

**Supporting Statement:**  
**Energy Efficiency and Conservation Block Grant Program**  
**OMB Control Number \_\_\_\_\_**

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

The Department of Energy (DOE) requires collection of information for the Energy Efficiency and Conservation Block Grant (EECBG) program as included in Funding Opportunity Announcement DE-FOA-0000013 Attachment C, the Energy Independence and Security Act of 2007 (P.L. 110-140), and the OMB requirements for (1) grant and financial administration, and (2) American Recovery and Reinvestment Act (ARRA) funds. DOE provides Federal financial assistance and technical support to states and local governments under the EISA. Information gathered provides current information required to respond to OMB, congressional and consumer requests and budget preparation.

We submit an emergency request at this point due the exigent need to obtain more frequent information about EECBG program execution. EECBG is a brand new program that has \$3.2 billion under management to be expended by March 2012. Many of the grant recipients are unfamiliar with the provisions surrounding the expenditure of federal funds and the vast majority does not have a pre-existing professional relationship with DOE. The size and pace of EECBG program execution create an urgent need for DOE to collect certain information on a monthly basis in order to adequately monitor, report, and ensure transparency and accountability. However, acknowledging the administrative burden imposed by monthly reporting, DOE will only require monthly reporting for EECBG recipients with formula allocations > \$2M. This means that 294 of a potential 2359 recipients (12.5%) will be required to report monthly. By aggregate funding, these recipients represent \$1.9B of the available \$2.7B (70.0%) in formula funding.

If DOE seeks renewal of these emergency monthly collections (including but not limited to OWIP collections for the Energy Efficiency and Conservation Block Grant (EECBG), Weatherization Assistance Program (WAP) and State Energy Program (SEP)), it will engage OMB 4 months after approval date to begin a dialogue on burden impact and introducing a risk-tiered model where selected recipients could return to quarterly reporting. In most cases, monthly data (including but not limited to monthly data from OWIP collections for the Energy Efficiency and Conservation Block Grant (EECBG) program, Weatherization Assistance Program (WAP) and State Energy Program (SEP)), will be used internally for managerial purposes only, but where DOE does intend to publicize monthly data, it will clearly indicate it to be "preliminary/informal and subject to change".

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

The information collected is used by program staff to track the recipients' activities, their progress in achieving scheduled milestones, and funds expended (including expenditure rates). The information also enables program staff to provide required or requested information on program activities to OMB, Congress and the public.

**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.**

The collection of the information has been standardized to provide database collection and retrieval of program information through Performance and Accountability for Grants in Energy (PAGE). PAGE is an EECBG program specific system that interfaces with DOE financial systems, the EERE Project Management Center, DOE Headquarters and state and local grantees. Electronic submission of reports will result in greater efficiency, timely reporting and a reduced paperwork burden for grantees and DOE program staff. It will allow grantees to update and modify prior year plans, eliminating the need to retype information on continuing activities.

**4. Describe efforts to identify duplication.**

EECBG is a newly established program authorized by the Energy Independence and Security Act of 2007 (P.L. 110-140) and funded under ARRA. To ease the reporting burden on the recipients, DOE has matched the program's reporting metrics and formats as much as possible with the State Energy Program, a similar program which provides formula grants to the states for energy efficiency and renewable energy activities. Under the provisions of ARRA recipients will be required to report to OMB as well as DOE.

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

Small businesses are not impacted by these requirements. Small local governments and tribal entities are subject to the reporting requirements. While the web-based system should not pose a problem for the local governments, certain tribal entities may have technical difficulties. DOE will provide technical assistance to these tribal entities and has worked closely with their tribal councils and the Bureau of Indian Affairs to ensure that they can comply and will not be penalized for delays due to any technical difficulties they experience.

**6. Describe the consequence 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.**

All programs funded through ARRA will be subject to increased attention and scrutiny from OMB, Congress, the media and the public. President Obama has pledged transparency and accountability in the expenditure of ARRA funds. If this information is not collected, DOE will not be able to provide reports to OMB or respond to requests for information on ARRA-funded activities and expenditures. If the information is collected less frequently, DOE will not be able to track activities and funds status as closely as necessary, and timely information will not be available to OMB, the White House,

Congress and the public. Frequent reporting will also allow any problems, barriers or system bottlenecks to be identified and dealt with right away.

