

Supporting Statement  
Energy Audit and Renewable Energy Development  
Assistance Program  
0570-NEW

A. Justification

1. Explain the circumstances that make the collection of information necessary.

The Agency is implementing a new grant program for the Rural Energy for America Program (formerly known as the Renewable Energy Systems and Energy Efficiency Improvements Program).

This grant program, newly authorized under the 2008 Farm Bill, makes grants to eligible entities to provide energy audits and renewable energy development assistance to enable agricultural producers and rural small businesses to become more energy efficient and to use renewable energy technologies and resources. Entities eligible to receive grants under this program are State, tribal and local governments; land-grant colleges and universities or other institutions of higher learning; rural electric cooperatives; and public power entities. Grant funds under this program may be used to conduct and promote energy audits; provide recommendations and information on how to improve the energy efficiency of the operations of the agricultural producers and rural small businesses; and provide recommendations and information on how to use renewable energy technologies and resources in the operations. No more than five (5) percent of the grant can be used for administrative purposes. Agricultural producers and rural small businesses for whom a grantee is conducting an energy audit must pay at least 25 percent of the cost of the energy audit.

2. Explain how, by whom, and for what purpose the information is to be used.

Applicants seeking a grant will have to submit applications that include a project proposal with specified information, certifications, and agreements to the Agency. This information will be used to determine applicant eligibility, to determine project eligibility, and to ensure that funds are used for authorized purposes.

## REPORTING REQUIREMENTS – NO FORM NUMBERS

### Applicant Requirements - Project Proposals

Applicants must submit a project proposal containing the following elements:

Application Narrative (Section IV.B.5). Applicants must provide a written narrative of the proposed scope of work that includes, in addition to an executive summary, the following elements:

(1) Plan and schedule for implementation. Applicants must describe the proposed project, details of the proposed activities to be accomplished and the timeframes for completion of each task, the duration of the project, and the estimated time from grant approval to beginning of the project.

(2) Number of entities assisted. Applicants must provide and document the number of agricultural producers and/or rural small businesses that the proposed project will benefit.

(3) Budget. Applicants must provide an itemized budget, including a calculation on the total cost of the project per agricultural producer and rural small business served and identification of any matching funds as being cash.

(4) Geographic scope. Applicants must provide a description of the geographic scope of the proposed project in relation to the identified need for the project.

(5) Capabilities of the applicant. If applying for a Renewable Energy Development Assistance grant, applicants must provide the Agency information on their ability and expertise in conducting similar REDA activities, including the number of projects performed. If applying for an Energy Audit grant, applicants must provide the Agency with information on the number of energy audits and assessments they have performed.

(6) Resources. Applicants must describe the applicant's resources that will be used to perform the project. For those projects that cover multiple states, applicants must also demonstrate how their resources are sufficient to complete all projects across the states.

(7) Leveraging. Applicants must provide documentation supporting the amount of matching funds that will be provided by

other sources supporting the proposed project. In addition, applicants must indicate when such funds will be secured.

(8) Outreach. Applicants must provide a detailed description of the methods they will use to promote their proposed project to the identified potential beneficiaries of the proposed project. This description must cover the goals of the project; identified need; target audience; program title; timeline and type of activities/action plan; marketing strategies; and evaluation.

(9) Selection of recipients to be served. Applicants must describe the method and rationale used to select the areas and businesses that will receive the service.

(10) Project performance. Applicants must provide a description of how the work will be performed, including who will be conducting the work.

Organizational documents (Section IV.V.4). Applicants must provide copies of the applicant's organizational documents showing the applicant's legal existence and authority to perform the activities under the grant.

Financial information Section IV.B.6). Applicants must provide their latest financial information to show the organization's financial capacity to carry out the proposed work. If available, the most recent audit not more than 18 months old is required. If this is not available, the applicant is required to submit the latest financial information that shows the financial capacity of the entity, or subdivision thereof, to perform the proposed work. Such information may include, but not be limited to, the most recent year-end balance sheet, income statement, and other appropriate data that identifies the entity's resources

Intergovernmental review comments (Section IV.B.7). Applicants must provide Intergovernmental review comments from the State Single Point of Contact, or evidence that the State has elected not to review the program under Executive Order 12372.

### **Grant Agreement (Section V.D.)**

Applicants approved for a grant must sign a grant agreement with the Agency. The agreement outlines the responsibilities of the grantee and is necessary to ensure grant funds are used only

for the purposes and activities specifically approved. Applicants enter into this agreement prior to the advance of funds.

**Project performance report (Section V.G).**

Performance Report. Grantees will be required to submit a performance report on a semiannual basis. These reports shall include, but not be limited to, the following: (i) a comparison of actual accomplishments to the objectives established for that period; (ii) problems, delays, or adverse conditions, if any, which have affected or will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; (iii) the percent of financial resources expended on contractors; and (iv) objectives and timetable established for the next reporting period.

