

REPORTING REQUIREMENTS FOR THIS COLLECTION
Written/No Forms
Powering Affordable Clean Energy (PACE) Program

The burden accounted for under this information collection package are non-forms as follows:

Burden accounted for under this information collection package are non-forms as follows:

LOI AND APPLICATION CONTENT – INCLUDED BURDEN ESTIMATE

- (1) **SAM Registration.** To do business with the Federal government, the applicant is required to obtain a Unique Identification Number (UEI) and register in the System for Award Management (SAM). Registration in SAM allows the applicant to complete the Online Representations and Certifications which replaces several paper forms. The registration must be updated annually.

PHASE 1 – LETTER OF INTEREST (LOI)

- (1) **LOI submitter's profile and point of contact information.**
- (a) Legal Name and status of the LOI submitter.
 - (b) LOI submitter's address and principal place of business.
 - (c) LOI submitter's tax identification number and UEI number from the SAM registry.
 - (d) Legal structure of LOI submitter (e.g., cooperative, corporation, limited-liability company, State or local government entity, municipality, federally recognized Tribe). If the applicant is a non-governmental entity, a statement as to whether the entity is organized as a not-for-profit.
 - (e) If the LOI submitter is a State or local governmental entity, a certification that it can enter into contracts with the Federal government, incur debt, and provide security for such debt. Federal government entities are not eligible for financing.
 - (f) Name and title of LOI submitter's manager and/or point of contact, which must include general contact information, as well as an email address to receive RUS' Invitation to Proceed.
 - (g) The location of the Project and the applicable service area using a digital Shapefile. The applicable service area must demonstrate that the Project will provide economical clean energy to rural residents.
 - (h) LOI submitter's net assets value.
 - (i) A certification as to whether the LOI submitter over the last 10 years has been placed in receivership liquidation, has been under a workout agreement, has declared bankruptcy, or has had a decree or order issued for relief in any bankruptcy, insolvency, or other similar action.
 - (j) A statement as to whether the Project(s) will serve a Substantially Underserved Trust Area (SUTA) as defined under Section 306F of the RE Act.
- (2) **Financial Information.** A copy of the LOI submitter's balance sheet and income statements for the shorter of the last three years or the years the LOI submitter has been in operation. If the LOI submitter has no operating history, the LOI submitter must provide RUS with the information RUS deems necessary to evaluate the financial strength of the

LOI submitter. The LOI submitter must also provide the balance sheet and income statements for the last three years of the entity or entities providing equity or security for the loan, with an explanation of the legal relationship to the LOI submitter.

- (3) **Technical Description of the Project.** A technical description of the Project must include:
- (a) Type of loan being requested, Project Loan or System Loan.
 - (b) Description of each RER and Energy Storage System (ESS) being requested for PACE financing including Project name, location, type, size, and renewable energy units generated and saved.
 - (c) Verification that the Project(s) will be designed, constructed and operated based on Commercially Available Technology.
 - (d) For each Project, indicate the estimated dates to start construction and to achieve commercial operation.
 - (e) The estimated total capital cost of each Project and the amount of Award funds being requested to finance each Project.
 - (f) Proposed financial structure of the owners, equity investors and other participants, which shall include estimated sources and uses of all funds.
 - (g) If applicable, description and status of any Power Purchase Agreement (PPA) that will be used to sell and deliver the electrical output of the Project(s) to Off-Takers.
 - (h) If applicable, description of any existing power sales contracts, such as wholesale power contracts, between Off-Takers and its members.
 - (i) Status of, and estimated timelines to complete, if known, any applicable Federal, State or local permitting or environmental review processes.
 - (j) *Ratepayer and Community Benefit.* A brief discussion from the LOI Submitter that if it is invited to submit an Application, it will demonstrate in its Application how it will pass on a portion of the savings from the loan forgiveness to the Off-Taker as described in Section B.6 of this notice and that the LOI submitter will provide the required information from Section D.2(b)(19) for the Community Benefit Plan.
 - (k) *Prevailing wage.* Pursuant to 7 U.S.C 8103(f), a certification that, pursuant to 7 U.S.C 8103(f), the LOI submitter will comply with the provisions of the Davis-Bacon Act so that any laborers and mechanics employed on the Project or any contractor or subcontractor in: (A) the construction of such facility, and (B) with respect to any taxable year, for any portion of such taxable year the alteration or repair of such facility, shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality in which such facility is located as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.
 - (l) *Loan Forgiveness Level.* A statement as to what level of loan forgiveness outlined in Section B.6 of the notice that the LOI submitter believes it is eligible and the reason(s) why it believes it is eligible for that specific level of loan forgiveness.

