

**FY2021 SUPPORTING STATEMENT  
0572-0136**

**Assistance to High Cost Energy Rural Communities**

This package is submitted under a regular clearance as an extension of a currently approved information collection package.

A. Justification

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

This package is submitted as a request for extension, without change, of a currently approved collection. The Rural Utilities Service (RUS), an agency delivering the United States Department of Agriculture's Rural Development utilities programs, is authorized by The Rural Electrification Act of 1936 (RE Act) (7 U.S.C. 901 et seq.) as amended in November 2000, to create new grant and loan authority to assist rural communities with extremely high energy costs (Pub. L. 106-472). The amendment authorized the Secretary of the U.S. Department of Agriculture (USDA) through Rural Development to provide competitive grants for energy generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy. Grant funds for the program were appropriated in FY 2001 to FY 2017, with provision for carryover of unobligated funds. The program is implemented under program regulations (7 CFR Part 1709) and USDA grant regulations. Competitive grant applications are solicited through publication of a Notice of Funds Availability (NOFA) in the Federal Register and Grants.gov. Applicants for high energy cost grants and bulk fuel grants submit information that demonstrates that the projects meet eligibility requirements in the statute, regulations, and NOFA and to establish that the proposed projects are technically and economically feasible.

**2. Indicate how, by whom, and for what purposes the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.**

Information is collected by RUS from applicants and grantees who may be one of the following: persons, States, political subdivisions of States and other entities organized under the laws of States, including for profit and non-profit corporations, associations, partnerships, limited liability partnerships (LLPs) cooperatives, trusts, sole proprietorships, State and local governments (including independent state agencies or units of State or local governments), Indian tribes, other tribal entities and Alaska Native Corporations.

RUS utilizes the application information to confirm that the community to be served meets eligibility requirements set forth in the statute, and that the proposals are consistent with purposes set forth in the statute. The information is also used to make a competitive evaluation and rank the proposals in order to determine grant awards. Information on grant project expenditures and performance is collected by RUS for purposes of grant oversight, approving eligible expenditures and program evaluation. The progress and financial reports are necessary to monitor compliance with the grant agreements, track expenditures of Federal funds, and measure the success of the program.

The information required in the application proposal and from grant recipients is as follows:

ITEMS APPROVED UNDER THIS COLLECTION:

Grant Application. An estimated 60 grant applications are received annually in the competitive HECG program. We have not had funding for the bulk fuel program for over five years, but the application requirements are included below. Each HECG application is estimated to require 10 hours for a respondent to complete. (60 grant applications annually, 10 per response, 600 hours). All applicants must submit an application containing elements described in the notice of funding availability. Elements of application are:

High Energy Cost Grant Program. The grant proposal contains the following information:

(1) Narrative Grant Proposal and Application to include following:

- Project Abstract and Eligibility Statement. A 3 page narrative summary that identifies the entity applying for the grant, specifies the amount of funds requested, confirms the eligibility of the community to be served and provides brief description of the proposed project.

- Project Narrative Proposal – Not to exceed 25 pages in total inclusive of the following sections:

-Community Eligibility. A narrative describing the needs of the community and the criteria used to identify eligible areas, including characteristics making fuel deliveries difficult or impracticable. Communities deemed an economic hardship community or facing an imminent hazard should be identified and supporting documentation provided.

-Project Description. This section addresses the project design, technical feasibility and responsiveness to Community needs.

-Applicant Organization and Eligibility. This section articulates the legal relationship status of the applicant and eligibility factors.

-Organizational Capabilities and Project Management Plan. This section addresses who is going to do what, including the participation of outside engineering firms and other participants, and timeline and steps for completing the project.

-Organizational Experience. We want to know whether the principals have a track record.

-Key Staff Experience. Resumes of key personnel are included in this section.

-Project Goals, Objectives and Performance Measures. The applicant briefly identifies how the project addresses energy needs of the community and describes plans to measure and monitor program effectiveness. Performance measures must be quantifiable and verifiable.

-Project Reporting Plan: The Applicant identifies how progress will be documented.