Final Semiannual Performance Report. Grantees will be required to submit a final semiannual performance report, which must address certain information in addition to the previously stated requirements for the semiannual performance reports.

For energy audit projects, this additional information consists of: the number of audits conducted; a list of recipients with their North American Industry Classification System code; the location of the recipient; the cost of each audit; the expected energy saved for each audit conducted if the audit is implemented, and the percent of financial resources expended on contractors.

For renewable energy development assistance projects, this additional information consists of: a list of recipients with their North American Industry Classification System code; the location of the recipient; the expected renewable energy that would be generated if the projects were implemented; and the percent of financial resources expended on contractors.

Final Status Report. One year after submittal of the final semiannual performance report, the grantee must submit a final status report on the number of projects that are proceeding with one or all of the grantee's recommendations, including the amount of energy saved and the amount of renewable energy generated, as applicable.

Financial Audit Report. For the years in which grant funds are received, the grantee will be required to submit an audit in accordance with 7 CFR part 3052.

**Recordkeeping Requirements (Section V.H).**

Grantees are required to keep records that identify adequately the source and application of funds for grant-supporting activities, together with documentation to support the records. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income. In addition, the grantee will retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least 3 years after grant closing except that the records shall be retained beyond the 3-year period if audit findings have not been resolved or if directed by the United States. Microfilm copies may be substituted in lieu of original records. The Agency and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the grantee which are pertinent to the specific grant program for the purpose of making audit, examination, excerpts, and transcripts.

**Reporting Requirements - Forms Approved with this Docket**

AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions" or other written documentation. This form certifies that the applicant is not presently debarred, suspended, or voluntarily excluded from covered transactions by any Federal department or agency.

AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions" or other written documentation. This form certifies that lower tier participants are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any Federal department or agency.

AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals". This certification is required by the regulations implementing section 5151-5160 of the Drug-Free Workplace Act of 1988 (7 CFR 3017.600). Applicants are required to comply with

the requirements for drug-free workplace and provide certification under these regulations.

RD 400-4, "Assurance Agreement". All applicants and recipients are required to complete this form to comply with Civil Rights Acts and laws.

RD 1940-1, "Request for Obligation of Funds". This form is completed for each note or commitment requiring an obligation of funds.

RD 1942-46, "Letter of Intent to Meet Conditions". This form indicates an applicant's acceptance of conditions found in the letter of conditions. The form also allows the applicant to propose alternative conditions.

#### **Reporting Requirements - Forms Approved Under Other OMB Numbers**

SF-424, "Application for Federal Assistance" (OMB No. 4040-0004). This is the standard application required to be executed for all Federal grant programs. It is used the required face sheet for applications for Federal grant funding.

SF-424A, Budget Information - Non-Construction Programs (OMB No. 4040-0006). This form must be completed by applicants to show the project's anticipated budget breakdown in terms of expense categories and division of Federal and non-Federal sources of funds. Identifying the project's requested funding by expense category is necessary to assure that the expense is necessary for successful conduct of the project, is allowable under applicable Federal cost principles, and is not prohibited under any applicable Federal statute or regulation.

SF-424B, Assurances - Non-Construction Programs (OMB No. 4040-0007). This form must be completed by the applicant to provide the Federal government certain assurances of the applicant's legal authority to apply for Federal assistance and financial capability to pay the non-Federal share of project costs. The applicant also assures compliance with various legal and regulatory requirements as described in the form.

SF-269, "Financial Status report" (OMB No. 0348-0039). This form is used to confirm that funds are being spent in conformity with the budget and work plan.

SF-270, "Request for Advance or Reimbursement" (OMB No. 0348-0004). This form is used to request payment of funds under the grant. Grant funds will not be disbursed on more than a monthly basis.

SF-LLL, "Disclosure of Lobbying Activities". All applicants are required to complete this form, regardless of their involvement in lobbying activities.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Also describe any consideration of using information technology to reduce burden.

The Agency strongly encourages applicants to submit as much material as possible electronically using [www.Grants.gov](http://www.Grants.gov), which would allow the Agency to retrieve the applications electronically. Further, applicants who receive funding will be encouraged, but not required, to submit semi-annual and final reports electronically. However, the Agency will not totally require submission by electronic methods because some applicants may not have the technological expertise for electronic submission or may not have the equipment necessary for high technological information gathering. The Agency will prepare an application guide to help reduce the effort associated with preparing applications, which could be posted on the Agency's Web site along with all forms for the applicant to print off.

4. Describe efforts to identify duplication.

The Agency is relying on existing forms used in the current Rural Development grant programs, which includes the Rural Energy for America Program grant program. If similar information is found to be available from another Federal agency, every effort is made to utilize that information as is or in an appropriately modified form for this program.

