



DOE Request for Information (RFI)

Recovery Act: Energy Efficiency and Conservation Block Grant Program: Competitive Grants

In Support of the American Recovery and Reinvestment Act of 2009

Date: September 14, 2009

Subject: Request for Information (RFI)

Description: The Department of Energy (DOE) is seeking feedback from stakeholders on a planned competitive funding opportunity announcement (FOA) in support of The American Recovery and Reinvestment Act ("Recovery Act") of 2009, Public Law 111-5.

Program Manager / Area: Gil Sperling / Weatherization and Intergovernmental Programs
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Background:

The Energy Efficiency and Conservation Block Grant (EECBG) Program was authorized in Title V, Subtitle E of the Energy Independence and Security Act of 2007 (EISA), Public Law 110-140. The Program provides funds to States, U.S. territories, counties, Cities and Indian Tribes to reduce their energy use and fossil fuel emissions and improve energy efficiency in the transportation, buildings and other appropriate sectors.

The Recovery Act appropriated \$3.2 billion for the EECBG program, with \$400 million to be awarded on a competitive basis to entities that are eligible to receive formula-based funds. In addition, Section 546 of EISA stipulates that two (2) percent of total Program funding is reserved for competitive awards to units of local government (including Indian tribes) that are ineligible to receive formula-based funds, and consortia of these ineligible entities.

DOE anticipates that a total of up to \$453.72 million will be available for competitive grants awarded through one (1) Funding Opportunity Announcement (FOA) with two (2) topic areas. The eligible entities for up to \$390.04 million available under Topic 1 are the same as for the formula EECBG program: States, U.S. territories, counties, Cities, and Indian Tribes. The eligible entities for up to \$63.68 million available under Topic 2 are units of local government and Indian tribes that are not eligible for the direct formula grants.

The purpose of this Request for Information (RFI) is to solicit feedback on the proposed topic areas and evaluation criteria for the competitive awards for eligible entities, and for those that are not eligible for direct formula grants. This is a Request for Information (RFI) and not a Funding Opportunity Announcement (FOA); therefore, DOE is not accepting applications and is instead seeking information from states, cities, counties, U.S. territories, Indian tribes and other interested parties on the assistance under the planned FOA.

Purpose of the Energy Efficiency and Conservation Block Grant Program:

In passing the Recovery Act, the Congress established and expanded new and existing financial assistance programs intended to foster economic prosperity and job creation; reduce emissions from fossil fuels; and put the country on a pathway to a clean, secure and sustainable energy future.

The purposes of the EECBG Program are to serve as a deployment mechanism for energy efficiency and renewable energy technologies and to assist eligible entities to create and implement strategies to:

- Reduce fossil fuel emissions in an environmentally sustainable manner that maximizes benefits for the local and regional communities;
- Reduce the total energy use of the eligible entities; and
- Improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors.

The goal of this planned competitive FOA is to stimulate activities that move beyond traditional public awareness campaigns, program maintenance, demonstration projects, and other “one-off” strategies and projects. Rather DOE seeks to stimulate activities and investments which can:

- Deliver verified energy savings from a variety of projects in the local jurisdiction of the applicant, with a particular emphasis on efficiency improvements in residential, commercial and public buildings;
- Achieve broader market participation and greater efficiency savings from retrofits;
- Sustain themselves beyond the grant monies and the grant period by designing a viable strategy for program sustainability into the overall program plan; and
- Serve as examples of comprehensive community-scale energy-efficiency strategies that could be replicated in other communities across the country.

Request for Information (RFI) Guidelines:

Responses to this RFI must be submitted by email to EECBG.Competitive.RFIcomments@emcbc.doe.gov no later than 5:00 PM Eastern Time on September 28, 2009. Responses must be provided as a Microsoft Word (.doc) attachment to the email, of no more than 3 pages in length, 12 point font, 1 inch margins. Only electronic responses will be accepted.

