

RD Instruction 4280-B

§ 4280.111 Application and documentation.

The requirements in this section apply to grant applications under this subpart.

(a) General. Separate applications must be submitted for renewable energy system and energy efficiency improvement projects. Applicants may only submit one application for each type of project per Federal fiscal year. An original and one complete copy of each application are required that follow the outline below. Each application must include a Table of Contents with clear pagination and chapter identification.

(b) Grant application content. Applications and documentation for projects using the simplified application process, as described in § 4280.109, must provide the required information organized pursuant to the Table of Contents in a chapter format presented in the order shown in paragraphs (b)(1) through (3) and (b)(5) through (7) of this section; paragraph (b)(4) of this section does not apply for projects using the simplified application process. Applications and documentation for projects not using the simplified application process must provide the required information organized pursuant to the Table of Contents in a chapter format presented in the order shown in paragraphs (b)(1) through (8) of this section.

(1) Forms, certifications, and organizational documents. Each application must contain the items identified in paragraphs (b)(1)(i) through (iii) in this section.

(i) Project specific forms.

(A) Form SF-424, "Application for Federal Assistance."

(B) Form SF-424C, "Budget Information – Construction Programs."  
A more detailed budget breakdown is required in the Technical Report.

(C) Form SF-424D, "Assurances – Construction Programs."

(D) Form RD 1940-20, "Request for Environmental Information."

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(ii) Certifications.

(A) AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative 1 – For Grantees Other than Individuals."

(B) AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tiered Covered Transactions."

(C) Exhibit A-1 of RD Instruction 1940-Q, "Certification for Contracts, Grants and Loans," required by 7 CFR 3018.110 if the grant exceeds \$100,000.

(D) Form SF-LLL, "Disclosure of Lobbying Activities," must be completed if the applicant or borrower has made or agreed to make payment using funds other than Federal appropriated funds to influence or attempt to influence a decision in connection with the application.

(E) AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions."

(F) Form RD 400-1, "Equal Opportunity Agreement."

(G) Form RD 400-4, "Assurance Agreement."

(H) Applicants and borrowers must provide a certification indicating whether or not there is a known relationship or association with an Agency employee.

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(iii) Organizational documents. Except for sole proprietors, each applicant must submit, with the application, a copy of the legal organizational documents.

(2) Table of Contents. Include page numbers for each component of the application in the table of contents. Begin pagination immediately following the Table of Contents.

(3) Project Summary. Provide a concise summary of the project proposal and applicant information, project purpose and need, and project goals that includes the following:

(i) Title. Provide a descriptive title of the project (identified on SF 424).

(ii) Applicant eligibility. Describe how each of the applicable criteria identified in § 4280.107(a)(1) through (5) is met.

(iii) Project eligibility. Describe how each of the criteria, as applicable, in § 4280.108(a) through (g) is met. Clearly state whether the application is for the purchase of a renewable energy system or to make energy efficiency improvements. The response to § 4280.108(a) must include a brief description of the system or improvement. This description must be sufficient to provide the reader with a frame of reference when reviewing the rest of the application. Additional project description information may be needed later in the application.

(iv) Operation description. Describe the applicant's total farm/ranch/business operation and the relationship of the proposed project to the applicant's total farm/ranch/business operation. Provide a description of the ownership of the applicant, including a list of individuals and/or entities with ownership interest, names of any corporate parents, affiliates, and subsidiaries, as well as a description of the relationship, including products, between these entities.

(v) Financial information for size determination. Provide financial information to allow the Agency to determine the applicant's size. All information submitted under this paragraph must be substantiated by authoritative records.

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(A) Rural small businesses. Provide sufficient information to determine total annual receipts for and number of employees of the business and any parent, subsidiary, or affiliates at other locations. Voluntarily providing tax returns is one means of satisfying this requirement. The information provided must be sufficient for the Agency to make a determination of business size as defined by SBA.

(B) Agricultural producers. Provide the gross market value of your agricultural products, gross agricultural income, and gross nonfarm income of the applicant for the calendar year preceding the year in which you submit your application.

(4) Financial information. Financial information is required on the total operation of the agricultural producer/rural small business and its parent, subsidiary, or affiliates at other locations. All information submitted under this paragraph must be substantiated by authoritative records.