5. If the collection of information affects small businesses or other small entities, describe the methods used to minimize the burden.

The information collection required for this initiative places little or nominal burden on small entities beyond that performed in normal business practice. The Agency is using industry-standardized data elements and documents, supplementing them with Government-wide forms that are familiar to many applicants.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The information collected under this program is the minimum necessary to conform to the requirements of the program regulations established by law. Information is collected when needed and cannot be collected less frequently and still meet the requirements of the programs. Failure to collect proper information could result in improper determinations of eligibility or improper use of funds.

7. Explain any special circumstances that would cause the collection of information to be conducted in a manner:

- a. Requiring respondents to report information to the Agency more often than quarterly. There are no information collection requirements that require specific reporting on more than a quarterly basis.
- b. Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it. There are no specific information collection requirements that require less than 30 days response from the applicant or grantee.
- c. Requiring respondents to submit more than an original and two copies of any document. There are no information requirements that require more than an original and two copies.
- d. Requiring respondents to retain records for more than 3 years. Grantees are not required to retain records for more than 3 years, except in cases where there are unresolved audit findings.
- e. Not using statistical sampling. There are no such requirements.
- f. Requiring use of statistical data classification that has not be reviewed and approved by Office of Management and Budget (OMB). No such requirements exist.
- g. Requiring a pledge of confidentiality that is not supported by authority in statute or regulation, that is

not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use. There are no such requirements.

h. Requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permissible by law. There are no such requirements.

8. Comments on Agency's notice in the Federal Register and efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of the instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The 60-day notice for comment is embedded in the Notice of Solicitation of Applications (NOSA).

The Agency sought comments on section 9007 and other title IX section in the 2008 Farm Bill from outside persons during a "listening conference," which was held on September 4, 2008. None of the commenters provided any comments related to the potential burden of implementing the Energy Audit and Renewable Energy Development Assistance grants program.

The Agency has relied on the experience obtained on the Rural Energy for America Program and believes that the requirements for implementing the Energy Audit and Renewable Energy Development Assistance program are efficient and clear to encourage participation from all eligible entities.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts will be provided to respondents, including no remuneration of contractors or grantees.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy.

No assurance of confidentiality is provided to respondents for the information required. When necessary, the Agency will

process any and all requests for release of records and information in accordance with the Privacy Act of 1974. However, in some instances, the information collected under the provisions of this program is not considered to be of a confidential nature. For example, organizations, such as not-for-profit entities and public bodies from which information is collected, are ordinarily required to make their activities available for public scrutiny.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

The information collected does not contain any questions of a sensitive nature such as sexual behavior, religious beliefs, or other matters commonly considered private.

12. Provide estimates of the hour burden of the collection of information.

Based on the anticipated funding level for this program, the estimated annual burden for this collection is 53 respondents; 865 responses; and 1,170 burden hours. The total burden for collecting information for 3 years is estimated to be 160 respondents filing 2,600 responses. A total of 3,510 hours were estimated to be required to complete these responses; thus averaging about 1.3 hours per response. The cost per hour used was \$60.

Based on these data, the estimated cost of burden under the NOSA is \$210,600. The following summarizes these estimates as well as the average burden associated with grants issued under the NOSA for the first three years.

Burden Item	Estimated Annual Burden	Total Burden for 3 Years
Number of respondents:	53.3	160
Total annual responses:	865	2,600
Number of hours per response:	1.3	1.3
Total hours:	1,170	3,510
Cost per hour:	\$60	\$60
Total annual cost:	70,200	\$210,600

The attached spreadsheet provides the specific estimates.

13. Provide an estimate for the total annual cost burden to the respondents or recordkeepings resulting from the collection of information.

There are no capital and start-up costs or operations and maintenance costs associated with this collection.

14. Provide estimates of annualized cost to the Federal Government.

The estimated wage of federal employees compiling the information is \$40.41 per hour. Administrative costs include the cost of promulgating the regulations, publication in the Federal Register, and development of forms, etc. The estimated cost to the Government is estimated to be \$205,283. The breakdown of cost to the Government by activity is as follows:

Allocation of Federal Government Costs

Activity	Total
Acknowledge and review applications	\$20,205
Evaluate and score	\$64,656
Inform applicants of selection results	\$4,041
Legal document preparation	\$19,397
Release and advance of funds	\$9,698
Monitoring	\$38,794
Administration	\$48,492
Total	\$205,283

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

This is a new information collection.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

The Agency has no plans to publish information collected under the provisions of this program.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

No approval is being sought.

18. Explain each exception to the certification statement in identified in item 19 of OMB 83-I.

There are no exceptions.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping concept?

The SCI calls for changes to improve services to the United States Department of Agriculture (USDA) customers. One aspect is providing one stop service for greater customer convenience in accessing USDA programs, including access to required forms.