification for each expense category shall be provided in the Detail Budget Workbook. Project budget will be evaluated and scored for reasonableness by comparing cost vs. benefits of the overall application (10 points).

|  |  |
| --- | --- |
| **EVALUATION CRITERIA** | **POINTS POSSIBLE** |
|  |  |
| Strength of Project in Meeting Application Objectives | 60 Points |
| Qualifications, Experience, Capabilities & Scheduling | 25 Points |
| Reasonableness & Clarify of Budget | 15 Points |
| **TOTAL POINTS**  | **100 POINTS** |

**Additional Application Points**

Additional Points can be awarded in one of three ways.

1. **Designation of Disadvantaged Community**

Applications submitted by communities/counties designated by federal criteria as being a disadvantaged community can receive fifteen (15) additional points on a complete application. The application submitted must identify the community as being designated as disadvantaged. Only communities designated as disadvantaged using federal criteria will be awarded the additional points. The link to the federal database and mapping tool can be located here. <https://screeningtool.geoplatform.gov/en/#5.3/37.834/-85.768>

1. **Communities Designated in Natural Disaster Areas**

Applications submitted by communities/counties in designated natural disaster areas can receive an additional fifteen (15) additional points on a complete application. The application submitted must identify the community/county as an area impacted by the 2021 Tornado event in Western Kentucky or the 2022 Floods in parts of Eastern Kentucky.

1. **Points for Leveraged/Match Funding**

Although not a direct requirement under this application process, the ability to leverage (match) funding to enhance overall project objectives will be evaluated and extra points awarded for match. (up to 20 points)

* 1. Funds leveraged as a percentage of project are scaled from zero points (zero match) to 20 points (match equal to or greater than 100% of funds requested) The following table reflects how points will be prorated in relationship to the percent of leverage.
	2. For purposes of evaluating and scoring the applications, only cash contributions and monetized donations of goods will be considered as leverage (match).

**Scale of Evaluation Points for Matching Funds**

|  |  |
| --- | --- |
| **Matching Funds as % of Requested Funds** | **Evaluation Points** |
| **0** | **0** |
| **10** | **1** |
| **20** | **2** |
| **30** | **3** |
| **40** | **5** |
| **50** | **8** |
| **60** | **10** |
| **70** | **12** |
| **80** | **14** |
| **90** | **16** |
| **100** | **20** |

# Other Where to Submit

Application forms are located at <https://eec.ky.gov/Pages/>.

A complete submittal will consist of the signed, completed application form and documentation as outlined above.

The application and documentation will be submitted via email to: energy.ky.gov.

**Grant Evaluation Process**

After the close date for applications, OEP will establish the evaluation team to review and score the applications as follows:

Each member of the evaluation team will review and score each application individually. Once that process is complete – the evaluation committee will provide those scores to the program manager who will compile those scores and average the individual scores.

Using these project scores, funding will be awarded to top-scoring applications selected by the committee according to fund limitations and the merit of the applications. Applications may be offered partial funding based on an agreed revised scope and budget between the applicant and the Cabinet.

The Cabinet will notify the highest ranking applications and begin preparing workplans and contracts with awarded applicants.

**General Information about the Grants**

OEP may request additional information as may reasonably be required for selection.

OEP will schedule and hold a webinar on the application process and form. Once held, the webinar will be posted on OEP’s website for reference.

Applicants should submit written questions via email to http://energy.ky.gov. Oral questions will not be accepted at any time. OEP will respond to questions in writing with a Questions and Answer compilation and post that document to the Cabinet’s web site [Energy Efficiency and Conservation Block Grant Program - Kentucky Energy and Environment Cabinet](https://eec.ky.gov/Energy/Programs/Pages/Energy-Efficiency-and-Conservation-Block-Grant-Program.aspx)

The Application Manual, Application, Budget, Detailed Budget Workbook, and Questions and Answer compilation are posted to the Cabinet’s web site:

***It is the applicants’ responsibility to ensure that copies of all information and forms have been obtained.***

The Cabinet may request additional information about any aspect of an application in order to better evaluate the project. This information request may take the form of a meeting. Any discussions of an applicant’s project carolwill pertain only to that application and not include information from or about any other application.

The EEC-OEP shall not disclose any portions of the proposals prior to contract award to anyone outside the EEC-OEP, representatives of the agency for whose benefit the contract is proposed, representatives of the federal government, if required, and the members of the evaluation committee. After a contract is awarded in whole or in part, the Commonwealth shall have the right to duplicate, use, or disclose all proposal data submitted by Offerors in response to this RFP as a matter of public record.

Any and all documents submitted by an Offeror in response to the RP shall be available for public inspection after contract award pursuant to the Kentucky Open Records Act, KRS 61.870 to 61.884 (“the Act”). When responding to a request to inspect records submitted in response to this RFP, the Commonwealth will not redact or withhold any information or documents unless the records sought are exempt from disclosure pursuant to KRS 61.878 or other applicable law. Similarly, no such documents shall be exempt from public disclosure, regardless of the Offeror’s designation of the information contained therein as “proprietary,” “confidential,” or otherwise, except in cases where the requested documents (or information contained therein) would be excluded from application of the Act under KRS 61.878(1)(c).

By signing the Application Form, the Applicant certifies that he/she, along with any other officers, directors, owners, partners, employees, or agents is (are) not presently debarred, suspended, prosed for debarment, or declared ineligible for an award by any state or federal agency. This is in accordance with Federal Acquisition regulation 52.209-5.

The Cabinet may terminate and cancel this Grant Program at any time. In such a case, the Cabinet will give the Applicant 30 days’ written notice.

If for any reason the funds from federal DOE become unavailable, the Cabinet may cancel the Contract and not be obliged to make any payments under the Contract after the termination date. The Cabinet will provide 30 days’ notice of any such termination.

All costs of the project are to be included in the Budget and the Detailed Budget Workbook and described in the Narrative section of the Application. After the Contract is executed, no additional expenses may be reimbursed. These include expenses for the applicant’s fees, travel, and miscellaneous expenditures. All expense charges under the Contract must be invoiced on the Cabinet’s form and must be supported by documentation and receipts. Costs may not exceed the project budget. Any re-allocation of costs within the budget must receive prior written approval from the Cabinet.

**The Cabinet is not liable for social security contributions under 42 US Code, Section 418, with regard to compensation of any second party to the Grant Agreement.**

The Applicant (Awardee) must maintain continuous compliance with the provisions of those statutes which apply to the Applicant’s operations. If the applicant fails to reveal a final determination as described above or fails to comply with the above statutes for the duration of the Contract, the Cabinet may cancel the grant.

**Additional Terms**

**Discrimination (because of race, religion, color, national origin, sex, age, or disability) is prohibited.**

Applications for the grants are limited to new projects.

Projects may be multi-year in duration provided that there are annual milestones and deliverables specified within each year.

Additional terms and conditions may apply to awarded grants and will be set forth specifically in the Memorandum of Agreement between the OEP and the grant recipient.