

**AMERICAN RECOVERY AND
REINVESTMENT ACT**

**ENERGY EFFICIENCY AND
CONSERVATION BLOCK GRANTS**

REQUEST FOR APPLICATIONS (RFA)



DUE DATE: JUNE 11, 2010



SUMMARY

The American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5 appropriates funding for the U.S. Department of Energy (DOE) to award formula based grants to states under the Energy Efficiency and Conservation Block Grant (EECBG) Program. The Illinois Department of Commerce and Economic Opportunity (DCEO) is responsible for implementing the ARRA Funding Opportunity Number DE-FOA-0000013, CFDA Number: 81.128, Energy Efficiency and Conservation Block Grant Program (EECBG).

DCEO has entered into a sub-recipient agreement with the Illinois Association of Regional Councils (ILARC) for the direction and administration of EECBG grant funds and oversight of energy efficiency and renewable energy projects. ILARC will award sub-grants to their member and associate member agencies that are responsible for the Request for Application (RFA) process, including dissemination, review, reporting and monitoring of projects within their jurisdiction. Approximately \$13,100,760 million will be awarded under this program.

PROGRAM GOALS

DOE has developed the following core principles to guide entities during the program and project process:

- Invest funds in programs and projects that create and/or retain jobs and stimulate the economy while meeting long term energy goals.
 - Job creation is defined as a job created and filled, or an existing position that is filled as a result of the Recovery Act. A job retained is an existing position that would not have been continued in the absence of ARRA funding.
- Prioritize energy efficiency and conservation first as the cheapest, cleanest, and fastest ways to meet energy demand.
- To maximize benefits over the longest possible terms, entities should look for ways to link their energy efficiency efforts to long-term priorities.
- Target programs and projects that will provide substantial, sustainable and measurable energy savings, job creation and economic stimulus effects.
- Give priority to programs and projects that leverage federal funds with other public and private resources, including coordinated efforts involving other Federal programs targeting community development funded through the Recovery Act such as the Community Development Block Grant program, HOME, and job training programs.
- To the extent possible, develop programs and strategies that will continue beyond the funding period.
- Ensure oversight, transparency, and accountability for all program activities.
- Enact policies that transform markets, increase investments, and support program goals.
- Develop comprehensive plans that benchmark current performance and set aggressive goals.

PROGRAM OUTCOMES

Desired outcomes of the EECBG program include:

- New jobs and increased productivity to spur economic growth and community development ;
- Increased energy efficiency, reduced energy consumption and reduced energy costs through efficiency improvements in the building, transportation and other appropriate sectors;
- Accelerated deployment of market-ready distributed renewable energy technologies, including wind, solar, geothermal, hydropower, biomass and hydrogen technologies;
- Improved air quality and related environmental and health indicators associated with the reduction of fossil fuel emissions;
- Improved coordination of energy-related policies and programs across jurisdictional levels of governance and with other local and community level programs in order to maximize the impact of this program on long-term local priorities;

- Leveraging the resources of federal, state and local governments, utilities and utility regulators, private sector and non-profit organizations to maximize the resulting energy, economic and environmental benefits; and
- Widespread use of innovative financial mechanisms that transform markets.

SPECIAL CONDITIONS

Applicants should be aware that special terms and conditions may apply to projects funded by the Act relating to:

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and retention;
- Publication of information on the Internet;
- Access to records by Inspectors General and the Government Accountability Office;
- Prohibition on use of funds for gambling establishments, aquariums, zoos, golf courses or swimming pools;
- Ensuring that iron, steel and manufactured goods are produced in the United States;
 - It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under the ARRA agreement should be American-made. The Grantee certifies and agrees that it will conform to the afore-stated Buy American policy.
- Ensuring wage rates are comparable to those prevailing on projects of a similar character (Davis-Bacon);
- Protecting whistleblowers and requiring prompt referral of evidence of a false claim to an appropriate inspector general; and
- Certification and Registration.

