

**MISSISSIPPI DEVELOPMENT AUTHORITY**  
**MARKET TRANSFORMATION & TECHNOLOGY DEPLOYMENT: RENEWABLE ENERGY**

**ROUND 2 BEST PRACTICES GUIDANCE DOCUMENT**

**PURPOSE:**

The purpose of this document is to help potential Applicants prepare competitive applications to the Market Transformation & Technology Deployment: Renewable Energy program funded through the American Recovery and Reinvestment Act of 2009 (ARRA). The goal of this document is to produce a highly qualified group of Applicants to choose from so that these ARRA funds will be spent in the most effective manner possible.

The following sections list characteristics of applications that will make them either more or less likely to receive funding. The first section, Recommended Characteristics, lists elements that will improve the quality of the application. MDA encourages all potential Applicants to take the necessary steps to include each of these characteristics in their application.

The second section, Negative Characteristics, lists elements that will make an application less competitive and less likely to receive funding. MDA recommends that potential Applicants avoid these common pitfalls and ensure that applications avoid these characteristics. Each of these issues is addressed in the Round 2 Funding Opportunity Announcement (FOA). It is in the best interests of Applicants to read this FOA fully and ensure that directions are followed completely. This is a highly competitive program, and small errors or omissions can cause an application to be rated lower and therefore not receive funding.

NOTE: Including the Recommended Characteristics and avoiding the Negative Characteristics does not guarantee funding under Round 2. This is a highly competitive program and not all Applicants will receive funding.

Applications and the required attachments are due to MDA no later than July 8, 2010. Timely submission of the application according to the instructions in the FOA is solely the responsibility of the Applicants.

**SECTION 1: RECOMMENDED CHARACTERISTICS**

The following characteristics will be looked on more favorably by the review committee and MDA encourages Applicants to include these characteristics in their application. While many are not required, they will likely yield a higher rating for the application.

*Adequate Justification* – The review committee must be able to adequately understand what the Applicant is proposing in order to fund the proposal. Successful Applicants will supply documentation justifying the cost and energy savings related to their projects, as well as justification for the budget estimates for implementing the proposed projects. The following elements should be included in applications:

- Energy Savings – Justification that the proposed project will greatly reduce energy consumption and energy costs for the Applicant. This should be clearly defined in the Design Analysis/Site Survey and the Project Description of the Application.

- Budget Justification – As stated on Page 9 of the FOA, applications must include a Budget Justification that explains how the cost estimates in the application were developed and why they are reasonable and justified. This is accomplished by furnishing vendor quotes on the renewable energy measures to be installed or other evidence of the costs of the proposed measures. This should include ALL costs associated with the system. In addition, the Applicant must explain how they intend to provide the minimum required 25% match (e.g.: a contribution from the Applicant in cash, a bank loan, the value of time contributed by the Applicant’s employees to the completion of the project, or donated third party “in-kind” services).
- Qualifications of Applicant or Contractors – Applicants must adequately convey that the Applicant or Contractors that will be designing, installing, and maintaining the proposed system have the necessary experience to do so. Biographies are not sufficient unless they include specific references to work done on similar projects in the past.
- Sustainability – Successful Applicants will explain how the system will be operated and maintained over the life of the system. If the Applicant does not have staff that is capable of doing so, it must identify who will perform these services and how that position or contractor will be paid. If a new position must be funded in order to maintain the proposed project, the Applicant must justify that there are funds available in the Applicant’s budget to pay for them. That is not an expense that grant funds will be used for, so an Applicant must be able to sustain that function over time from its own budget.
- Project Details – Applicants should err on the side of providing more detail, rather than less. This applies to the budget items, the match contribution, and the system design. Provide as much detailed information as possible within the application but add additional pages if necessary. The review committee must have all information necessary to make decisions; therefore those that supply more detailed responses to application questions will likely be considered more favorably.

*Complete Applications* – Complete applications must be submitted. The application must be completed in full and all required attachments must be included in the package. Pages 9 and 10 of the FOA detail the required attachments that must be supplied with the application. Applicants must submit an original and five (5) copies of their application package.

- Complete the Application – Fill out the Application. Do not submit a proposal of your own design. Applicants should answer all questions on the application in full and include as much information as possible. This will allow the review committee to fully understand the proposed project. Add additional sheets if additional space is needed.
- Submit Required Attachments – Applicants must provide all of the required attachments to the application. Failure to do so may result in disqualification. This includes one copy each of Audited Company Financial Statements and historical Energy Bills. Submission of partial financial statements or energy bills is not acceptable.
- Submit Required Attachments – There are several forms at the back of the application (Attachments A, B, C, and D) and other required submissions. Ensure that they are filled out, signed, and included in the application package.

*Maximum Project Impact* – Because this is a highly competitive application process, Applicants with projects that produce maximum impacts to the demonstration of this technology, their economic outlook, their energy consumption, and the local job market will rate higher.

- Maximum Energy Generation or Savings – Applicants that can demonstrate significant energy consumption and cost savings will be more competitive. The review committee will evaluate the Payback Period, Life Cycle Cost Savings, and annual energy produced when evaluating proposals.
- Project Readiness – Because these are ARRA funds, project readiness is an important part of the application review process. Applicants must adequately justify that work can begin and be completed in an expeditious timeframe. It is likely that projects that can begin within 60 days of award and be completed within 180 days (or sooner) of grant agreement execution will rate more highly.
- Demonstration – The purpose of this program is to demonstrate that a range of renewable energy technologies can be used in Mississippi. MDA intends to fund a variety of technologies in a variety of sectors of the economy, with as much geographic representation as possible. Successful Applicants will make a compelling case that this technology can be adopted on a wide scale for their industry, sector, or area of the state.

## **SECTION 2: NEGATIVE CHARACTERISTICS**

MDA recommends that Applicants avoid the following characteristics when developing their applications. These elements will reduce the Applicant's scores and may also result in disqualification of the application.

*Ensure Requirements Are Met* – There are minimum requirements that must be met in order for an application to be considered. Applicants must read and adhere to all statements in the FOA.

- Minimum of 25% match – Applicants must supply a minimum of 25% of the total project cost in either cash or in-kind contributions. This is 25% of the total project cost, not 25% of the grant request. The review committee must be able to ascertain that the entire proposed Match is eligible under the rules for Match found on Page 5 of the FOA and that the company can provide the match through documented cash, in-kind services, or bank loans.
- Complete Applications – Applicants that leave questions unanswered in the application or do not submit/sign all required attachments may be disqualified from consideration. Applicants that do not submit justification and/or descriptions, where required, will rate lower as well.

*Ensure Program Requirements Are Met* – Applicants must read the guidelines of the program as stated in the FOA and develop their applications in accordance with the statements in that document. The following characteristics should be avoided:

- New Business – This program is intended to fund only the purchase and installation of renewable energy technologies on, in, or adjacent to buildings. This program will not provide capital to new business ventures for the production of renewable energy sources.

There is also a prohibition on using funds for new construction so Applicants should avoid including construction-related expenses in their budgets. Including excessive consulting fees in the budget may harm the competitiveness of the application as well. Only those costs associated with the purchase and installation of renewable equipment are allowed.

- Project Underway – This program will not fund projects that have already begun. There are many federal and state requirements that must be addressed prior to commencement of work. Therefore, any project that has begun prior to the execution of a grant agreement with MDA will not receive funding under this program.