Supporting Statement for State Energy Program Formula and Infrastructure Investment and Jobs Act Awards

Part A: Justification

OMB No. 1910-5126

DOE Forms 540.1, 540.6, 540.7, 540.8

August 2022

U.S. Department of Energy
Washington, DC 20585

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Introduction

Provide a brief introduction of the Information Collection Request. Include the purpose of this collection, note the publication of the 60-Day Federal Register Notice, and provide the list of forms within this collection.

The purpose of this ICR is to collect information on the status of grantee activities related to SEP Annual Appropriations and the Infrastructure Investment and Jobs Act, including total activities funded with grant funds, expenditures, and results, to ensure that program funds are being used appropriately, effectively, and expeditiously. The 60-day Federal Register Notice was published on October 19, 2022 and expired December 19, 2022.

The SEP Quarterly Performance Report (DOE F 540.6) is an existing approved form. The SEP Annual File (DOE F 540.1) and the SEP Master File (DOE F 540.8) are existing forms that have not previously been included in previous ICRs and are being added to this ICR. The SEP Revolving Loan Fund (RLF) Quarterly Performance Report (DOE F 540.7) is a new form.

The SEP forms that make up this collection are:

- SEP Annual File (DOE F 540.1)
- SEP Quarterly Performance Report (DOE F 540.6)
- SEP Revolving Loan Fund (RLF) Quarterly Performance Report (DOE F 540.7)
- SEP Master File (DOE F 540.8)

A.1. Legal Justification

Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the information collection.

The United States Department of Energy (DOE) requires the revision of a previously approved collection of information for the State Energy Program (SEP), authorized in the Energy Independence and Security Act of 2007 (EISA), Public Law 110-140, and in the State Energy Program, 42 U.S.C. §§ 6321-6327, to continue collecting information required to respond to the Office of Management and Budget (OMB), congressional and consumer requests, budget preparation, and grant and financial administration. DOE provides Federal financial assistance and technical support to states and local governments under the EISA. Reports are used to monitor and ensure that Grantees are following statutory requirements as stated in 42 U.S.C. §§ 6321-6327, as well as regulations set forth in 10 CFR 420.[1] Under State Energy Program Notice 22-2 (SEPN 22-02), Infrastructure Investment and Jobs Act (IIJA) funds will be going toward the SEP Formula activities and thus incorporated into this Information Collection Request (SEP 22-2: All grant awards made under this program shall comply with applicable law and regulations including the SEP Regulations contained in 10 CFR Part 420).

The SEP allocates annually over $50 million in order to adequately monitor, report, and ensure transparency and accountability. SEP requires quarterly reporting for this program. Under State Energy

[1] *See* State Energy Program Operations Manual | Department of Energy.

Program Notice (SEPN) 22-01 – for Program Year (PY) 2022, $56.5 million has been appropriated to allocate awards to the 50 States, District of Columbia, and 5 territories.

Infrastructure Investments and Jobs Act (IIJA): In addition to the reporting documents for the SEP's annual appropriations, this collection also includes reporting for the $790 million delivered by IIJA. IIJA was passed by Congress on November 6, 2021 "to authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes." The State Energy Program is listed as an IIJA recipient under Title 1: Grid Infrastructure and Resiliency within Division D- Energy.

SEP Annual Appropriations: On March 15, 2022, the President signed the Consolidated Appropriations Act of 2021, which appropriated $56,500,000 to the SEP. As noted in the SEPN 10-006E and SEPN 22-01, SEP Grantees will be required to report metrics related to the expenditure of these funds.

The SEP forms that make up this collection are:

- SEP Annual File (DOE F 540.1)
- SEP Quarterly Performance Report (DOE F 540.6)
- SEP RLF Quarterly Performance Report (DOE F 540.7)
- SEP Master File (DOE F 540.8)

A.2. Needs and Uses of Data

Indicate how, by whom, and for what purpose 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.