RECORD RETENTION

- The applicant should be aware that if they are awarded grant funds, they are accountable for all Grant Funds received and shall maintain, for a minimum of four (4) years following the final close out of the grant agreement between DCEO and ILARC (unless the Department notifies ILARC prior to the expiration of the four years that a longer period is required), adequate books, records, and supporting documents, including digital and electronic data, to verify the amount, recipients and uses of all disbursements of Grant Funds.

ELIGIBLE APPLICANTS

A competitive RFA process is open to all Illinois units of Local Government that meet the eligibility criteria as defined below by DOE. A local government is eligible for funds if the population of the entity is 35,000 or less and the following conditions are met:

1. The government is included in the latest available Census of Governments as a currently incorporated government;
2. The government has a governance structure with an elected official and governing body;
3. The government has the authority to implement the eligible activities under the EECBG program;
4. The government meets the population thresholds in EISA (Energy Independence and Security Act of 2007) of 35,000 or less.

A county that has not received ARRA Direct EECBG grants from the DOE is eligible to apply for program funds through the RFA.

General Activity Guidelines

The guidelines and activities set forth in this RFA were approved specifically for the State of Illinois by the Department of Energy on September 14, 2009, and must be adhered to. No other program or project activities are allowable under this RFA. These approved activities enhance the objectives set forth by DOE and DCEO and include a strong emphasis on job creation, job retention and economic recovery.

Eligible units of local government may apply for EECBG grant funds for projects to improve or enhance their publicly owned property, or for projects that include entities located within their boundaries, such as school districts, park districts, police and fire protection districts.

The unit of local government may also use EECBG funds to administer programs (i.e. energy audits, or rebates) that would benefit businesses, residences and not-for-profit organizations located within their boundaries.

Except where noted, the applicant's investment for each project applied for must be at least 25% of the total project cost. Applicants are encouraged to leverage other funds, including the Energy Efficiency Portfolio (EEP) and the state's Renewable Energy Resources Program (RERP).

In some cases, the leveraged funds combined with EECBG grant funds could achieve 100% of project costs.

DCEO has made a commitment to DOE that EECBG funds will be used to expand existing programs, including ratepayer-funded programs such as the Energy Efficiency Portfolio (EEP). EECBG funds will not be used to supplant or replace existing state, ratepayer or other funding streams, but will be used to supplement those programs in order to maximize the total additional energy-related benefits resulting from the program.

NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

DCEO has entered into an Agreement with DOE to expedite NEPA review. In order to ensure compliance under the terms of the Agreement, the applicant should only request funding for projects that fall within the following categories and are consistent with the limitations prescribed therein.

HISTORIC PRESERVATION

DCEO has entered into an Agreement between the State Historic Preservation Agency and DOE to expedite Historic Preservation reviews. In order to ensure compliance under the terms of the Agreement, the applicant must comply with the guidance set forth in **Attachment C** to this document. Projects that involve properties greater than fifty (50) years old and **not** listed on Attachment C shall be submitted to the State Historic Preservation Office for review. The checklist can be found at:

<http://www.illinoishistory.gov/PS/rcdocument.htm>

ELIGIBLE ACTIVITIES

The following activities have been authorized by DOE to be completed with EECBG funds within the State of Illinois and no other program or project activities are allowable under this RFA.

1. Residential and Commercial Building Energy Audits

Communities may apply for grant funds to provide funding for audits for its residents, businesses and government facilities, but are encouraged not to duplicate services that may already be offered by the State or utilities.

2. Energy Efficiency Retrofits in Buildings and Facilities

Communities may use funds to **administer programs** or **pay for their own building projects**. If the community chooses to administer a program, they may offer incentives to residences, businesses, and nonprofit organizations for energy efficiency measures in buildings. They may also fund energy retrofit projects in municipal, school, or other local public facilities.