Parties interested in submitting a response to this RFI should first review these RFI Guidelines and the Topic Areas below. **Please identify your answers by responding to a specific question or topic if possible.** Any information obtained as a result of this RFI is intended to be used by the Government on a non-attribution basis for program planning and procurement strategy development. DOE will review and consider all responses in their formulation of program strategies in the pursuant FOA. Information or data that is restricted in any way or limited for use by the Government is not solicited and will not be considered. **Please do not respond with any information you deem proprietary or confidential. DOE will not respond to individual submissions or publish publicly a compendium of responses. This RFI serves as a one-way process for DOE to obtain feedback on its plans for the Energy Efficiency and Conservation Block Grant Competitive Grants FOA.**

Respondents are requested to provide the following information at the start of their response to this RFI:

- Government/Company/institutional name,
- Company/institutional contact,
- Address, phone number, and e-mail address.

A response to this RFI will not be viewed as a binding commitment to develop or pursue the project or ideas discussed. DOE may also decide at a later date to issue Funding Opportunity Announcements (FOAs) based on consideration of the feedback received from this RFI.

DOE will not pay for information provided under this Request for Information (RFI), and there is no guarantee that a project will be supported as a result of this RFI. This RFI is not accepting applications for financial assistance or financial incentives. DOE has no obligation to respond to those who submit comments, and/or give any feedback on any decision made based on the comments received.

DOE thanks you for your assistance and comments in helping to achieve the goals of the Recovery Act and the EECBG Program.

Request for Information Feedback Questions:

Note: Any projects selected under the planned Funding Opportunity Announcement would be up to 3 years in duration and all Federal funds would need to be expensed within three (3) years of the award date, as per requirements of the Recovery Act. Recovery Act reporting requirements will be used for the projects awarded from this planned Funding Opportunity Announcement.

Question 1. Please comment on the objectives, number and size of awards, proposed recipient cost share, technical merit review criteria, and program policy factors for Topic 1 of the FOA, the Retrofit Ramp-Up Program.

Note that Topic 1 eligibility (as a prime applicant) is per EISA legislation: Cities, counties, States, U.S. Territories, and Indian Tribes that are eligible for the direct formula EECBG

program. This topic is for a planned amount of up to \$390.04 million. DOE plans to award from 4 to 8 awards that are between \$50 million and \$150 million each. No recipient cost share is required for Topic 1. For a list of eligible entities under the EECBG Program, see www.eecbg.energy.gov.

Topic Area 1: The Retrofit Ramp-Up Program

Pursuant to the Energy Efficiency and Conservation Block Grant Program (EECBG), DOE currently plans to award up to \$390.04 million for innovative programs that accomplish the economic, energy and environmental goals of the Recovery Act and the EECBG Program, and are highly leveraged (i.e. at least 5:1 per Federal dollar invested), are broadly replicable and scalable, and are designed to be self-sustaining beyond the funding period.

Purpose. DOE is specifically targeting these funds for a small number of high-profile, high-impact awards that will enable large-scale programs of ongoing energy efficiency retrofits on residential, commercial and public buildings in geographically focused areas. These programs should result in high-quality retrofits that lead to significant efficiency improvements to a large fraction of buildings within targeted neighborhoods or communities (i.e. “whole-neighborhood” retrofits). These retrofits must reduce the total monthly operating costs of the buildings, including any repayments of loans. DOE anticipates making 4-8 awards under this topic, with award sizes up to \$150 million.

Geographic focus. A key goal of Topic Area 1 is to demonstrate that a critical threshold can be reached in which building owners, both residential and commercial, are convinced to participate in retrofit programs because they observe many other local building owners, facility managers, landlords or tenants doing so. For this reason, DOE will place significant weight on the criterion that proposed programs reach a large fraction of buildings within targeted neighborhoods.

Program structure. Under this topic of the FOA, DOE is seeking applications that target innovative, “game-changing” ideas that create a comprehensive framework for building retrofits, including processes for financing, delivery and monitoring, which can serve as templates for other communities across the country. DOE has designed merit review criteria that emphasize programs that address key obstacles (e.g., upfront cost, lack of consumer confidence), are long-term, replicable, scalable, and enable continued energy efficiency investment beyond the grant period. DOE has intentionally left the structure of financing, delivery and monitoring of building retrofit programs open in order to encourage innovation in these areas, and intends to use this topic to allow different models of comprehensive, community-scale residential retrofit programs to be demonstrated and tested.