All SEP information is used by DOE to determine program outcomes and answer congressional, budget, and public inquiries. Program staff utilize the information collected to track the recipients' activities, their progress in achieving scheduled milestones, and funds expended (including expenditure rates). It is also used to determine program compliance and set program goals and objectives as required in 10 CFR 420. The information is also used to align DOE resources with grantee activities for the purpose of developing and aligning technical assistance and best practices. Below are the DOE forms the agency plans to use under this collection.

- **SEP Annual File (DOE F 540.1):** The Annual File (DOE F 540.1) provides a format designed to gather specific detail related to the grant recipients' plans for how they will fulfill obligations related to the SEP formula grant and SEP IIJA grant, such as Technology/Topic Area, Program Year Descriptions, including Energy Savings, DOE-Funded Leveraging Activities, and Activity Milestones. The Annual File (DOE F 540.1) is a portion of the Grantees plan that typically changes from year to year based on funding.
- **SEP Quarterly Performance Report (DOE F 540.6):** The SEP Quarterly Performance Report (QPR) (DOE F 540.6) is designed to gather outcome and expenditure data to provide metrics showing how the grant recipient is implementing their respective DOE-funded state plans. This information is used to track outcomes and to respond to congressional and other inquiries regarding progress on grantees' SEP activities.
- **SEP Revolving Loan Funds Quarterly Performance Report (RLF QPR) (DOE F 540.7):** The RLF QPR (DOE F 540.7) includes financial metrics in addition to those of

the SEP Quarterly Performance Report (DOE F 540.6) that are needed for tracking and administering the RLF program.
  - **SEP Master File (DOE F 540.8):** The SEP Master File (DOE F 540.8) provides the grantee with a location to describe, via narratives, multiple aspects of the Energy Program. This includes strategy, reporting, and monitoring initiatives.

A.3. Use of Technology

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.

The DOE developed a web-based system called Performance and Accountability for Grants in Energy (PAGE), which allows DOE to administer the SEP grants online and provide all network users access to current program records. PAGE reduces data redundancy and paperwork and provides a single access point for providing all requested reporting data including DOE forms 540.8, 540.1, 540.6 and 540.7. All Grantees have PAGE access and can enter annual applications and reports directly into the system, and sign and submit them electronically to the DOE. Across the State Energy Program, 100% of responses are collected electronically through PAGE. All records entered or updated are forwarded to a national database at DOE Headquarters.

A.4. Efforts to Identify Duplication

Describe efforts to identify duplication.

The SEP is a unique, flexible, and diverse program that provides funding to states to promote the conservation of energy, reduce the rate of growth in energy demand and reduce the dependence on imported oil through the development and implementation of a comprehensive State Energy Program. The forms in PAGE were designed to provide a consistent format for the collection of program information. This information will then be retrieved to answer programmatic questions and inquiries. The information collected is unique to the DOE, therefore this collection is not duplicative.

A.5. Provisions for Reducing Burden on Small Businesses

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

Neither small businesses nor other small entities are impacted.

A.6. Consequences of Less-Frequent Reporting

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.

The Quarterly Performance Report (DOE F 540.6) allows DOE to adequately monitor, report, and ensure transparency and accountability. The SEP requires quarterly reporting to effectively monitor performance of the grant. Annual reporting would not allow Project Officers to effectively determine if the grants' funds are being used in a timely, appropriate manner, and would prevent SEP leadership from effectively updating budgetary performance and future budgetary requirements to Congress and OMB. The quarterly report form has been simplified and reduced to capture specific SEP information according to 10 CFR 420, and to minimize the burden to award recipients.

The requirement of submitting a Plan once a year by a state is listed in 10 CFR 420. If this information is not provided by the states to DOE, there would be no source of information to respond to congressional, budget, and general public inquiries of the program.