PHASE 2: PACE APPLICATION

- (1) **Loan Application letter.** A signed cover letter by any authorized representative of the PACE Applicant; however, the authorization must also be submitted with the Application.
- (2) **Articles of Incorporation and Bylaws.** The PACE Applicant must provide the articles of incorporation, bylaws, and other organizational documents currently in effect. PACE

Applicants that are RUS Borrowers may comply with this requirement by notifying in writing to RUS that there are no material changes to the documents already on file with RUS. Other governmental applicants must only provide evidence of their ability to enter into debt obligations.

- (3) **Environmental and Historical Preservation Requirements.** If the PACE Applicant has not received written notice from RUS that the Project environmental review process is formally concluded as provided in 7 CFR 1970.11, it must submit documents that establish that a review is in progress and no ground disturbance activities have started prior to receiving notice that the Environmental and Historic Preservation review requirements have been completed. This requirement requires the PACE Applicant to include a certification that construction has not started and that it will not start prior to obtaining written notice from RUS. The PACE Applicant must further state the type of environmental review document it believes needs to be prepared in accordance with 7 CFR part 1970 (e.g., a Categorical Exclusion with an Environmental Report, an Environmental Assessment, or Environmental Impact Statement in accordance with subparts B, C, or D, respectively). The PACE Applicant must provide a description of any potential environmental controversy or extraordinary circumstances, and the estimated timelines for completing the environmental process. PACE Applicants are strongly advised that commencing construction prior to environmental or historic preservation clearance could make a Project ineligible for RUS financing, regardless of a Project's place in the queue.
- (4) **Financial Forecast.** In order to demonstrate that the loan is feasible as required in 7 CFR 1710.112, the PACE Applicant must submit a financial forecast. For System Loans, the financial forecast must cover a period of at least 10 years from the commercial operating date of the Project to be financed, must demonstrate that the PACE Applicant's operation is economically viable and that the proposed loan is financially feasible. RUS may request projects for a longer period of time or additional information, if RUS deems it necessary based on the financial structure of the PACE Applicant. The PACE Applicant must submit the financial forecast in the form prescribed by RUS in the Invitation to Proceed.
- (5) **Power Purchase Agreement (PPA).** If the PACE Applicant proposes to sell power generated from the Project to an Off-Taker under a PPA, the PACE Applicant must provide a draft copy of the PPA with the Application, which must be structured to allow two different rate schedules; one for the case without loan forgiveness and the other for the case with loan forgiveness. Because the PPA is essentially the mechanism by which consumers will benefit from the PACE program, all draft PPAs must be approved by RUS prior to being executed. RUS approval of the PACE Application is predicated upon an executed PPA that has been approved by the Agency.
- (6) **Power Resources Owned, Co-owned or Leased.** Provide a discussion or table of the existing power resources available to the applicant that includes generation facilities owned, co-owned or leased. The information provided should include: name of plant and unit; ownership interest (%); type of unit and fuel used; net peak capacity; and in-service date.
- (7) **Power Purchase Contracts.** Provide a discussion of the applicant's power purchase contracts (with terms greater than two years) that describes the capacity and energy resources purchased. The information should include: type of contract (take-or pay, unit power purchase, parties to the contract, amount (capacity and energy); and term and expiration date.