Revenue and sustainability models. DOE believes there are multiple viable approaches to developing revenue streams from building efficiency improvements that can be used to ensure program sustainability after grant monies are exhausted. These may include revolving loan funds, utility on-bill payment and/or financing, the sale of carbon and other offsets, the sale of white tags to meet efficiency mandates, and the sale of efficiencies into forward capacity markets. Under this Topic, DOE intends to allow maximum flexibility to applicants to demonstrate innovative models of sustainability.

Partners. DOE strongly encourages applications that plan to leverage the participation and support of multiple partners, including utilities, regional planning agencies, businesses, financial institutions, non-governmental organizations, and State energy offices.

Generic examples. The following examples broadly illustrate how comprehensive building retrofit programs might be structured. They are not intended to be prescriptive or to indicate any preference on the part of DOE for particular approaches, but rather to convey the degree of comprehensive program design DOE is seeking.

Example 1: Partnering with a large construction-related retailer and a local utility, a community develops a retrofit program funded by a revolving loan fund. Project funds are used to leverage additional 5:1 outside funds, with an on-bill repayment mechanism for homeowners receiving retrofit services. Working with the retailer and the utility, the community publicizes the program and begins door-to-door “neighborhood sweeps” to audit homes and arrange scheduling for retrofit work with homeowners. Work is delivered through a variety of contractors coordinated by the retailer, and the energy impact is monitored through utility bills reported by the utility.

Example 2: Partnering with a large appliance retailer, a home service contract provider, and the state energy office, a community develops a program to audit homes during the delivery and servicing of appliances and other home systems, working through the servicer and retailer’s network and capabilities. Project funds are used to leverage additional 5:1 outside funds, with loan repayment through service contracts. In order to expand resources available to the program and ensure sustainability, deemed savings from appliances are captured and sold by the community as carbon offsets.

Example 3: Partnering with the state department of commerce and an ESCO, a community develops a program to retrofit retail buildings in its downtown district. Project funds are used to leverage additional 5:1 outside funds, and the program is marketed to local businesses by the state department of commerce, with retrofits delivered through the ESCO. Energy savings from retrofits are displayed on signs placed in store windows, and community leaders initiate a campaign to encourage residents to shop at stores that achieved the greatest energy reductions.

Example 4: Partnering with several local banks and a large construction firm, a community develops a program to retrofit homes and retail buildings in a mixed-use neighborhood. Project funds are used to leverage additional 5:1 outside funds, and the program is marketed to customers of the banks through the ATM networks and monthly statements, with retrofits delivered by contractors coordinated by the construction firm. Recipients of retrofits are able to check their energy savings online or at local ATMs. To ensure the program’s sustainability and enhance its funds for future retrofit work, efficiency savings from retrofits are aggregated and sold to forward capacity markets.

Example 5: Partnering with an ESCO and a local cable and internet service provider, a community develops a program to bundle energy audits with cable and internet installation and servicing. Outreach and advertising is also provided by the cable/internet provider. Project funds are used to leverage additional 5:1 outside funds, and the program delivers retrofit services

through the ESCO, using a repayment mechanism based on cable bills. The program allows owners receiving retrofit services to monitor and track their building's performance with online tools hosted by the cable/internet provider, and participate in community-wide comparisons of savings.

Example 6: Partnering with a local utility, a community develops a program to retrofit private, commercial and public buildings in several neighborhoods. The utility contracts with for-profit and not-for-profit providers to conduct energy audits and install retrofits. The local unit of government uses its bonding authority to pay up-front costs of the program, and the utility collects on-bill payments from building owners and remits to the local government. Federal funds are used to subsidize retrofits of low-income homes and as credit enhancement to support the financing of the program. The overall program is fully coordinated with all other federal, state, local and private programs that support efficiency retrofits in the community.

