

March 2009

Supporting Statement  
Renewable Energy System Feasibility Study Grant  
Assistance under the Rural Energy for America 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 (REAP) (formerly known as the Renewable Energy Systems and Renewable Energy Efficiency Improvements Program).

This grant program, newly authorized under the 2008 Farm Bill (Pub.L. 110-246, Food, Conservation, and Energy Act of 2008), makes grants to eligible entities to conduct feasibility studies for renewable energy development systems that are eligible for financial assistance under the Rural Energy for America Program. Entities eligible to receive grants under this program are agricultural producers and rural small businesses. Grant funds under this program may be used only to conduct feasibility studies for renewable energy systems that would qualify for funding under the REAP. Agricultural producers and rural small businesses would be required to pay at least 75 percent of the cost of the feasibility study.

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 specific information about the applicant and the proposed feasibility study (e.g., the renewable energy project for which the study will be conducted; matching funds), statements of intent to seek REAP funds for the renewable energy system, and the experience of the entity that will be conducting the feasibility study. This information will be used by the Agency to determine applicant and project eligibility to ensure that funds are used for authorized purposes and to help ensure that an acceptable feasibility study is conducted under the grant.

## REPORTING REQUIREMENTS – NO FORM NUMBERS

### Applicant Requirements - Application

Applicants must submit an application that contains the following elements:

Application Narrative (Section V.B.6). Applicants must provide a written narrative of the proposed scope of work that includes the following elements:

(1) Renewable energy system description. Applicants must describe the renewable energy system for which the proposed feasibility study would be conducted. This description must be sufficient for the Agency to determine if the renewable energy system would otherwise be eligible for financial assistance under the Rural Energy for America Program.

(2) Feasibility study description. Applicants must provide a description of the feasibility study to be conducted. The description must allow the Agency to determine if the proposed feasibility study conforms to the requirements for a feasibility study as described in the Notice of Solicitation of Applications (NOSA).

(3) Timeframe for completion of the study. Applicants must provide a proposed schedule for completing the feasibility study. The NOSA requires the study to be completed within two years of grant award.

(4) Experience. Applicants must provide information on the experience of the company and individuals who will be completing the feasibility study, including the number of similar projects completed, the number of years of experience, and resumes.

(5) Matching funds. Applicants must indicate the amount of other funding being brought to the project to match the grant funds, including documentation and confirmation from the parties committing the funds.

(6) Financial information. Applicants must provide sufficient financial information to allow the Agency to determine the applicant's size. All information submitted under this paragraph must be substantiated by authoritative records. The type of information required depends on whether the applicant is a rural small business or an agricultural producer.

(7) Statement to seek REAP funding. Applicants must submit a statement as to whether the applicant intends to seek REAP funding for the renewable energy system for which the feasibility study would be performed.

(8) Federal and State financial assistance. Applicants must submit a statement that the applicant has not received any other Federal or State assistance for a feasibility study for the subject renewable energy system.

Organizational documents (Section V.B.6). Applicants must provide one copy of the applicant's organizational documents showing the applicant's legal existence and authority to perform the activities under the grant.

Intergovernmental review comments (Section V.B.6). 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.B.11)**

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.

#### **Project reports (Section V.B.14).**

Performance Report - Semiannual. If the feasibility study is not completed within six months from the date of the grant agreement, the Grantee will be required to submit semiannual performance reports to the Agency. Each semiannual report shall describe current progress and identify any problems, delays, or adverse conditions, if any, which have affected or will affect attainment of overall project objectives or prevent meeting time frame for completion of the feasibility study within two years. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation.

Performance Report - Final. Once the feasibility study has been completed, the Grantee is required to submit a final performance report within 90 days. The final performance report shall summarize any problems, delays, or adverse conditions, if any, which have affected the project objectives or prevented meeting time frames for completion of the feasibility study. The final performance report should indicate if the grantee intends

to proceed with the construction of the project. The final performance report also serves as the last semiannual performance report.