**7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.**

There are none. The information collection is being conducted in a manner that is consistent with OMB guidelines.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5CFR 320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken in response to comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside DOE.**

As published in the Federal Register on January 21<sup>st</sup>, 2010 (Vol. 75, No. 13 pp. 3454), DOE provided a 14-day public comment period on Weatherization Assistance Program (WAP), State Energy Program (SEP), and Energy Efficiency and Conservation Block Grant (EECBG) program reporting guidance for the Recovery Act along with a utility billing disclosure form. During this period, 106 public comments were received.

**Summary of public comment**

The majority of comments surrounded the implementation of monthly reporting for WAP, SEP, and EECBG recipients (>\$2M formula allocation). Of the 98 comments relevant to the Recovery Act reporting program guidance, the distribution of entities and brief description of comments by program is outlined below (total responses > 98 as some entities commented on multiple programs):

Weatherization Assistance Program: 40 responses	
Relevant Entity	Responses
State agency responsible for WAP	8
State Governor's office	1
State Recovery Act office	1
Organization representing state & local governments	2
U.S. Congressman	1
Organization representing the WAP Network	4
DOE Project Officer	1
Community Action Agency	22
Position on monthly reporting	Responses
Opposed	25
Favor	1
Neutral ( <i>as delineated below</i> )	14
<i>Requested clarification on federal reporting process</i>	7
<i>Requested access to information</i>	1
<i>Offered detail on recipient reporting process</i>	5
<i>Offered suggestion on federal reporting process</i>	1

<b>If opposed, what contention did the respondent have?</b>	<b>Responses</b>
Undue administrative burden	24
Delays project execution	10
Forces reallocation of program operation funds	2

State Energy Program: 16 responses	
<b>Relevant Entity</b>	<b>Responses</b>
State agency responsible for SEP	11
State Governor's office	1
State Recovery Act office	1
Organization representing state & local governments	2
Organization representing Energy Service companies	1
<b>Position on monthly reporting</b>	<b>Responses</b>
Opposed	3
Favor	0
Neutral ( <i>as delineated below</i> )	4
<i>Requested clarification on federal reporting process</i>	3
<i>Offered suggestion on federal reporting process</i>	1
<b>If opposed, what contention did the respondent have?</b>	<b>Responses</b>
Undue administrative burden	12
Inability to report monthly	1
Not useful	6
Delays project execution	7
Forces reallocation of program operation funds	2

Energy Efficiency and Conservation Block Grant Program: 61 responses	
<b>Relevant Entity</b>	<b>Responses</b>
State agency responsible for EECBG	11
State Governor's office	1
State Recovery Act office	1
County government	24
City government	19
Organization representing state & local governments	3
Organization representing Energy Service companies	1
Organizations representing counties and cities	1
<b>Position on monthly reporting</b>	<b>Responses</b>
Opposed	54
Favor	0
Neutral ( <i>as delineated below</i> )	7
<i>Requested clarification on federal reporting process</i>	6
<i>Offered suggestion on federal reporting process</i>	1

<b>If opposed, what contention did the respondent have?</b>	<b>Responses</b>
Undue administrative burden	<b>52</b>
Inability to report monthly	<b>3</b>
Not useful	<b>25</b>
Delays project execution	<b>33</b>
Forces reallocation of program operation funds	<b>11</b>

**Of the remaining (8) comments:**

(2) addressed utility billing disclosure and came from private organizations focused on energy efficiency and energy management. These comments were supportive of DOE's efforts to use utility billing data to verify energy savings.

(6) were irrelevant to the issue of either reporting or utility billing disclosure and came from service contractors and equipment vendors.

**DOE Response to public comments**

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1. Monthly reporting represents an undue administrative burden upon recipients who are already taxed in their efforts to meet reporting and data collection requirements for OMB (via FederalReporting.gov) and DOE.

2. Recipients are unable to report performance data on a monthly basis without revamping financial and accounting systems. Furthermore, implementation of monthly reporting would force several recipients to rewrite contracts already signed for performance of Recovery Act projects.