(i) Historical financial statements. Provide historical financial statements prepared in accordance with Generally Accepted Accounting Practices (GAAP) for the past 3 years, including income statements and balance sheets. If agricultural producers are unable to present this information in accordance with GAAP, they may instead present financial information for the past years in the format that is generally required by commercial agriculture lenders.

(ii) Current balance sheet and income statement. Provide a current balance sheet and income statement prepared in accordance with GAAP and dated within 90 days of the application. Agricultural producers should present financial information in the format that is generally required by commercial agriculture lenders.

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(iii) Pro forma financial statements. Provide pro forma balance sheet at start-up of the agricultural producer's/rural small business' business that reflects the use of the loan proceeds or grant award; and 3 additional years, indicating the necessary start-up capital, operating capital, and short-term credit; and projected cashflow and income statements for 3 years supported by a list of assumptions showing the basis for the projections.

(5) Matching funds. Submit a spreadsheet identifying sources of matching funds, amounts, and status of matching funds. The spreadsheet must also include a directory of matching funds source contact information. Attach any applications, correspondence, or other written communication between applicant and matching fund source.

(6) Self-Evaluation Score. Self-score the project using the evaluation criteria in § 4280.112(e). To justify the score, submit the total score along with appropriate calculations and attached documentation, or specific cross-references to information elsewhere in the application.

(7) Renewable Energy and Energy Efficiency Improvements Technical Report. A Technical Report must be submitted as part of the application to allow the Agency to determine the overall technical merit of the renewable energy system or energy efficiency improvement project.

(i) Simplified applications. Simplified applications, which are submitted for renewable energy projects or energy efficiency improvement projects with total eligible project costs of \$200,000 or less, must include a Technical Report prepared in accordance with the requirements specified in paragraphs (b)(7)(i)(A) through (C) of this section.

§ 4280.111(b)(7)(i) (Con.)

(A) The Technical Report must be prepared in accordance with Appendix A of this subpart. If a renewable energy project does not fit one of the technologies identified in Appendix A, the applicant must submit a Technical Report in accordance with paragraph (b)(7)(ii) of this section. The information in all Technical Reports must be of sufficient detail to allow the Agency to score the project and evaluate its technical feasibility.

(B) Either an energy assessment or an energy audit is required for energy efficiency improvement projects. For energy efficiency improvement projects with total eligible project costs greater than \$50,000, an energy audit must be conducted; it must be conducted by or reviewed and certified by an energy auditor. For energy efficiency improvement projects with total eligible project costs of \$50,000 or less, an energy assessment or an energy audit may be conducted by either an energy assessor or an energy auditor.

(C) Technical Reports prepared prior to the applicant's selection of a prime contractor may be modified after selection, pursuant to input from the prime contractor, and submitted to the Agency, provided the overall scope of the project is not materially changed as determined by the Agency. Changes in the report must be accompanied by an updated Form RD 1940-20.

(ii) Full applications. Full applications, which must be submitted for applications for renewable energy projects or energy efficiency improvement projects with total eligible project costs greater than \$200,000, must include a full Technical Report prepared in accordance with Appendix B of this subpart and with paragraphs (b)(7)(ii)(A) through (G) of this section, as applicable.

(A) The Technical Report must demonstrate that the renewable energy system or energy efficiency improvement project can be installed and perform as intended in a reliable, safe, cost-effective, and legally compliant manner.

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(B) Either an energy assessment or an energy audit is required for energy efficiency improvement projects. For energy efficiency improvement projects with total eligible project costs greater than \$50,000, an energy audit must be conducted; it must be conducted by or reviewed and certified by an energy auditor. For energy efficiency improvement projects with total eligible project costs of \$50,000 or less, an energy assessment or an energy audit may be conducted by either an energy assessor or an energy auditor.

(C) For renewable energy projects with total eligible project costs greater than \$400,000 and for energy efficiency improvement projects with total eligible project costs greater than \$200,000, the design review, installation monitoring, testing prior to commercial operation, and project completion certification will require the services of a licensed professional engineer (PE) or team of licensed PEs.

(D) For projects with total eligible project costs greater than \$1,200,000, the Technical Report must be reviewed and include an opinion and recommendation by an independent qualified consultant.

(E) Technical Reports prepared prior to the applicant's selection of a final design, equipment vendor, or prime contractor, or other significant decision may be modified and resubmitted to the Agency, provided the overall scope of the project is not materially changed as determined by the Agency. Changes in the Technical Report must be accompanied by an updated Form RD 1940-20.