-Project Budget and Financial Capability. The project budget is to be accompanied by a description of how the costs will be met, together with the source(s) of matching funds and the nature of these commitments, as applicable. Applicants submit a proposed budget for the grant program on the SF-424A, "Budget Information – No Construction Programs" or SF-424C, "Budget Information – Construction Programs" as applicants. Applicant should supplement the budget summary form with more detailed information describing the basis for cost estimates and itemizing major cost components. Planned administrative expenses of the project sponsor must be documented and applicant must identify other Federal or non-Federal contributions that will be used to support the proposed project.

-Rural Economic Development Initiatives. This narrative describes how the proposed project supports any State rural development initiative and should include confirming documentation from the relevant rural development agency.

-Priority Considerations. The scoring paradigm allows for priority points to be given for various characteristics – high poverty, rurality, energy efficiency are all examples of attributes that can contribute to a higher score. This section of the Application is where the eligibility for priority points is discussed.

(2) Environmental Questionnaire. The Applicant is asked to provide information that is relevant to the Agency's determination of the environmental consequences of financing the proposed project.

Bulk Fuel Grant Proposal. The bulk fuel grant proposal addresses the following:

(1) Executive Summary. A one-page narrative summary that identifies the State entity applying for the grant, specifies the amount of funds requested and provides brief description of the proposed program.

(2) Project Needs. (2 pages) A narrative describing the needs of the community and the criteria used to identify eligible areas, including characteristics making fuel deliveries difficult or impracticable. Communities deemed an economic hardship community or facing an imminent hazard should be identified and supporting documentation provided.

(3) Project Description. This section addresses the legal structure of the revolving fund proposal for fuel purchase support, objectives of the project with proposed funding eligibility and proposed management and financing. The section should address the topic of notification of potential beneficiaries and implementation schedule.

(4) Project Goals, Objectives, and Performance Measures. (2 pages) The applicant briefly identifies how the project addresses energy needs of the community and describes plans to measure and monitor program effectiveness.

(5) Project Management. (6 pages) The applicant provides a narrative describing: a) a management plan and schedule; b) Project Reporting Plan, and; c) Relative organizational experience of the organization.

(6) Rural Development Initiatives. (1 page) The applicant describes whether and how the proposed project supports any State Rural development initiative. The applicant should clarify the extent to which a project is dependent upon or tied to other rural development initiatives, funding and approvals and should include confirming documentation from the appropriate rural development agency.

(7) Proposed Plan Budget (4 pages) In addition to the proposed budget submitted on the Standard Form 424A, the applicant should provide more detailed information describing the basis for the cost estimates

(8) Supplementary Material (5 pages) only letters of support may be submitted as supplementary material.

RUS Environmental Profile. (60 grant applicants per year, 1 hour per response, 60 total hours) This descriptive project information is needed so that the Agency can identify projects that may require additional environmental review before a final grant award can be approved as required under environmental regulations at 7 CFR part 1970. To facilitate submission of this information, the Agency includes detailed instructions for use by the applicant in preparing its narrative as part of the Application Guide.

Other information requests included in this package are:

Grant Agreement. (12 new grant awardees per year, 1 hour per response, 12 total hours) Applicants are expected to enter into a legally binding grant agreement. Because of the diversity of applicants and projects, the standard program grant agreement template must be individually tailored for each grant to include project-specific conditions.

Performance Reports. (40 active grant projects per year, 4 reports per year per respondent, 2 hours per report and 320 total hours) RUS uses performance reports to confirm that progress is being made toward achieving the stated goals of the project.

Final Report. (12 grant awardees per year, 1 report per year per respondent, 5 hours per response, 60 total hours) RUS uses the final reports to measure the achievements of the High Energy Cost Grant program and to share information on successful projects for other interested communities and the public.

Recordkeeping Requirements. USDA and program regulations require that financial records, supporting documents, statistical records and all other records pertinent to the award will be retained for a period of three years after the agreement closing. There are no requirements to maintain records unless there are unresolved audit findings which is in keeping with standard business practices. As indicated above, an average of 40 active and open grant projects currently comply with reporting requirements associated with this collection.