*While DOE acknowledges the additional burden represented by this new reporting requirement, it also believes that collection of a tailored subset of metrics is vital to ensuring the proper management of its programs and their continued success. Specifically, the current delay associated with quarterly reporting leaves the agency with limited visibility on performance in a quarter until a month after the close of the quarter. This delay leaves the agency unable to effectively identify and respond to issues within a proper timeframe, which forestalls DOE's ability to defend program performance to external entities and provides an unacceptable window for fraud, waste, and abuse of federal funds.*

*While recipients may not currently have the capacity to aggregate data from the necessary entities, DOE believes that the coming transition to the online reporting tool (Performance and Accountability for Grants in Energy-PAGE) will facilitate the delegation of reporting responsibilities and ease the reporting burden. Transition to the PAGE system for WAP and SEP recipients will occur by March 31, 2010 with the first required report in PAGE due on April 30, 2010. In advance of the transition to PAGE, state WAP and SEP agencies will be given the opportunity to attend a familiarization webinar hosted by DOE staff and PAGE development staff. Furthermore, a series of PAGE training webinars for WAP and SEP recipients will be held in early April to familiarize them with the system.*

*EECBG recipients already report performance metrics to DOE via PAGE and have the opportunity to attend weekly training webinars.*

*In response to the public comments received, DOE has re-aligned the monthly reporting deadline and reviewed all metrics requested monthly to ensure that only that set essential for proper program management is requested.*

*For WAP, this includes*

- *Outlays (expenditure of Recovery Act funds)*
- *Total units weatherized & re-weatherized (at the State level)*
- *Total units weatherized & re-weatherized (at the Subgrantee level)*

*For SEP and EECBG, this includes (by Market Title or Project Activity respectively)*

- *Outlays (expenditure of Recovery Act funds)*
- *Number and amount of loans/grants given (if applicable)*
- *Number and square footage of buildings retrofitted*
- *Number and capacity of renewable energy installations*

*Over the coming months, DOE will work with the relevant stakeholder organizations and recipients to facilitate the implementation of Recovery Act reporting requirements and reduce the burden imposed by these requirements as much as possible. In response to public comment, all jobs data will be collected on a quarterly (not monthly) basis.*

3. Monthly reporting of performance data would be of little use as much of the project execution occurs in discrete steps and not continuously. Furthermore, any data reported on a monthly basis would be of significantly lower quality than that reported on a quarterly basis.

*While the discrete nature of project execution may limit the utility of reporting on individual projects, the aggregation of monthly performance data across several hundred projects will produce an indicator of project execution that is more continuous in nature. DOE acknowledges that monthly data may be of lower initial quality than quarterly data, it has made provisions in the reporting systems for recipients to amend all monthly reports prior to submission of the quarterly reports. While monthly reports may be of reduced quality upon initial submission, the submission of any performance data on a frequency greater than quarterly would be of significant utility for DOE. For that set of metrics required to be submitted both monthly and quarterly, recipients will always be able to amend the monthly reports during the quarterly reporting cycle in which the monthly reports fall. Furthermore, monthly metrics (reported by period of performance) will be automatically summed into the quarterly metric (reported cumulatively) to reduce inconsistencies. As mentioned previously, monthly data will be used internally for managerial purposes only, but where DOE does intend to publicize monthly data, it will clearly indicate it to be “preliminary/informal and subject to change.*

4. The administrative burden created by monthly reporting would force state and local governments to re-direct personnel to the task of data collection and reporting, taking them away from their duties in implementing Recovery Act project and thus slowing the pace of project execution. Additionally this new task would reduce the amount of time that the affected personnel would have in serving their constituencies.

5. As a monthly reporting requirement was not envisioned during the application process, state and local governments did not account for the administrative cost imposed by monthly reporting. As a

result, many governments will be forced to re-allocate funding from the execution of projects to cover increased cost of reporting.