Annual Status Report. Beginning the first full year after the feasibility study has been completed, grantees shall report annually for 2 years on whether the renewable energy system project for which the feasibility study was conducted is underway. If the renewable energy system is underway, the applicant is to describe how far along the system project is (e.g., financing has been secured, site has been secured, construction contracts are in place, project completed). If the renewable energy system project is complete, the applicant is to identify the actual amount of energy being produced by the system.

Other Reports. The Agency may request the Grantee to provide additional project and/or performance data for the project for which grant funds have been received.

#### **Recordkeeping Requirements (Section V.B.14).**

Grantees are required to keep records in accordance with 7 CFR 3015. This includes, but is not limited to, 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". Applicants are required to comply with the requirements for drug-free workplace.

RD 400-4, "Assurance Agreement". All applicants and recipients are required to complete this form to comply with the Civil Rights Act 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 the required face sheet for applications for Federal grant funding.

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 (OMB No. 0348-0046) or Exhibit A-1 of RD Instruction 1940-Q". All applicants are required to complete either 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. In Fiscal Year 2008, approximately 13% of grant applications under REAP were received electronically. The Agency expects a similar percentage of renewable energy feasibility study grants would also be submitted electronically. Further, applicants who receive funding will be encouraged, but not required, to submit the performance reports (if applicable), the feasibility study, and the annual status 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.

The submittal of renewable energy feasibility study grants would affect burdens associated with the Rural Business-Cooperative Service's Rural Energy for America Program. The burden in this supporting statement for these feasibility study grants would duplicate, to some extent, burden already estimated for REAP. Thus, an adjustment would need to be made to the REAP burden estimate in order to remove this duplication.

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 comments 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.

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.

In estimating the burden for renewable energy system feasibility study grants, the number of respondents (applicants) was estimated for each of the first three years. Based on the anticipated funding level for this program, the Agency estimated 177 applicants in year 1, 354 applicants in year 2, and 531 applicants in year 3. This yields a total of 1,062 respondents, for an annual average of 354 respondents over the first three years. The reporting and recordkeeping burden incurred by these respondents varies over the first three years depending on the year of the program in which the grantee is awarded a grant and on the length of time it takes to complete the feasibility study. For example, a grantee who is awarded a grant in the first year

and completes the feasibility study within 6 months of the grant award will submit a final performance report, but no semiannual performance reports. On the other hand, a grantee who is awarded a grant in the first year and completes the feasibility study in 24 months will submit three semiannual reports and a final performance report. In order to better account for these variables, the Agency estimated the burden for each of the first three years and then summed the results to derive the estimated total burden over the first three years.

After generating the estimated total burden over the first three years, the annual average burden for this collection is estimated to be 354 respondents; 3,395 responses; and 4,701 burden hours. This is based on an estimated total burden for collecting information for 3 years of 1,062 respondents filing 10,186 responses. A total of 14,103 hours were estimated to be required to complete these responses; thus averaging about 1.4 hours per response. The cost per hour used was \$60.

Based on these data, the estimated cost of burden under the NOSA is \$846,208. 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:	354	1,062
Total annual responses:	3,395	10,186
Number of hours per response:	1.4	1.4
Total hours:	4,701	14,103
Cost per hour:	\$60	\$60
Total annual cost:	\$282,069	\$846,208

The attached spreadsheet provides the specific estimates for the total burden for the first 3 years and the individual burdens estimated for each of the first 3 years.

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. The estimated cost to the Government is estimated to be \$238,023. The breakdown of cost to the Government by activity is as follows:

Allocation of Federal Government Costs

Activity	Total
Acknowledge and review applications	\$57,221
Evaluate and score	\$28,610
Inform applicants of selection results	\$14,305
Legal document preparation	\$71,122
Release of funds	\$6,668
Review Semiannual Performance Reports	\$10,008
Review Final Performance Reports	\$4,809
Review Annual Reports	\$1,852
Review Other Reports	\$2,425
Review Feasibility Studies	\$26,671
Publication in the FR	\$14,333
Total	\$238,023

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.