#### FORMS APPROVED UNDER OTHER OMB NUMBERS

Form SF-424, “Application for Federal Assistance” (4040-0004)

This form is used by applicants as a required face sheet for applications for federal funding

Forms SF-424 A, “Budget Information-Non-Construction Programs” (4040-0006) or SF-424 C, “Budget Information – Construction Programs” (4040-0008))

This form must be completed to show the project's anticipated budget breakdown in terms of expense categories and division of Federal and non-Federal sources of funds. Identifying the project's requested funding by expense category is necessary to assure that the expense is necessary for successful conduct of the project, is allowable under applicable Federal cost principles, and is not prohibited under any applicable Federal statute or regulation. Applicants may submit either form, but applicants for projects involving purchase of real property and substantial engineering, equipment, and construction expenses are encouraged to use Form SF-424C.

Forms SF-424 B, “Assurances- Non-Construction Programs” (4040-0007) or SF-424 D, “Assurances – Non Construction Programs” (4040-0009)

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.

Form AD-3030, “Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants” (0505-0025)

This form must be completed by grant applicants that are corporations; it is used to confirm that the recipient does not have tax delinquency and has not been convicted of a felony criminal violation.

Form AD-3031, “Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicants” (0505-0025)

This form is completed by corporation applicants that are selected for award, prior to the obligation of funds; it is used to update the original representations made in the application.

Form SF-LLL, “Disclosure of Lobbying Activities” (4040-0013)

The form is required of applicants and is needed to comply with the appropriate statute concerning lobbying activity by applicant.

Form SF-425, “Financial Status Report” (4040-0014) or Form SF-425 A “Financial Status Report Attachment (4040-0014)” as applicable, to be completed on a semi- annual basis

This form is submitted by grant recipients and is used to confirm that funds are being spent in conformity with the budget and work plan.

Form SF-270, “Request for Advance or Reimbursement” (4040-0012), or SF-271 “Outlay Report and Request for Reimbursement for Construction Programs,” (4040-0011), as applicable

These forms are used to request drawdowns under the grant. The agency stipulates in the grant agreement which form the grantee is to use. Grant projects involving significant property acquisition, engineering, equipment and construction expenditures use SF-271. Most grantees use Form SF-271; all others use SF-270.

Form RD-1942-46, “Letter of Intent” (0575-0015)

This Letter of Intent is a one-page form used by selected applicants to indicate concurrence with the Rural Development proposed project-specific conditions, if any, for the Grant Agreement. The use of the form obviates the need for the applicant to draft a response letter.

**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, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.**

RUS is committed to meeting the requirements of the E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible. Grant applications can be submitted through Grants.gov. RUS encourages applicants to submit applications through Grants.gov and has provided this option since 2004. RUS does not require submission by electronic methods since some applicants may prefer hard copy submissions or may not have the required broadband access and/or the technological expertise to electronically submit specific photos and more comprehensive graphics related to the proposal. At present, all grant performance reports, servicing requests and supporting documents can be submitted electronically via email as the grantee elects.

**4. Describe efforts to avoid duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

RUS administers programs using standard applications and forms where possible and has reviewed programs to determine where overlapping information requirements may exist. However, other than standard descriptive information about an applicant, the grant project proposals and related applications for grant funding are significantly different from our standard loan program. Grants typically fund projects, whereas RUS loans are typically extended to utility systems. If there is simultaneous participation in more than one program by a grantee, RUS accommodate requests for minimizing duplicate filing requirements – this is particularly relevant in the case of audit reports. Existing RUS borrowers may apply for these grants, but they are a subset of the universe of eligible applicants. Program regulations provide for agency discretion in allowing prior applicants to use an abbreviated application process to request reconsideration of proposals already on file with RUS from a prior round of funding.

**5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden.**

Virtually all applicants and grantees meet the Small Business Administration criteria for a small business where they are a business. It is often the case that our grantees are small Alaskan villages. Applicants for High Energy Cost Grants and the grantees complying with reporting requirements are typically all small entities, including for profit and not for profit corporations, state and local governments, Indian tribes, other tribal entities and Alaska Native Corporations. The information collected is the minimum necessary to make the required determinations about grant applications and activities required by the regulations. RUS makes every effort to ensure that the burden on small entities applying for High Energy Cost Grants is the minimum necessary to effectively administer the grant program.

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

The application and reporting burdens for the High Energy Cost Program are consistent with the minimum information necessary and appropriate for confirming current eligibility and evaluating the proposal under the regulation. Without collecting the listed information, RUS would be unable to determine the eligibility of the applicant and cannot be assured that the projects and communities to be served meet the statutory requirements for eligibility. The listed information is necessary to be sure that the proposed projects will deliver the intended benefits and that the project funds are advanced only for eligible purposes.