- (8) **Power Sales Contracts.** A description of any existing power sales contracts, such as wholesale power contracts, between an Off-Taker and its members must be provided that includes the type of agreements (*e.g.*, all or partial requirements), the initial execution dates, and the dates the agreements expire. The PACE Applicant must provide copies of the agreements if requested by the Agency.
- (9) **Engineering Report.** A signed final engineering report or final engineering and power cost study must be provided with the Application, or soon thereafter. The report must describe the purpose, design, costs, construction, and operation of the Project(s). A draft engineering report must be submitted for RUS approval prior to it being finalized and signed. An approved engineering report is a prerequisite to the obligation of PACE funds; however, the PACE Borrower may amend the engineering report with RUS' written approval. The finalized engineering report must be signed or approved by licensed professional engineer.
- (10) **Project Contracting.** The PACE Applicant must submit a list of all engineering, procurement, and construction contracts it intends to use on the Project(s), with a brief description and cost estimate of each contract. At the Agency's discretion, any contracts selected by the Agency for review and approval must be submitted within the period of time requested by the Agency. In no event will Award funds be disbursed prior to the selected Project contracts receiving Agency approval and any other necessary approvals.
- (11) **Interconnection Agreements.** If an interconnection agreement is needed, draft agreements required to interconnect a RER or ESS to a distribution or transmission network must be included with the Application. These agreements must be approved by the Agency before the Award funds are disbursed.
- (12) **System Impact Studies.** The status and summary of any related system impact studies as they may pertain to the interconnection of the Project with a distribution or transmission network should be provided with the Application. System impact studies must be conducted, as applicable, to include load flow studies, short circuit analysis, system stability analysis, and conclusions (*e.g.*, identify voltage, overload, stability problems and proposed actions or contingencies; single contingency analysis of proposed facilities; transmission constraints; and system improvements needed). The nature of any required system upgrades and associated costs to be incurred by the Awardee, Off-Taker, or other entity must be identified. The Agency may request a copy of any system impact studies or links to review such studies.
- (13) **Transmission Service Agreements.** Transmission service agreements required to export, transmit or deliver the power from the Project to the Off-Taker, if any, must be included with the Application. These agreements must receive Agency approval before Award funds are dispersed.
- (14) **Other Major Agreements.** The PACE Applicant must provide a list and a brief description of all other major agreements that will need to be executed for the Project. Such agreements, if applicable, include, but not limited to Operation & Maintenance (O&M) arrangements, joint ownership arrangements, fuel management, and fuel supply and transportation. Agreements selected for approval by the Agency should be submitted within the period of time requested by the Agency. RUS will not approve the PACE Application until all agreements requested for review have been approved by the Agency.
- (15) **Meteorological Data and Studies.** RERs such as solar and wind Projects must be supported with meteorological data and studies to determine the expected energy

generation of the facility during the initial year of operation. The PACE Applicant must identify the amount and basis of any annual degradation in energy output of the RERs.

- (16) **Fuel and Fuel Transportation Strategies.** If applicable to the Project, the PACE Applicant must describe the fuel and fuel transportation strategies of the Project and show that the fuel supply for the life of the Project is adequate. Fuel supply contracts and fuel transportation contracts must be identified, including the term of each contract. Copies of the fuel contracts or arrangements must be provided if requested by the Agency.
- (17) **Sources and Uses of Water.** The PACE Applicant must identify the uses and source of water for the Project, as well as evidence that the water supply will be adequate to meet both daily demands and demands for the life of the Project. If requested by the Agency, the PACE Applicant must provide copies of any agreements or arrangements that would be used to purchase or receive water used and consumed by the Project and the applicable water balance diagram of the facilities.
- (18) **Real Estate Matters.** If the PACE Applicant is leasing the real estate upon which it will build and operate the Project, the PACE Applicant must submit an executed copy of the lease agreement with the Application. Lease agreements must contain or be amended to contain, a provision that allows the PACE Applicant to collaterally assign the lease to RUS as security for the loan. Further, to the extent that the lessor under any lease with the PACE Applicant has executed a mortgage or deed of trust with respect to the real estate to another party, that party must execute an attornment and non-disturbance agreement in favor of the PACE Applicant that will allow the PACE Applicant to continue to lease the real property and operate the Project in the event of the lessor's default under the mortgage or deed of trust. The PACE Applicant must submit any attornment and non-disturbance agreements to RUS with its PACE Application.
- (19) **Community Benefit Plan.** The PACE Applicant must submit a Community Benefit Plan, which should be implemented within the first year of receiving Award funds, but which is expected to be provided beyond the Project itself, including but not limited to:
 - (a) Investments in the American workforce such as local worker retraining and job creation;
 - (b) The launch or expansion of systemic or consumer-based energy efficiency and carbon reduction measures such as providing on-bill financing or Pay as You Save programs to improve the energy efficiency and beneficial electrification for consumers;
 - (c) Land use agricultural integration that demonstrates ways for traditional farming and ranching to benefit from clean energy Projects; and
 - (d) Diversity, equity, inclusion, and accessibility goals set forth in the Justice40 Initiative.
- (20) **Tribal Government Resolution of Consent.** A certification from the appropriate Tribal official is required if the Project, or any part of it, will be sited on Tribal land where a Tribal government has regulatory authority. Any non-Tribal PACE Applicant that fails to provide a certification to provide service on the Tribal lands identified in the proposed Project or the proposed service area will not be considered for funding.
- (21) **Estimated Costs.** The applicant must include in its loan Application a breakdown of the estimated costs as specified in 7 CFR 1710.106 in which it intends to seek reimbursement.
- (22) **Board Resolution** - A signed copy of the board resolution or applicable authority authorizing the Application to be submitted to RUS.