A.7. Compliance with 5 CFR 1320.5

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

(a) requiring respondents to report information to the agency more often than quarterly;

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

(c) requiring respondents to submit more than an original and two copies of any document;

(d) requiring respondents to retain records, other than health, medical government contract, grant-in-aid, or tax records, for more than three years;

(e) in connection with a statistical survey, that is not designed to product valid and reliable results that can be generalized to the universe of study;

(f) requiring the use of statistical data classification that has not been reviewed and approved by OMB;

(g) that includes a pledge of confidentially that is not supported by authority established in stature of 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; or

(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.

The information collection is being conducted in a manner consistent with OMB guidelines.

A.8. Summary of Consultations Outside of the Agency

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 5 CFR 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 the comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside DOE to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or report.

A 60-day FRN was published in the Federal Register at 87 FR 63487 on Wednesday, October 19, 2022. No comments were received upon the comment period close, December 19, 2022.

Pursuant to 5 CFR 1320.8(d)(1), DOE furthermore informally consulted with approximately 6-8 SEP grantees at trainings, conferences, and other past events with regards to the amount of time it takes them to complete the required forms, the availability of data, the frequency of collection, the clarity of instructions, and the data elements to be reported. In addition, DOE provides national formal training forums every other year, on-site monitoring to state energy offices, webinars on relevant topics, and distributes SEP Program Notices so Grantees understand the forms and have the necessary information to fill them out.

A.9. Payments or Gifts to Respondents

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

No payment or gift is being provided to the respondents.

A.10. Provisions for Protection of Information

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

There is no identifiable confidential information being requested. The information is collected at the state level, and individual identifiable information is not requested.

A.11. Justification for Sensitive Questions

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. This justification should include the reasons why DOE considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There is no collection in this package that involves questions of a sensitive, personal, or private nature.

A.12A. Estimate of Respondent Burden Hours

Provide estimates of the hour burden of the collection of information. The statement should indicate the number of respondents, frequency of response, annual hour burden, and <u>an explanation of how the burden was estimated</u>. Unless directed to do so, DOE should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample fewer than 10 potential respondents is desirable.

Total number of respondents:

-56 Grantees for both SEP Formula and SEP IIJA Grants.

Annual Number of Responses:

-*DOE 540.1, Annual File Worksheet* – **56 respondents x 3** (once annually for each form, multiplied by three because of the SEP Formula and 2 IIJA funding sources that will require one form for each), for a total of 168 annual responses

-*DOE 540.6, Quarterly Performance Report* – **(56 respondents x 4) x 3** (one for each of the four quarters, multiplied by three because of the SEP Formula and 2 IIJA funding sources that will require one form for each), for a total of 672 annual responses

-*DOE 540.7, RLF Quarterly Performance Report* – **56 respondents x 4** (one for each of the four quarters; RLF grants only), for a total of 224 annual responses

-*DOE 540.8, Master File* – **56 respondents x 3** (once annually for each form, multiplied by three because of the SEP Formula and 2 IIJA funding sources that will require one form for each), for a total of 168 annual responses

Burden Hours Per Response:

Based on feedback from the Grantees from Project Officer communications and due to the need for an update in hours to a more realistic number, the hours were decreased to 16 per response for the Quarterly Performance Report (DOE F 540.6) and an additional 2 hours for the RLF Quarterly Performance Report (DOE F 540.7), for an estimate of 18 hours per response.

Based on Project Officer projections and adapted time for IIJA new programs, the Annual File (DOE F 540.1) has a different number of burden hours for each program. Individual program burden hours [20 hours for the SEP Formula, 64 hours for the IIJA SEP Formula (40109), and 36 hours for the Energy Efficiency Revolving Loan Fund Capitalization Grant Program (40502)] were averaged to align with 40 burden hours per response.

Based on Project Officer projections and adapted time for IIJA new programs, the Master File is estimated to take 8 burden hours per response for the SEP Formula, 40109, and 40502.

