

FY2024 SUPPORTING STATEMENT
Information Collection
High Energy Cost Grants Rural Communities
OMB Control No. 0572-0136

A. Justification

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

This package is submitted as a revision to a currently approved information collection. The Rural Utilities Service (RUS), an agency delivering the United States Department of Agriculture's (USDA) Rural Development (RD) 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 USDA through RD 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. The program is implemented under 7 CFR part 1709 and USDA grant regulations. Competitive grant applications are solicited through publication of a Notice of Funding Opportunity (NOFO) on Grants.gov.

RUS must collect information from applicants for high energy cost grants and bulk fuel grants in order to confirm eligibility for the program and to evaluate the quality of the application to ensure that 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.

The information collected, to include application material, project expenditures and performance as well as progress and financial reports, are used as follows to:

- Confirm that the community to be served meets the eligibility requirements as set forth in the statute.
- Ensure the proposals are consistent with the eligible purposes as well as being technically and economically feasible.

- Perform grant oversight in order to approve eligible expenditures.
- Monitor compliance with grant agreements and track expenditures of federal funds.
- Evaluate the program to measure success.

INFORMATION COLLECTED AND BURDEN ACCOUNTED FOR UNDER THIS COLLECTION

SAM Registration and Maintenance. 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.

Grant Application. An estimated 25 grant applications are received annually in the competitive High Energy Cost Grant (HECG) program. The Agency has not had funding for the bulk fuel program for over five years; however, the application requirements are included below but not included in the burden estimate. Each HECG application is estimated to require 10 hours for a respondent to complete. All applicants must submit an application containing elements described in the NOFO. Elements of the application are:

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

(a) *Project Abstract and Eligibility Statement.* A three-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.

(b) *Project Narrative Proposal.* The proposal should be inclusive of the following:

(i) *Table of Contents (TOC).* The TOC must provide page numbers for all sections, forms, and supplemental materials.

(ii) *Executive Summary.* This is a one-page introduction to the project that briefly identifies the applicant, project title, amount of grant funds requested, eligible communities, the activities and facilities to be supported and how the grant project will benefit the community and offset or reduce the community's extremely high energy costs.

(iii) *Project Description.* This should not exceed 25 pages and should be inclusive of the following:

(A) Community Eligibility and Assessment of Community Needs. 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.

(B) Project Description. This section addresses the project design, technical feasibility, and responsiveness to community needs.

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

(D) 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.

(E) Organizational Experience. We want to know whether the principals have a track record.

(F) Key Staff Experience. Resumes of key personnel are included in this section.

(G) 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.

(H) Project Reporting Plan: The Applicant identifies how progress will be documented.

(I) 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.

(J) 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.

(K) Priority Considerations. The scoring paradigm allows for priority points to be given for various characteristics – high poverty, rurality, and 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/Profile. The Applicant is asked to provide information that is relevant to the Agency's determination of the environmental consequences of financing the proposed project. 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.

INFORMATION THAT WOULD BE COLLECTED FOR THE BULK FUEL GRANT PROGRAM BUT NOT ACCOUNTED FOR IN BURDEN HOURS DUE TO NO APPROVED FUNDING:

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

(1) *Executive Summary.* (one page) A 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.* (two 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.* (two 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.* (six 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.* (one 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.* (four 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.* (fivepages) only letters of support may be submitted as supplementary material.

Closing and Servicing requirements:

AWARD CLOSING, SERVICING AND REPORTING ITEMS ACCOUNTED FOR UNDER THIS COLLECTION

1. *Grant Agreement.* 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.

2. *Performance Reports.* RUS uses quarterly performance reports to confirm that progress is being made toward achieving the stated goals of the project.

3. *Final Performance Report.* RUS uses the final reports to measure the achievements of the HECG program and to share information on successful projects for other interested communities and the public.

4. *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.

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 beyond the three years unless there are unresolved audit findings which is in keeping with standard business practices.

FORMS APPROVED UNDER OTHER OMB NUMBERS

1. *Form SF-424, "Application for Federal Assistance" (4040-0004).* This form is submitted by the applicant at the time of application and is used as a required cover sheet for federal grant programs.

2. *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.

3. *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.

4. *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.

5. *Form SF-425, “Financial Status Report” (4040-0014) or Form SF-425 A “Financial Status Report Attachment (4040-0014)”*. The grant recipient should submit the completed, applicable form on a semi-annual basis. The requirement for this form is included in the grant agreement and is submitted by grant recipients and used to confirm that funds are being spent in conformity with the budget and work plan.

6. *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.

7. *Form RD 1942-46, “Letter of Intent” (0575-NEW)*. 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. NOTE: A new collection was submitted to OIRA on October 11, 2023, to turn this form into a common form as required by the NOA.

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 HECG 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 the HECG program 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 HECG 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 nor is there a requirement for the use of a statistical 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 March 15, 2024, at 89 FR 18891 requesting comments from interested parties. The comment window ends May 14, 2024. The Agency received no comments.