NOTE: The above examples are intended only to illustrate the degree of comprehensive program design DOE is seeking, and should not be taken to indicate a preference for any particular approach.

What not to propose. DOE is *not* seeking the following:

- Technology-demonstration programs without market transformation;
- Programs which take existing policies and make incremental improvements;
- Programs which focus exclusively or largely on renewable energy technologies for buildings;
- Programs for the design and construction of new energy-efficient buildings.

Instead, applications should describe a comprehensive plan to finance, deliver and monitor energy savings from retrofits to a large number of buildings in geographically contiguous neighborhoods.

Application structure. Applications for the proposed FOA shall include at least the following key elements:

1. A description of **how many and what kinds of buildings** will be targeted by the retrofit program, and their **geographic location**. This may be a map of zones/neighborhoods that will be targeted, or a detailed text description.
2. A description of how the program will conduct **outreach/advertising** to building owners in the targeted zones to inform them of the program and convince them to agree to participate. This should include a discussion of the value proposition being offered to building owners, and why owners are likely to agree to participate.
3. A description of **how the retrofits will be delivered**, including who will do the audits and contract work. To the maximum extent possible, applicants should use DOE-sanctioned tools for auditing buildings and recommending retrofit measures.
4. A description of how savings from retrofits will be **monitored and verified**.

5. A description of **how the program will be financed**, including both leveraged funds and alternate revenue streams as discussed above. This section of the application should also include a discussion of the sustainability of the program after the grant monies are exhausted.
6. An **implementation plan** describing the overall execution of the program, including a detailed timeline and milestones at each stage.
7. **Letters of commitment** from all partners contributing project funds, and **project support letters** from an executive officer from all key partners.

Additionally, applications must contain a clear description of **why federal funds are needed** to implement the retrofit program described in the application (if this is not included in the elements above). Finally, applicants are encouraged to add further discussion as necessary, including an analysis of key market barriers to retrofits in their local jurisdiction, local resources other than funding, a description of the applicant's historical work in energy efficiency programs, and any other relevant information.

Funds Restrictions

For Topic 1 awards, the restrictions of the Energy Independence and Security Act (EISA) Section 545 apply. These restrictions include the following: Davis-Bacon wage rules apply; administrative expenses may not exceed 10 percent of DOE funds; no more than 20 percent of DOE funds may be used for revolving loan funds; no more than 20 percent of DOE funds may be provided in subgrants to nongovernmental organizations.

Updated Building Codes Requirement

DOE will not award funds to any entity that has the authority to adopt building codes and has not adopted the following:

- 1) A building energy code (or codes) for residential buildings that meets or exceeds the most recently published International Energy Conservation Code, or achieves equivalent or greater energy savings; and
- 2) A building energy code (or codes) for commercial buildings that meets or exceeds the most recently published ANSI/ASHRAE/IESNA Standard 90.1, or achieves equivalent or greater energy savings.

Proposed Merit Review Criteria – Topic 1

Criterion 1: Project Impact

Weight: [50%]

- The degree to which the proposed project achieves the goal of geographically focused (“whole-neighborhood”) building retrofits.
- The expected quantitative impact of the proposed project in terms of energy saved and emissions avoided.
- The extent to which the proposed project will create meaningful and sustainable market transformation, particularly after grant monies are exhausted.
- The potential for the proposed project model to be replicated by other communities around the country.

Criterion 2: Project Approach**Weight: [30%]**

- The soundness of the project's management strategy, including specifics of the outreach/marketing strategy, the funding structure, the implementation/delivery plan, and the monitoring/verification plan.
- The degree to which the proposed schedule demonstrates realistic milestones and achievable outcomes.
- The extent to which institutional, regulatory, or market barriers have been identified and the project includes reasonable approaches to overcoming those barriers.

