

**MARKET TRANSFORMATION AND TECHNOLOGY DEPLOYMENT
RENEWABLE ENERGY FOA # EN-12112009**

See below questions received by MDA-ED since November 12, 2009:

1. QUESTION

A company is currently moving forward with a project that will utilize wood waste to fuel a high-pressure boiler. All of the steam produced by this boiler will go through a condensing steam turbine and the waste heat from the condenser is not being recovered. As I understand the categorical exclusions from NEPA, this system would not qualify as a CHP system. Is my understanding correct?

If so, this system would need to meet the “appropriately sized unit” criteria in the FOA from MDA. The facility currently experiences peak loads in excess of 950-kVA. The proposed generator is a 1-MW unit. Would MDA consider this to be an “appropriately sized unit?”

ANSWER

To the question: “Is my understanding correct?”

The description provided indicates that the proposed project would use a biomass material to supplant the use of a fossil fuel in the high-pressure boiler. This would be allowable under the biomass category of the Eligible Projects section on page 3 of the FOA. The description provided also indicates that the waste heat would not be re-captured, therefore it would not be characterized as CHP.

To the question: “Would MDA consider this to be an ‘appropriately sized unit?’”

NEPA guidance issued by the U.S. Department of Energy (DOE) does not specifically quantify the size associated with an “appropriate sized” biomass project. However, the guidance does state that “systems sized to boilers appropriate to the buildings in which they are located” would likely be acceptable. All renewable projects submitted under this program must have a NEPA environmental assessment completed by DOE prior to the commencement of work, and there is no guarantee that a project will be cleared. MDA-ED will likely only fund projects that can be categorically excluded from protracted NEPA review.

2. QUESTION

We have a renewable energy (biomass) project, but the December 11 deadline is very tight given some of the necessary engineering design/spec work needed. Is MDA anticipating sticking to the December 11 deadline, or can/will this be extended?

ANSWER

The deadline for proposals has been extended and is now January 5, 2010, by 3:00 p.m. Central Standard Time. Please see Addendum #2 for more information.

3. QUESTION

I recently was given notice of the stimulus package that concerned renewable energy. One of the things it asks was for all Americans to ask what they could do to help in this new and upcoming source of energy that is developing in our country. This notice said that the Department of Energy was looking for people with skills such as engineers, teachers, research, landowners, managers, etc. So my question is, "Can I be of assistance to this program?" What my sister and I have is land. We own 323 acres of a Pine tree farm in Rankin county. Please let me know if this is something that could be a part of the stimulus package energy program.

ANSWER

It is unclear based on this question whether a renewable energy system is being proposed. The FOA states that "the program will offer grants to projects that deploy commercially available renewable energy systems that reduce the use of fossil fuels and assist the State of Mississippi in the identification, purchase and installation of approved clean technology systems."

Please see the FOA for guidelines related to this program.

4. QUESTION

Are there subsequent funding rounds planned for the Market Transformation and Technology Deployment program, after the proposal period ending December 11? If so, please let me know when those might be and if the program is expected to be any different.

ANSWER

There are no future funding rounds planned for this program. The deadline for proposals has been extended and is now January 5, 2010, by 3:00 p.m. Central Standard Time. Please see Addendum #2 for more information.

5. QUESTION

Our question is as follows:

As a Non-Profit who is expecting to have a Section 515 loan from USDA Rural Development, and possibly an FHA-insured mortgage, as well, is either of these sources considered non-federal funds? Will this affect qualifying for this funding opportunity?

As related-Page 4. Cost Share/Match Requirement

“All proposals must leverage other non-federal funds in order to qualify for funding. A minimum of 25% of the total cost of the renewable energy project to be funded through this project must be contributed by the Proposer (can you please say more about that or how it could not qualify?)

ANSWER

The intended use of these additional federal funds is unclear based on the question raised. An organization’s receipt of federal funding for other projects or programs does not in any way disqualify them from applying or receiving funding for this program; however, the use of federal dollars as a cost-share match is not allowed, unless the funds are authorized by federal statute to be used for cost-sharing or matching. These ARRA SEP funds may supplement, but not supplant, the use of other federal funds.

6. QUESTION

I am carefully reviewing page 7 of the FOA that details proposal contents. Item #4, Project Description /Narrative stipulates a 20 page limit. In the case of Items #5,6 no pages are indicated. Are they considered part of the 20 page limit? Same question for Items 8 and 9 re Budget Details and the Project Management Plan. I would personally have thought 4,5,6,7,8 all be part of the Project Description and the 20 page total.

Am I correct that the Appendices A, B, C do NOT count against the 20?

Is a conventional 1” margin, Arial 11 font what you require?

ANSWER

To the question “Are items #5-6 included in the Project Description/Narrative section along with 6, 7, 8, and 9?”

No. Each section within the FOA Section II, Proposal Contents, should be considered separate. Therefore, the Project Description / Detailed Plan Narrative, #4 (see page 7) should not exceed 20 pages, and # 7 (see page 8), should not exceed 3 pages. There are no page limits given for #s 5, 6, 8, and 9.

To the question “Appendices A, B, C, do not count against the 20?”

Appendices A, B, and C (i.e. ARRA Submission form, SEP-ARRA Certification form, and NEPA ES-1 form) are required documents and do not count towards any individual section's page limit.

To the question “Is there a conventional margin or font requirement?”

There are no margin or font requirements for proposals under this program.

7. QUESTION

In reviewing the RFP for RE Projects, we noted that projects that generate power for resale are excluded. We need a ruling on whether this requirement will eliminate our proposed projects from consideration. I will appreciate an opportunity to discuss this matter with you and obtain a ruling of the eligibility of our projects.