The Agency conducted a consultation with persons familiar with this collection pursuant to 5 CFR 1320(d) to solicit comments 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 its stakeholders and received the following three responses:

Manager, Project Development & Key Accounts
Alaska Village Electric Cooperative, Inc

and

Project Manager
Alaska Energy Authority

Both respondents felt that information about the HECG program was readily available, the instructions were clear and useful, and didn't have any concerns about proprietary information being reported or disclosed by the Electric Program.

Executive Director
Nuvista Light & Electric Cooperative, Inc.

This contact concurred with the other contacts and added that the HECG program is a great grant program for western Alaska. They did make the suggestion that resources be made available for the recipient to have a well-built contract set up with the proposed contractor. Most of the Tribes in the cooperative's area tend to just go with what the contractor has given them and those contracts are not always in the Tribes best interest.

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.

The Agency published a Privacy Act of 1974; System of Records in the Federal Register on May 14, 2019 (84 FR 21315). A copy of that document can be found at <https://www.govinfo.gov/content/pkg/FR-2019-05-14/pdf/2019-09874.pdf>.

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:

Table 1, Total Cost of Burden, shown below, summarizes the estimated average annual burden associated with the HECG program. The attached burden worksheet provides details on the estimates for this collection.

Based on agency experience from past NOSOs, the agency estimates that an average of 25 applications are submitted annually. It is anticipated that, from the 25 applications,

approximately 8 awards will be made per year and the awardees have been accounted for among the 25 initial applications. The grantees are required to comply with the ongoing reporting requirements and 32 previous awardees have been included as complying with ongoing reporting. See the burden worksheet for a detailed breakout of the burden for this collection.

Table 1, Total Cost of Burden	
Number of Respondents	40
Number of Awards	8
Annual Responses	291
Total Hours	826
Cost per Hour	\$76.55
Total Annual Cost	\$63,230

Table 2, Estimated Wages, shows the assumptions that the Agency has made concerning the position and salary of the position that will prepare the HECG application package.

Table 2, Estimated Wages				
Position	Occupation Code	Mean Hourly Wage	Benefits (29.6%)	Total Wage
General and Operations Managers	11-021	\$59.07	\$17.48	\$76.55

The mean wage rate for General and Operations Managers (11-021) Occupation series was selected from the Department of Labor, Bureau of Labor Statistics, May 2022 National Occupational Employment and Wage Estimates (http://www.bls.gov/oes/current/oes_stru.htm). Data provided by the Bureau of Labor Statistics, Employer Costs for Employee Compensation – December 2023 (<https://www.bls.gov/news.release/pdf/ecec.pdf>) was utilized to calculate the total cost of benefits. Benefits as a percentage of total compensation for private industry workers in professional and business services industries is 29.6 percent of total hourly compensation.

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.

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:

Agency staff members receive, review, evaluate, and rank grant applications based on the requirements in 7 CFR part 1709 and the annual NOFO. Agency staff then makes

recommendations based upon an evaluation of the projects’ 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.

Table 3 - Estimated Agency Hours; Table 4 - Wage Rates for Staff Positions, and Table 5 - Total Estimated Cost to the Federal Government, shown below, provide details on the assumptions made by the Agency for the staff, staff hours and cost to process and service the applications and awards for the HECG program. Details can be found on the Federal tab of the Burden Worksheet.

Table 3, Estimated Agency Hours			
Position/Grade	No. of Applications/Respondents	Hours per Review	Total Hours
<i>Application Receipt, Review, Evaluation, and Rank</i>			
GS 12, Step 5	25	10	250
<i>Grant Award and Administration</i>			
GS 5, Step 5	8	6	48
GS 12, Step 5	8	8	64
GS 13, Step 5	8	1	8
<i>Post Award Monitoring</i>			
GS 5, Step 5	40	10	400
GS 12, Step 5	40	20	800

Table 4, Wage Rates for Staff Positions			
Position/Grade	Hourly Wage Rate	Benefits (36.25%)	Hourly Rate
GS 5, Step 5	\$24.52	\$8.89	\$33.41
GS 12, Step 5	\$53.87	\$19.53	\$73.40
GS 13, Step 5	\$64.06	\$23.22	\$87.28

The wage rates used to calculate the Federal cost were found at the Office of Personnel Management General Schedule Salary Table 2024 at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/24Tables/html/DCB_h.aspx. The fringe benefit rate of 36.25 percent was obtained from https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2008/m08-13.pdf

Table 5, Total Estimated Cost to the Federal Government			
Stage	Cost of Each	Number of Respondents/Applications	Total Cost
Application Receipt, Review, Evaluate and Rank	\$734	25	\$18,349
Grant Award and Administration	\$875	8	\$6,999
Post Award Monitoring	\$1,802	40	\$72,082
Total Cost to Federal Government			\$97,430

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 a revision to a currently approved collection. The burden hours have been reduced by 346 hours (1,172 to 826) due to fewer applications being submitted over the past few years. Total respondents were reduced from 60 to 40.

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.