Criterion 3: Partnership Structure and Capabilities**Weight: [20%]**

- The extent of involvement from a broad range of entities/organizations representing government agencies, private sector entities, and other organizations.
- The extent to which roles and responsibilities of each partner/team member have been identified and are reasonably matched to their ability to successfully manage and implement the proposed project.
- The adequacy of the credentials, capabilities and experience of key personnel/team members.

Proposed Program Policy Factors – Topic 1

- Large leveraging of Federal funds.
- Geographic diversity of awards around the country.
- Benefits to low-income communities.
- Diversity of program structures.
- Impact on reducing homeowners' risk of loan default by reducing energy bills.
- Selection of applications that promote and enhance the objectives of the Recovery Act, especially job creation and preservation, and economic recovery.

Question 2. Please comment on the objectives, number and size of awards, proposed recipient cost share, technical merit review criteria, and program policy factors for Topic 2 of the FOA, General Innovation Fund for Ineligible Entities.

Note that Topic 2 eligibility (as a prime applicant) is reserved for local governments (e.g. Cities, counties) and State-recognized Indian Tribes not eligible to receive direct funding allocations from the Energy Efficiency and Conservation Block Grant Program formula grants. This topic is for a planned amount of up to \$63.68 million. DOE plans to award from 15 to 60 awards that are between \$1 million and \$5 million each. No recipient cost share is required for Topic 2. For a list of eligible entities under the EECBG Program, see www.eecbg.energy.gov.

Topic Area 2: General Innovation Fund for Ineligible Entities

Pursuant to the EECBG and EISA, up to \$63.68 million is reserved for local governments (e.g. Cities, counties) and State-recognized Indian Tribes not eligible to receive direct funding allocations from the Energy Efficiency and Conservation Program formula grants. This topic will focus on strategies which: 1) are highly leveraged; 2) are broadly replicable and scalable;

and 3) are capable of being self-sustaining beyond the funding period. These funds are to be used to increase energy efficiency and reduce the environmental footprint in the commercial, residential, transportation, manufacturing, or industrial sectors. Projects that solely involve technology demonstrations (e.g., one-off projects) are not included in the scope of Topic 2. Collaborative partnerships and aggregations among the target entities under this topic are encouraged. Projects are anticipated to be between \$1 million and \$5 million. DOE anticipates funding between 15 and 60 awards under this topic.

Proposed programs that leverage the participation and support of multiple partners are encouraged, including other eligible local jurisdictions, regional planning agencies, businesses, utilities, non-governmental organizations, and State energy offices. Under this topic of the FOA, DOE seeks applications that target “game-changing” ideas that permanently realign markets by changing the way investors, regulators, consumers, and policy makers approach decisions on energy efficiency. DOE has designed merit review criteria that emphasize programs that address key obstacles (e.g., upfront cost, lack of consumer confidence), are long-term, replicable, scalable, and enable continued energy efficiency investment beyond the grant period.

These proposed programs may include distributed renewables as part of a larger conservation/energy efficiency program. As part of the proposed programs, applicants are requested to leverage work force development from other programs and identify those funds. Applicants are also requested to identify how the proposed program affects economically hard hit communities and to describe expected outcomes.

DOE has intentionally left this Topic Area broad to allow for innovation in program design and delivery across a wide variety of market sectors. The following examples are provided to illustrate potential areas of activity and are not intended to be comprehensive:

Strategies that use energy efficiency, demand response, and on-site generation as capacity: This would include activities designed to create a sustainable, aggressive local commitment to energy efficiency and renewable energy through gas and electric utilities, utility regulators, and third party organizations and aggregators.

For example, many municipalities have developed energy management strategies, climate change action plans, and clean energy potential studies that analyze the potential for energy efficiency, on-site generation, and load management to cost-effectively displace the need for new generation capacity. This information has been useful for local policy makers, as well as for citizen’s groups in evaluating the need for new generation. A few local examples are: City of Seattle’s 5-year Conservation Action Plan, Long Island’s Clean Energy Leadership Task Force, and the Austin-San Antonio clean energy technology partnership. By establishing the extent of “negawatts” available at a savings, local governments have an opportunity to maximize investments in no-carbon and low-carbon energy solutions, while saving consumers money, and relieving grid congestion, air pollution, and increasing system resilience.