(F) All information provided in the Technical Report will be evaluated against the requirements provided in Appendix B of this subpart. Any Technical Report not prepared in the following format and in accordance with Appendix B, where applicable, will be penalized under scoring for technical merit. Technical merit is scored under § 4280.112(e)(4). Use the Evaluation Criteria Scoring Guideline in Appendix C to facilitate scoring applications.

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(G) All Technical Reports shall follow the outline presented below and shall contain the information described in paragraphs (b)(7)(ii)(G)(1) through (10) of this section and Appendix B, if the technology is identified in Appendix B for the particular project. If none of the Technical Reports in Appendix B apply to the proposed technology, the applicant may submit a Technical Report that conforms to the overall outline and subjects specified in paragraph (b)(7)(ii)(G) of this section. For Technical Reports prepared for technologies not identified in Appendix B, the Agency will review the reports and notify, in writing, the applicant of the changes to the report required in order for the Agency to accept the report.

(1) Qualifications of the project team. Describe the project team, their professional credentials, and relevant experience. The description must support that the project team service, equipment, and installation providers have the necessary professional credentials, licenses, certifications, or relevant experience to develop the proposed project.

(2) Agreements and permits. Describe the necessary agreements and permits required for the project and the anticipated schedule for securing those agreements and permits. For example, interconnection agreements and purchase power arrangements are necessary for all renewable energy projects electrically interconnected to the utility grid. The applicant must demonstrate that the applicant is familiar with the regulations and utility policies and that these arrangements will be secured in a reasonable timeframe.

(3) Energy or resource assessment. Describe the quality and availability of the renewable resource, and an assessment of expected energy savings through the deployment of the proposed system or increased production created by the system.

(4) Design and engineering. Describe the intended purpose of the project and the design, engineering, testing, and monitoring needed for the proposed project. The description must support that the system will be designed, engineered, tested, and monitored so as to meet its intended purpose, ensure public safety, and comply with applicable laws, regulations, agreements, permits, codes, and standards. In addition, the applicant must identify all the major equipment that is proprietary equipment and justify how this unique equipment is needed to meet the requirements of the proposed design.

(5) Project development. Describe the overall project development method, including the key project development activities and the proposed schedule for each activity. The description must identify each significant historical and projected activity, its beginning and end, and its relationship to the time needed to initiate and carry the activity through to successful project completion. The description must address applicant project development cashflow requirements. Details for equipment procurement and installation shall be addressed in paragraphs (b)(7)(ii)(G)(7) and (8) of this section.

(6) Project economic assessment. Describe the financial performance of the proposed project. The description must address project costs, energy savings, and revenues, including applicable investment and production incentives. Cost centers include, but are not limited to, administrative and general, fuel supply, operations and maintenance, product delivery and debt service. Revenues to be considered must accrue from the sale of energy, offset or savings in energy costs, byproducts, and green tags. Incentives to be considered must accrue from government entities.

(7) Equipment procurement. Describe the availability of the equipment required by the system. The description must support that the required equipment is available and can be procured and delivered within the proposed project development schedule.

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(8) Equipment installation. Describe the plan for site development and system installation, including any special equipment requirements. In all cases, the system or improvement must be installed in conformance with manufacturer's specifications and design requirements, and comply with applicable laws, regulations, agreements, permits, codes, and standards.

(9) Operations and maintenance. Describe the operations and maintenance requirements of the system, including major rebuilds and component replacements necessary for the system to operate as designed over the design life. All systems or improvements must have a warranty. The warranty must cover and provide protection against both breakdown and a degradation of performance. The performance of the renewable energy system or energy efficiency improvement must be monitored and recorded as appropriate to the specific technology.

(10) Dismantling and disposal of project components. Describe a plan for dismantling and disposing of project components and associated wastes at the end of their useful lives. The budget for and any unique concerns associated with the dismantling and disposal of project components and their wastes must also be described.

(8) Business-level feasibility study for renewable energy systems. For each application for a renewable energy system project, with total eligible project costs greater than \$200,000, a business-level feasibility study by an independent, qualified consultant will be required by the Agency for start-up businesses or existing businesses. An acceptable business-level feasibility study must at least include an evaluation of economic, market, technical, financial, and management feasibility.