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

**a. Requiring respondents to report information more than quarterly.** There are no requirements for respondents to report more than quarterly.

**b. Requiring written responses in less than 30 days.** There are no requirements for written responses in less than 30 days.

**c. Requiring more than an original and two copies.** We have reduced the paper application to one original and one copy. We provide for the execution of two original grant agreements – one for RUS and one for the Grantee.

**d. Requiring respondents to retain records for more than 3 years.** There are no program requirements for respondents to retain records for more than 3 years.

**e. In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.** This collection is not a survey.

**f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.** This collection does not employ statistical sampling.

**g. Requiring a pledge of confidentiality that is not supported by authority established 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.** No pledge of confidentiality is required.

**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 permitted by law.** There is no requirement for submission of trade secrets.

**8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.**

In accordance with 5 CFR 1320.8(d), the Agency published a notice in the Federal Register on January 11, 2021, at 86 FR 1932 requesting comments from interested parties. The Agency received no comments.



The Agency conducted a consultation with persons familiar with this collection pursuant to 5 CFR 1320(d) to solicit comment concerning the necessity of the collection, the accuracy of the Agency's estimate of the burden, and to gain information to enhance the clarity of the information to be collected. The Agency reached out to several individuals but only received two response.

Dan Smith, CEM  
Senior Project Manager  
Alaska Native Tribal Health Consortium  
Division of Environmental Health and Engineering  
Anchorage, AK

Given the extremely remote nature of the communities ANTHC serves, it is preferred that electronically scanned or faxed documents be used whenever a signature is required. Especially during the ongoing Covid Pandemic, I appreciate that the USDA has accepted some documents as scanned copies, rather than paper. I also want to add that in some cases in rural Alaska, finding an authorized signer may be difficult due to local leadership changes, or other aspects common to life in rural Alaska. I ask that the USDA bear this in mind and work with regional liaisons when possible to help facilitate reporting, as well as understanding that time extensions may be necessary from time to time. Again, I appreciate the patience USDA has exhibited in this regard.

Ted Irvin, Grant Writer  
Grants Planning and Development Department  
Alaska Native Tribal Health Consortium

While I can't speak to the grant reporting requirements, as a new grant writer who assisted with the development and submission of two USDA HECG proposals for the first time in 2020, I found the application requirements and information requested in the FOA very easy to understand. The eligibility guidelines, required forms, and high energy cost benchmarks were clear, and the reason why the USDA collects this information is apparent. Some sections of the grant narrative request information that can become somewhat duplicative (e.g. separate sections for Organizational Capabilities and Financial Capability), but that seems to provide larger organizations with an opportunity to either re-state or expand on their expertise in relevant areas – not necessarily a bad thing. The biggest challenges that I found were determining what was needed to document a SUTA preference request, especially given some of the complexities surrounding ANCSA and land ownership, and, of course, working through the logistical hurdles that accompany any collaboration with rural Alaska community partners.

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

Payments or gifts are not 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 assurance of confidentiality has been provided to the respondents.

**11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.** This collection does not contain questions of a sensitive in nature.

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

Based on agency experience from past NOSAs, the agency estimates that an average of 60 applications are submitted annually. It is anticipated that, from the 60 applications, approximately 12 awards will be made per year and the awardees have been accounted for among the 60 initial applications. The grantees are required to comply with the ongoing reporting requirements and 40 of the respondents are previous awardees complying with ongoing reporting. The typical grant term is 3 years, and, on average, 12 grantees will reach closeout each year. The agency estimates that there are a total of 100 annual respondents with 344 annual responses and 1,172 burden hours. See separate spreadsheet (RUS Form 36) for detailed breakout of the burden.