*DOE acknowledges that the implementation of monthly reporting will directly increase the workload of state and local government personnel and may reduce funds available for project implementation. However DOE would not have submitted this Information Collection Request if, in its estimation, the direct and indirect costs of monthly reporting implementation outweighed the benefit of receiving performance data on a more frequent basis.*

### **Cost and hour burden**

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While a majority of responses did not adequately address the cost and hour burden associated with the implementation of monthly reporting, numerous respondents did make general comments on the estimate provided by DOE. The vast majority of these comments indicated that DOE's estimate was exceedingly conservative and severely underestimated the true burden associated with monthly reporting. The burden estimates provided by respondents were widely dispersed but generally fell within a range of 3-10 times greater than that provided by DOE. As such, the DOE per entity burden estimates have been raised by a factor of 5, to 10 hours for local and tribal governments and 15 hours for state governments.

### **Efforts to consult with persons outside DOE**

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DOE has maintained and will continue to maintain an open dialogue with both the grant recipients (who submitted the majority of public comments) and relevant stakeholder organizations to solicit feedback on issues surrounding recipient reporting.

DOE personnel have reached out to these organizations through weekly conference calls, conference attendance and presentations, and individual discussions to increase participation in the process, and facilitate the acceptance of the draft reporting guidance.

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

No payment or gift has been or will be provided to respondents.

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

No identifiable confidential information is being requested.

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

No questions of a sensitive, personal or private nature are being asked.

### **12. Provide estimates of the hour burden of the collection information. The statement should indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.**

EECBG grantees will be required to report monthly on programmatic and financial status. (Traditional OMB Guidelines require quarterly reporting, but OMB's Energy Branch has agreed to DOE's monthly reporting requirement for ARRA funds.) It is estimated that the directly funded local communities and tribal nations will spend ten hours preparing each report. 238 local government and tribal EECBG recipients are receiving >\$2M formula allocations.

- (1) 238 grantees x 10 hours = 2,380 hours per reporting period;
- (2) 2,380 hours x 12 reports = 28,560 hours annually

States, however, may require more time, since they are aggregating information from their small local communities. The estimated time required for preparation of a state's monthly report is fifteen hours.

- (1) 50 states, 5 territories and DC = 56 grantees;
- (2) 56 grantees x 15 hours = 840 hours per reporting period;
- (3) 840 hours x 12 months = 10,080 hours annually

The estimated time required for DOE Project Management Center (FMC) staff to review each monthly report is one hour.

- (1) Total grantees = 294 x 1 hour/report x 12 months = 3,528 hours annually

Reporting burden summary:

(1) local governments and tribal nations =	28,560 hours
(2) state grantees =	10,080 hours
(3) PMC staff=	3,528 hours
TOTAL	<b>42,168 hours annually</b>

It should be noted that while the state and PMC staff reporting burden should remain fairly constant over the 3 years of ARRA fund expenditures, that of the local governments and tribal nations will not. Many local government/tribal projects will be completed within one year, and so will not be reported on in subsequent years.

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

The cost burden to respondents is currently not known. However per the Funding Opportunity Announcement:

State applicants may expend for payment of reasonable administrative and planning costs not more than 10 percent of amounts provided under the program including the cost of reporting.

For local governments & tribes: Up to 10 percent or \$75,000, whichever is greater, of grant funds may be used for administrative expenses, excluding the cost of meeting the reporting



requirements of the Program. Administrative costs are the allowable, reasonable, and allocable direct and indirect costs related to overall management of the awarded grant.

As such it is expected that affected recipients will be able to expend grant funds to meet the cost of the monthly reporting requirement.

**14. Provide estimates of annualized cost to the federal government.**

- 1) Local/tribal governments 10 hours @ \$30 per hour = \$ 300
- 2) State governments 15 hours @ \$40 per hour = \$ 600
- 3) PMC staff 1 hour @ \$40 per hour = \$ 40

TOTAL \$340 per form for local government/tribal grants  
\$640 per form for State grants

Annual costs specific to the federal government:

Local governments & tribes: 238 grants x \$340	= \$	80,920
State governments: 56 grants x \$640	= \$	35,840
Total:	= \$	116,760

Annual cost: \$116,760/month x 12 reports = \$ 1,401,120

**15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of OMB form 83-1.**

NA - this is a new requirement

**16. For collections whose results will be published, outline the plans for tabulation and publication.**

NA - no plans to publish results

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

NA - DOE is not seeking approval not to display expiration date.

**18. Explain each exception to the certification statement identified in item 19 of OMB form 83-1.**

NA - no exceptions are being requested.