AWARD CLOSING, SERVICING AND REPORTING – INCLUDED IN BURDEN ESTIMATE

- (1) **Commitment Letter.** Successful PACE Applicants will receive a Commitment Letter from the Administrator notifying it of the following: the total Award amount approved by RUS; the amount of the loan that will be forgiven; any additional controls on its financial, investment, operational and managerial activities; acceptable security arrangements; and such other conditions deemed necessary by the Administrator to adequately secure the Government's interest and ensure repayment. PACE Applicants must submit an acceptance of the Commitment Letter.
- (2) **Award Agreement.** Awardees will be provided with Award documents that they must review and execute for loan closing.
- (3) **Opinion of Counsel.** An opinion of counsel is required at closing and must be acceptable to the Administrator, opining, *inter alia*, that the Awardee is properly organized and has the authority to enter into the Award and that RUS has a first priority, senior lien on the required collateral, unless other collateral arrangements have been agreed to with the Agency.
- (4) **Cybersecurity.** An Awardee must certify that it has adopted and implemented a cybersecurity risk mitigation and remediation plan that is consistent with prudent utility practice. Additionally, the Awardee must certify that such cybersecurity risk mitigation and remediation plan is in effect at the time of each advance request.
- (5) **Request for Advances and Loan Forgiveness Information.** For System Loans and Project Loans, the Award funds will be advanced when the Project is operational, and the Awardee has tested the Project to show that it is performing as should. For System Loans only, the Administrator does have the discretion to allow System Award funds to be advanced to finance Projects for costs incurred during construction of the facilities on a case-by-case basis.

Loan forgiveness for both System Loans and Project Loans will occur when the Project has been completed and RUS has confirmed that the Awardee has satisfied all other conditions specified in the Award.
- (6) **Performance Reporting.** As part of the Award documents, the Agency will establish periodic reporting requirements.
- (7) **Audit Requirements.** Awardees will be required to prepare and furnish to RUS audits as follows:
 - (a) **Non-Federal Awardees.** Awardees that are Non-Federal Entities shall provide RUS with an audit pursuant to 2 C.F.R. part 200, Subpart F, Audit Requirements. The Non-Federal Entity Awardee must follow subsection 2 CFR 200.502 in determining federal awards expended.

All RUS loans impose an ongoing compliance requirement for the purpose of determining federal awards expended during a fiscal year. In addition, the Awardee must include the value of new federal loans made along with any grant expenditures from all federal sources during the Awardee's fiscal year. Therefore, the audit submission requirement for this program begins in the Awardee's fiscal year that the loan is made and thereafter, based on the balance of federal loan(s) at the beginning of the audit period. All required audits must be submitted within the earlier of 30

calendar days after receipt of the auditor's report; or nine months after the end of the Awardee's audit period; and

- (b) **All Other Awardees.** For all other entities, Awardees shall provide RUS with an audit within 120 days after the as of audit date in accordance with 7 CFR part 1773. Note that with respect to Advances that contain loan funds, the audit is required after an advance has been made, and, thereafter, from the close of each subsequent fiscal year until the loan is repaid in full. While an audit is required, Awardees must also submit a report on compliance and internal controls over financial reporting, as well as a report on compliance with aspects of contractual agreements and regulatory requirements.
- (8) **SAM Registration Maintenance.** Each applicant (unless an exception, as outlined in 2 CFR 25.110(a) through (d), is approved by the Agency) is required to maintain an active SAM registration with current information at all times during which it has an active Federal award. The Agency uses the SAM site to ensure continued eligibility to receive Federal financial assistance.