Similarly, Independent System Operator (ISO) New England’s Forward Capacity Markets create the opportunity and the procedures for third party, non-utility aggregators to bid efficiency into capacity markets. This increases competition in capacity markets and ultimately lowers the cost

of service. A successful project using this approach would be designed to integrate cost-effective energy efficiency and on-site energy into rates, into decisions about the need for new generation, and into innovative ways of allowing demand-side potential to compete against new generation on an equal footing. Strategies that allow non-utility aggregators to package “negawatts” and to participate in capacity decisions at the wholesale and retail level can help keep prices low, and capture more of the energy efficient potential.

Innovative fiscal and financial strategies: There are numerous examples of strategies using financial and fiscal policy to foster the use of energy efficiency, including revolving loans, Energy Saving Performance Contracts (ESPCs), guaranteed loans and other strategies. DOE would like to replicate these and other innovative financing models for energy efficiency and renewable energy, and also to fund improvements that amplify their reach or effectiveness. For example, strategies which require point of sale energy audits could allow new owners to fold the cost of retrofits into mortgages, lowering monthly energy bills to a greater extent than the monthly amortized cost of such retrofits.

These approaches do two important things: they tie energy investments to the home or building, not the owner, and thus extend the window of acceptable investment beyond a single owner’s payback expectations. They also amortize the loan over a longer time period. Combining point of sale energy audits with on-bill financing, developed in partnership with electric and natural gas utilities, could increase the efficacy of both.

Regional, State and local planning coordination: Efforts designed to encourage cooperative partnerships on a regional level and/or between state and local jurisdictions, emphasizing development of a systemic approach for integrating energy efficiency, renewable energy and conservation into regulatory and energy policy. For example, local government strategies which make energy efficiency, conservation and clean energy the strategy of first choice in accomplishing clean air objectives, or strategies which specifically address efforts to meet local, state or regional greenhouse gas (GHG) reduction goals.

Communities can develop integrated approaches that promote policies that support multiple energy, environmental and economic development goals. Examples include developing air quality plans that incorporate energy efficiency and renewable energy measures as compliance strategies, i.e. using energy savings as a means of reducing emissions of greenhouse gases and air pollutants. The benefits of integration include reduced compliance costs, improved air quality and public health, energy savings, and new economic development opportunities. For example, communities could develop a comprehensive energy-environment integration strategy, with specific policies and measures addressing municipal utilities (if applicable), municipal buildings and facilities, industrial and manufacturing, transportation and infrastructure, and other activities.

Other Categories: It should be noted, that these categories are not intended to limit innovative approaches that might encompass ideas DOE has not anticipated or those which might cut across these categories.

Again, DOE’s objective is to encourage the development of programs/projects which gain the most energy efficiency, conservation or renewable energy for each dollar spent. In essence, DOE is highlighting these strategies, but is open to applications which meet or exceed goals or objectives which might be expected to result from category-specific applications.

DOE is seeking applications designed to stimulate innovative solutions that have broad and lasting impact across a variety of institutions resulting in measurable and meaningful changes in how energy decisions are made. By definition, innovative programs are “new” and therefore difficult to characterize with specificity, but a few guidelines and examples should help potential applicants understand the scope and direction of what is being sought under this topic.

Applications under Topic Area 2 should present activities and ideas that may be replicated by local governments and Indian tribes that are smaller both in terms of population and resources to accomplish the objectives outlined in this FOA. Coordination and partnerships among applicants are especially encouraged.

It is also useful to examine some specific examples of what is NOT being sought: investments that demonstrate technical viability without market transformation, or programs which take existing policies and make incremental improvements. While these activities have value, they are not transformative, and they do not – by themselves – change the way energy decisions are made and therefore do not fit within the scope of requirements and interest of this FOA topic.

Areas which better meet the objectives include but are not limited to submissions which capture the economic and environmental benefits of energy efficiency, conservation and renewable energy that typically go unacknowledged. Note – it is not sufficient to simply quantify such benefits – they must be captured in market transactions in a manner which leads inevitably to more rational energy decisions.