The DOE/DCEO agreement provides that only the following projects are allowable under this activity:

- installation of insulation
- installation of efficient lighting (**requires EEP application if Ameren Illinois or ComEd electric customer– see paragraph below**)
- heating, venting, and air conditioning (HVAC) (**requires EEP application if Ameren Illinois or ComEd electric customer– see paragraph below**)
- high-efficiency shower/faucet upgrades
- weather sealing
- the purchase and installation of ENERGY STAR appliances
- installation of solar powered or conventional garbage compactors with improved efficiency
- replacement of windows and doors.

Energy Efficiency Portfolio (EEP)

The Energy Efficiency Portfolio (EEP) is a rebate program for Ameren Illinois and ComEd electric utility customers for the installation of energy efficiency electric measures. EEP was enacted into law in 2007, and DCEO is requiring that applicants who are eligible for EEP rebates and that are applying for Lighting, HVAC and Traffic Signals and Street Lights projects apply for EEP rebates at the same time they are applying for EECBG grant funds.

Therefore, if a project for which EECBG funds are being applied, and the entity is located in the ComEd or Ameren Illinois electric service territory, the applicant is required to complete and submit the Pre-Application for the Energy Efficiency Portfolio (EEP) funds.

The application may be rejected if EEP funds are not leveraged. EEP Guidelines for Public Sector entities can be found at www.illinoisenergy.org. EEP guidelines for privately owned properties can be found at www.ActOnEnergy.com or www.ComEd.com.

3. Transportation Energy Efficiency

Applicants may use funds to encourage purchase of hybrid, electric, or alternative-fueled vehicles for local government or school fleet vehicles. The rebate or grant shall not exceed \$5,000 for each vehicle purchased.

Applicants may also use EECBG funds to pay for part of the cost of plug-in charging stations for electric plug-in vehicles. Any such charging station should include solar or other renewable energy supply. **It is important to note that the EECBG block grant funds can only provide for 50% of the total project cost for the plug-in charging stations.**

4. Building Code Development and Enforcement

In August 2008, the Energy Efficient Building Act (HB 3987) was signed into law, which requires local governments to adopt the most recent version of the International Energy Conservation Code (IECC). The code applies to all new residential and commercial buildings, including alterations, additions, renovations, and repairs. Local jurisdictions are prohibited from adopting energy codes less stringent than the 2009 IECC for commercial businesses, and residential codes cannot be less or more stringent than the 2009 IECC.

Applicants may use EECBG funds to implement the newly mandated Illinois Energy Efficiency Building Act (IEEBA). Funds may be used to support enforcement activities, including training enforcement officials or the local building industry in the requirements of the applicable code.

5. Source Reduction, Recycling and Recycled Content Procurement

Recycling-related projects must lead to clearly documented energy savings to be eligible for funding. Applicants are encouraged to apply for projects such as curbside recycling, single stream recycling and community drop off events.

6. Traffic Signals and Street Lights

Communities may use EECBG funds to replace traffic signals or street lights with energy efficient lighting technologies, such as LED or other technology of equal or greater energy efficiency (such as induction lighting). Traffic signals are an eligible EEP measure and, therefore, EECBG funds should only be used if additional funds are needed to make the project viable or if the community is not eligible for EEP funding. **It is important to note that the EECBG block grant funds can provide for no more than \$400 per street light. If the project is located in the Ameren Illinois or ComEd electric service territory, the applicant must apply for EEP rebates.**

7. Renewable Energy Technologies on Government Buildings

Entities may use grant funds to develop, implement and install on or in any government building of the eligible entity onsite renewable energy projects that generate electricity from solar, wind, fuel cells, or biomass are eligible for funding. Depending on the project, applicants should first take advantage of any rebates available from the state's Renewable Energy Resources Program (RERP).