ANSWER

Addendum #1 modified the FOA to include projects that generate power for resale through a program offered by their utility are eligible for funding under this program. Please see Addendum #1 for further information.

8. QUESTION

On page 4 of your FOA 5th bullet under Structural Eligibility it states...

“Encumbered by any type of lien.”

Please clarify. This applicant is proposing a retrofit for a building owned and occupied by the applicant. It has a mortgage which is current and in good standing. I am interpreting your statement to mean a property that has a lien but not in good standing. In other words, there are collection issues, or other type issues associated with the lien, that threatens ownership.

Please let me know if my interpretation is correct, and that the property the applicant will propose to retrofit will qualify to apply for the grant, under this definition.

ANSWER

The interpretation is correct. The property the applicant will propose to retrofit would qualify, provided that it meets all other eligibility requirements listed in the FOA.

9. QUESTION

May an applicant for assistance under the program bundle the requests of two or more corporations that have common (identical corporate) ownership to meet the minimum grant size of \$50,000?

ANSWER

No. Joint applications for separate properties are not allowed under this program.

10. QUESTION

1. The project states that the grant will only fund 75% of installed system cost and 25% of the cost will be contributed by the proposer. With this said; If a project is quoted at a cost of \$100,000 the grant can only be written for 75,000 and the other 25,000 will have to be finance through the proposer. Is this correct ?
2. With in-kind contributions; are they considered to be any indirect or direct or variable expense (contributed) within the project that is required; in order for the project to be complete? (labor,equipment, etc)
3. On pg. 10 of the proposal Num: 12 "Required Supplemental Information" Exhibit 1 & 2 are requirements for the proposer if they are seeking funding from a 3rd party to provide their 25% cost of their project. If the proposer is going to provide this 25% cost internally this in't required correct ?
4. Did this proposal request previous financial statements of the proposer or only the financial budget / cost of the project is needed only ?

To the question "Will the \$25,000 be financed by the proposer if the grant amount funded by MDA-ED is 75,000?"

Yes. If the total project is quoted for a cost of \$100,000, MDA-ED will fund a maximum of 75%, or \$75,000 of the grant. The \$25,000 must be provided by the proposer as a match. See page 4 of the FOA for further guidance.

To the question "Are in-kind contributions considered to be direct, indirect, or variable expenses (contributed) within the project that is required; in order for the project to be completed (labor equipment, etc)?"

Costs that can be contributed as a match must be necessary and reasonable for the completion of the project.

Page 4 of the FOA states that “The non-federal match may be leveraged through a cash match or in-kind contribution, including third party in-kind contributions, from the Proposer. In-kind contributions are non-cash contributions to a project that satisfy the following:

- They are verifiable from the recipient’s records;
- They are not included as contributions for any other federally-assisted project or program;
- They are necessary and reasonable for proper and efficient accomplishment of the project or program objectives;
- They are not paid by the Federal Government under another award unless authorized by Federal statute to be used for cost sharing or matching;
- They are provided for in the approved budget; and
- They conform to other provisions of this program, as applicable.

To the question “For Required Supplemental Information, Exhibit 1&2 are required for proposers if they are seeking funding from a 3rd party to provide their 25% cost of their project. If the proposer chooses to provide this 25% cost internally, are the documents required?”

Exhibit 1 is only required if the required match will be provided by another source. Exhibit 2 is required of all Proposers.

To the question “Did this proposal request previous financial statements of the proposer or only the financial budget/cost of the project is needed only?”

As stated on page 10 of the FOA under Exhibit 2, Proposers must provide copies of the financial statements of the business, parent company, and other proposed guarantors, if any, for the previous three years of operation. Non-profit Proposers must provide the most recent audited financial statements of the Proposer. These financial statements are for the overall organization and include balance sheets, income statements, and cash flow statements.

11. QUESTION

In your Proposal Information item #4 (4. Project Description and Detailed Plan Narrative), you state in sub paragraphs 4.5 and 4.6 that you want “detailed engineering plans” and “detailed plans” as part of this grant. Do you want detailed engineering “drawings” from an engineer or do you want “sketches” that lay out work scope or do you want a written description of the proposed work since this is a narrative?

ANSWER

To the question “Do you want detailed engineer drawings /sketches that lay out the scope of work or a written narrative?”

The Project Description and Detailed Narrative should provide a comprehensive description of the proposed project that includes engineering plans for the size, output, installation, and operation of the proposed system. It is necessary for proposers to adequately demonstrate detailed engineering plans that sufficiently describe the installation and operation of the proposed project. A written description is necessary to explain further how the renewable energy technology would be installed.

12. QUESTION

On page 10 of Exhibit 2 states the need to attach “financial statements of the business, parent company, and other proposed guarantors, if any, for the previous three years of operations.” The business we’re writing a grant for has only been in operation for a year. Will this still meet the requirement for Exhibit 2 or do we need to provide the owner’s statement for the past three years?

ANSWER

In cases where an organization has not been in operation for three years, the Proposer should provide financial statements since inception of the organization.

13. QUESTION

On page 5 under the jobs retained are there additional rules on determining job retention other than the provided definition of a retained job?

ANSWER

Proposers should use the definition provided to estimate the number of jobs to be created or retained. This information should be provided in the proposal as indicated under number 5, Economic Benefits, on page 8 of the FOA.

Proposers are responsible for providing an explanation of the estimated number of direct jobs created or retained. If funded, jobs created and retained shall be reported to MDA-ED on a full time equivalent basis and supported by documentation.

14. QUESTION

Can one company submit multiple grant applications for different sites? Each site will have the same type of system (photovoltaic) but the panel sizes will be different.

ANSWER

No. Joint applications for separate properties are not allowed under this program.