Reporting Frequency

Each document is filled out once annually, except for the Quarterly Performance Report (DOE F 540.6) and RLF Quarterly Performance Report (DOE F 540.7), which are filled out once per quarter (four times per year).

Table A1. Estimated Respondent Hour Burden

Form Number/Title (and/or other Collection Instrument name)	Type of Respondents	Number of Respondents	Annual Number of Responses	Burden Hours Per Response	Annual Burden Hours	Annual Reporting Frequency
Annual File (DOE F 540.1)	Financial Personnel	56	168	40	6,720	1
Quarterly Performance Report (DOE F 540.6)	Financial Personnel	56	672	16	10,752	4
RLF Quarterly Performance Report (DOE F 540.7)	Financial Personnel	56	224	18	4,032	4
Master File (DOE F 540.8)	Financial Personnel	56	168	8	1,344	1
TOTAL			**1,232**		**22,848**	

A.12B. Estimate of Annual Cost to Respondent for Burden Hours

Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under 'Annual Cost to Federal Government'.

The hourly wage rate used to calculate the estimated respondent cost burden is the mean hourly wage[2] ($47.32) for "Project Management Specialists" taken from the Department of Labor website.

Table A2. Estimated Respondent Cost Burden

Type of Respondents	Total Annual Burden Hours	Hourly Wage Rate	Total Respondent Costs
States	22,848	$75.71	$ 1,729,822
TOTAL	**22,848**		**$ 1,729,822**

A.13. Other Estimated Annual Cost to Respondents

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

No other additional costs to respondents.

A.14. Annual Cost to the Federal Government

Provide estimates of annualized cost to the Federal government.

[2] May 2021 National Occupational Employment and Wage Estimates (bls.gov). *A 1.6 standard multiplier for government employees was used to convert the hourly wage ($47.32) to a fully burdened wage (i.e., wage plus benefits) of $75.71. From* http://www.bls.gov/news.release/ecec.nr0.htm

All forms are reviewed by DOE Federal Employees at a Grade Level GS-13 and Step 1. The titles of reviewers are Energy Technical Project Specialists or Energy Project Specialists. The reviewers also serve as Project Officers to the grantees in a consistent manner.

-Annual File (DOE F 540.1): 2 hours per report x 168 reports = 336 hours
-Quarterly Performance Report (DOE F 540.6): 1 hour per report x 672 reports = 672 hours
-RLF Quarterly Performance Report (DOE F 540.7): 1 hour per report x 224 reports = 224 hours
-Master File (DOE F 540.8): 1 hours per report x 168 reports = 168 hours

*Estimated Annual Cost in Dollars to the Federal Government (fully burdened rate)***:** 1,400 hours x $81.89 hourly wage rate[3] = **$114,646**

A.15. Reasons for Changes in Burden

Explain the reasons for any program changes or adjustments reported in Items 13 (or 14) of OMB Form 83-I.

The previous ICR submission (1910-5126) only accounted for one form, the Quarterly Performance Report (DOE F 540.6). There were two existing forms that are now being included as part of this ICR, the Annual File (DOE F 540.1) and Master File (DOE F 540.8). There is also a new form, the Revolving Loan Fund Quarterly Performance Report (DOE F 540.7), being included in this ICR. The increased burden hours are due to the inclusion of these forms and the increased number of responses of each form that need to be submitted by the grantees due to the passage of the Bipartisan Infrastructure Law signed in 2022.

Historically, the Annual File (DOE F 540.1) and Master File (DOE F 540.8) were not included in previous ICRs as they were considered part of the yearly application package that is submitted to DOE from the 50 states, 5 territories and District of Columbia. It was determined by the SEP program and General Counsel that these required forms were better suited to be included in this ICR and all ICRs going forward to retain better cognizance over the forms and more specifically report on the burden hours of these forms.