The following activities areas, specified by EISA, are allowed under this topic; bundling of allowed activities is allowed:

| Topic 2: EISA Activities Within Scope of Work | |
|--|--|
| Activity From EISA | Comment |
| 1. Strategy Development | Not in scope of the topic 2 of FOA |
| 2. Technical Consultant Services | Only included in scope as part of a bundling of activities, not a sole topic for FOA topic 2 |
| 3. Building Energy Audits | Allowed in topic 2 activities |
| 4. Financial Incentive Programs | Allowed in topic 2 activities |
| 5. Energy Efficiency Retrofits | Allowed in topic 2 activities |

| Topic 2: EISA Activities Within Scope of Work | |
|--|------------------------------------|
| Activity From EISA | Comment |
| 6. Energy Efficiency and Conservation Programs for Buildings and Facilities | Allowed in topic 2 activities |
| 7. Development and Implementation of Transportation Programs | Allowed in topic 2 activities |
| 8. Building Codes and Enforcement | Allowed in topic 2 activities |
| 9. Energy Distribution Technologies for EE | Not in scope of the topic 2 of FOA |
| 10. Material Conservation Programs including source reduction, recycling, and recycled content procurement programs | Allowed in topic 2 activities |
| 11. Reduction and Capture of Methane and Greenhouse Gases | Not in scope of the topic 2 of FOA |
| 12. Traffic Signals and Street Lighting | Not in scope of the topic 2 of FOA |
| 13. Renewable Energy Technologies on Government Buildings | Allowed in topic 2 activities |
| 14. Any Other Appropriate Activity | Not in scope of the topic 2 of FOA |

Proposed Merit Review Criteria – Topic 2

Criterion 1: Project Impact

Weight: [60%]

- Extent to which the proposed project/program leverages Federal dollars through innovative strategies (e.g. guaranteed loans, revolving loans, ESPCs; as well as rebates, bulk buying and conditioning business development funds and other subventions). Leveraged resources could include, employing innovative strategies such as collateralizing energy savings; reducing lender risk through guarantees or other strategies.
- Permanent Capacity: Extent to which the proposed activity results in permanent capacity and resources (e.g. years 1 to 3 after project completion).
- Highly Replicable Strategy: Extent to which the program or project strategy can be adopted by other entities (private sector and public sector).
- Recovery Act Metrics:
 - Jobs created and retained during project period.
 - Jobs created and retained in out years (past project completion years 1 to 3).

- Energy saved per federal dollar invested during project period.
- Energy saved per federal dollar invested in out-years (past project completion, e.g. plus year 1 to 3).
- Greenhouse gas emissions reduction.

Criterion 2: Project Approach and Implementation

Weight: [40%]

- Quality of method for demonstrating monitoring and oversight and for providing necessary training and technical assistance.
- Strategy in the implementation plan how the activity will coordinate or collaborate with partners and stakeholders as appropriate.
- Degree to which the project measures accomplishments in terms of jobs, energy savings, and emission reductions through the use of credible and verifiable tools and techniques.
- Degree to which the proposal contains clear goals, well-defined tasks and methods, deliverables, schedule, and budget. Degree to which the proposed project organization will facilitate project success
- Ability of the project team to complete the work successfully, including qualifications of key entities and personnel, experience in similar programs already implemented. Defined roles of the team members. Quality of the approach to managing the team and ensuring communication among team members.

Proposed Program Policy Factors – Topic 2

- Consideration of the impact on and benefits to low-income persons and economically hard-hit areas
- Geographic diversity
- Diversity of program types
- Cost share offered above the minimum amount required
- Degree of leveraging during the project period and during years 1-3 post project period
- Substantial and/or natural partnerships
- Selection of Applications which promote and enhance the objectives of the American Recovery and Reinvestment Act of 2009, P.L. 111-5, especially job creation, and/or preservation and economic recovery in an expeditious manner.