The total cost to respondents is estimated to be \$78,289.60 using an estimated wage rate of \$50.80 plus benefits. This is obtained from information provided by the Bureau of Labor Statistics, the median hourly wage for Management Occupations (Occupation Code 11-0000) found at [https://www.bls.gov/oes/current/oes\\_nat.htm#11-0000](https://www.bls.gov/oes/current/oes_nat.htm#11-0000). With the addition cost of benefits in the amount of \$16.00 per hour, the total hourly wage is \$66.80<sup>1</sup>. The calculation of estimated cost of labor for the hours required to comply with this information collection is illustrated in the following table:

Estimated Annual Respondents	Total Annual Responses	Total Hour Burden	Hourly Wage/Benefit	Total Respondent Cost
100	344	1,172	\$66.80	\$78,289.60

**13. Provide an estimate of the total annual cost to respondents or record keepers resulting from the collection of information:**

(a). Total capital and start-up cost component.

<sup>1</sup>Data provided by the Bureau of Labor Statistics, [Employer Cost for Employee Compensation – September 2020](https://www.bls.gov/news.release/pdf/ecec.pdf) is utilized to calculate the total cost of benefits. Benefits as a percentage of total compensation for Private sector trade, transportation and utilities workers were 31.50% of total hourly compensation. See, <https://www.bls.gov/news.release/pdf/ecec.pdf>.

There are no capital or startup costs.

(b). Total operation and maintenance and purchase of services component.

There are no operation and maintenance or purchase of services costs.

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

This renewal package requests an extension of a currently approved collection in which there were no changes in regulations or program operations. Agency staff members are required to receive and review grant applications and to evaluate grant proposals. Agency staff reviews and ranks eligible project application proposals based upon the requirements set forth in the Notice of Funding Availability and the regulations at 7 CFR Part 1709. Agency staff then makes recommendations based upon an evaluation of the project technical and economic feasibility and grant awardees are selected. After grants are awarded and funded, agency staff uses performance reports to administer the grant award and to confirm that progress is being made to achieve the stated goals of the project.

The annual cost to the Federal Government to administer the activities of this program is estimated to be \$128,922. This cost estimate includes the total cost of staff time and the addition of overhead costs such as printing, publication of Funding Opportunity Announcements on [www.grants.gov](http://www.grants.gov), travel, etc. Hourly cost of staff time includes various salary grades based upon the tasks involved in receipt and evaluation, award and grant administration, and/or monitoring and closeout. Estimated hours necessary for tasks can be summarized as follows:

- Application Receipt, Review, and Evaluation

GS 12/5 - 60 applications at 10 hours = 600 hours

- Grant Award and Administration

GS 5/5 – 12 grantees at 6 hours = 72  
 GS 12/5 – 12 grantees at 8 hours = 96 hours  
 GS 13/5 – 12 grantees at 1 hour = 12 hours

- Post Grant Monitoring and Recordkeeping

GS 5/5 – 40 grantees at 10 hours = 400  
 GS 12/5 – 40 grantees at 20 hours = 800

The total annualized cost to the Federal Government is illustrated in the following chart:

Federal Pay Grade	Hourly Wage Rates Required	Total Hours Required	Total Wage Cost	Cost of 18% Overhead Cost	Total Costs
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	to Administer Program				
GS 5/Step 5	\$29.08	472	\$13,726	\$2,333	\$16,059
GS 12/Step 5	\$63.87	1496	\$95,550	\$16,246	\$111,796
GS 13/Step 5	\$75.96	12	\$912	\$155	\$1,067
<b>Total Annualized Federal Cost</b>					<b>0</b>

Wage rates used to calculate Federal Cost were found at the Office of Personnel Management General Schedule Salary Table 2020 at: [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/DCB_h.pdf)

Hourly wage for GS 5/Step 5 is \$21.34, \$29.08 with cost of benefits included.<sup>2</sup> Hourly wage for GS 12/Step 5 is \$46.88 and is \$63.87 including the cost of benefits. Hourly wage for GS 13/Step 5 is \$55.75 and is \$75.96 including the cost of benefits.

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

This renewal package requests an extension of a currently approved collection. There were no changes in regulation or program and no agency adjustment to the estimate of 1,172 hours.

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

There are no plans for publication.

**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.**

The agency is not seeking such approval.

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

None requested.

**B. Collection of Information Employing Statistical Methods.**

**1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used.** This collection does not employ statistical methods.

<sup>2</sup> Cost of total benefits as a percentage of total hourly compensation for Federal Government employees has been calculated by multiplying 36.25% by the hourly OPM wage in accordance with OMB Memorandum M-08 13.