The Annual File (DOE F 540.1) section of the State Plan describes each program activity for which the state requests financial assistance for a given year. This includes budget information and milestones for each project, and the intended scope and goals to be attained either qualitatively or quantitatively. The Master File (DOE F 540.8) is the component of the State Plan that describes a state's energy efficiency goals and how a state intends to achieve those goals.

The existing Quarterly Performance Report (QPR) (DOE F 540.6) form is approved and is in the current ICR. The QPR (DOE F 540.6) is designed to gather outcome and expenditure data to provide metrics showing how the grant recipient is implementing their respective DOE-funded state plans. This information is used to track outcomes and to respond to congressional and other inquiries regarding progress on grantees' SEP activities.

Based upon the knowledge DOE Federal Project Officers have with this form (DOE F 540.6) as well as results found from recent in-house mock sample analyses and the fact that the state grantees have become

[3] SALARY TABLE 2022-DCB (opm.gov)

more familiar and efficient with the use of this form, it was decided that the SEP program needed to adjust the burden hours. It was therefore determined that 33.3 hours was an excessive estimate and the estimate for this form was adjusted to 16 hours per response. However, overall, there was an increase to agency adjustment due to the addition of the SEP Formula and IIJA funding sources. The changes in burden for this ICR are due to both agency discretion (due to the 3 new forms) and adjustments in agency estimates.

The Revolving Loan Fund Quarterly Performance Report (RLF QPR) (DOE F 540.7) is a new form introduced for completing the requirements needed to support the monitoring, tracking, and ensuring the funding stream allocations provided by the Bipartisan Infrastructure Law (BIL) are properly distributed.

The Revolving Loan Fund Quarterly Performance Report (RLF QPR) (DOE F 540.7) is the same as the existing QPR (DOE F 540.6) except for a few additional reporting requirements specific to the SEP BIL program. Under SEP, a state would need to fill out a QPR (DOE F 540.6) for each individual program they run. These additional burden requirements amount to an increase of two hours per respondent.

The RLF QPR (DOE F 540.7) is similar to the SEP QPR (DOE F 540.6), however there are specific components of the RLF QPR (DOE F 540.7) that require needing to collect additional data with metric requirements that are unique to the financing program. These include:

- FINANCIAL METRICS (Funds)
- FINANCIAL METRICS (Loans/Loans Supported by LLRs/Grants by Sector)
- FINANCIAL METRICS (Leveraged funds)

Based on previous DOE RLF programs reporting requirements, it is estimated that it will take 18 hours to complete the new form for the RLF QPR (DOE F 540.7). To be clear, the RLF QPR (DOE F 540.7) is to be used in lieu of the SEP QPR (DOE F 540.6) in programs which include capitalized Revolving Loan Funds; respondents will never be asked to complete both the SEP QPR (DOE F 540.6) and the RLF QPR (DOE F 540.7) for the same work.

Table A3. ICR Summary of Burden

	Requested	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Previously Approved
Total Number of Responses	1,232	+560	+448	224
Total Time Burden (Hr)	22,848	+12,096	+ 3,296	7,456
Total Cost Burden	$1,729,822	+ $915,788	+ $498, 124	$315,910

A.16. Collection, Tabulation, and Publication Plans

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

There are no plans for publication.

The Master File (DOE F 540.8) is used to ensure that Grantees' plans and procedures meet statutory and regulatory requirements before grant awards are made.

The QPR (DOE F 540.6) and Annual File worksheet (DOE F 540.1) forms are used to ensure that the Grantees performance is in line with their plan, and that they are meeting statutory and regulatory requirements.

Information from all forms is used to justify the program and for responding to Congressional, and other inquiries regarding the SEP.

A.17. OMB Number and Expiration Date

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

The Department is not seeking approval to not display the expiration date for OMB approval of the information collections contained in this package.

A.18. Certification Statement

Explain each exception to the certification statement identified in Item 19 of OMB Form 83-I.

There are no exceptions to the certification statement identified in item 19, "Certification for Paperwork Reduction Act submissions" of OMB form 83-I.