The DOE/DCEO agreement provides that only the following projects are allowable under this activity:

- Solar Electricity: appropriately-sized units on existing rooftops and parking shade structures; or system must be 60 kW or smaller units and installed on the ground
- Wind Energy: system must be 20kW or smaller
- Solar Thermal: system must be 20 kW or smaller

- Solar Thermal Hot Water: appropriately-sized units for residences or small commercial buildings
- Geothermal Heat Pumps: 5.5-ton capacity or smaller horizontal closed loop
- Combined Heat and Power Systems: boilers appropriate to the existing buildings in which they are located
- Biomass Thermal: 3 MMBTus or smaller with appropriate Best Available Control Technologies (BACT) installed and operated
- Solar Thermal (no pools): sized appropriately for existing facilities.

INELIGIBLE PROJECT ACTIVITIES AND COSTS. The following projects are not eligible for funding under these guidelines. Projects that propose funding

- for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool
- for construction, such as construction of mass transit systems and exclusive bus lanes, or for the construction or repair of buildings or structures
- to purchase land, a building or structure or any interest therein
- to subsidize fares for public transportation
- to subsidize utility rate demonstrations or State tax credits for energy conservation or renewable energy measures
- to conduct or purchase equipment to conduct research, development or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available.
- rental, lease or purchase of real property (land or buildings)
- lease payment for equipment and machinery

PROJECT TIMELINES

DOE must approve all projects prior to EECBG grant funds being expended. No reimbursement for prior costs will be allowed. In addition, all projects must be completed by March 31, 2012.

REQUEST FOR APPLICATION TIMELINES

Reponses to this RFA are due to the Regional Planning Council by COB, Friday, June 11, 2010

FUNDING AVAILABILITY

Please read the program guidelines carefully. The emphasis is on projects that result in job creation/retention and energy savings. EECBG grant funds cannot exceed 75% of the total project cost. Minimum grant requests of \$5,000 and maximum grant requests of \$100,000 will be considered. NCICG has been awarded \$906,527 in project funds to be available in this grant opportunity.

GENERAL REVIEW AND EVALUATION

Proposals will first be evaluated to determine whether the proposed project meets the project eligibility criteria and based on the information supplied in the application, the proposal demonstrates sufficient likelihood of actual project development and completion.

COUNCIL NOT LIABLE

UNIT OF GOVERNMENT hereby agrees to indemnify and hold harmless NCICG, its officers, agents and employees from any and all claims, suits, losses, damages, costs of action, fines, judgments or liability that may arise out of or on account of any failure on the part of UNIT OF GOVERNMENT to perform any service or duty as herein agreed or resulting from the negligence or misconduct of, its officers, employees or agents.

Grant Evaluation Criteria Applications satisfying the general review will be evaluated on the basis of the following criteria. The evaluation criteria have been developed to identify those projects that best achieve the goals and objectives of the RFA, including job creation/retention.

Application Quality: Overall quality of the application document with regard to the written project description, measurable goals and objectives, clearly identified tasks and activities in a well developed work plan, budget, timelines, and easily identifiable deliverables.

Feasibility of Project Plan: Likelihood of project completion, potential to accomplish defined goals and objectives, technical feasibility,

Project Benefits:

Economic Development/Job Creation: Potential for the project to support economic development in the State of Illinois through job creation and business development.

Energy Reduction: Potential for the project to save energy, measured in kWh, Therms, Btus etc.

Greenhouse Gas (GHG) Emission Reductions: Potential for the project to reduce GHG emissions, measured in CO₂ reductions.

Timeliness of Projects: The date by which the applicant will complete key milestones of the project. Preference will be given to projects that plan to be started and completed expeditiously.

Leveraged Funds: The portion or percentage of the project cost that will be funded by the applicant or other funding sources. Preference will be given to projects that make effective use of available private and public funding sources to ensure project viability.

Other Criteria: Other criteria as determined by the Department to be in the best interest of the State of Illinois.

APPLICATION PACKAGE

The Application Package must include the following:

- Application Cover Page**
- Project Narrative**
 - Project Description**
 - Project Benefit Narrative**
 - Project Budget Narrative**
- Attachment A**
- Attachment B**

APPLICATION COVER PAGE

Applicant Information:

Applicant _____ FEIN _____

Applicant Address (include 9 digit zip code) _____ County _____

Telephone Number _____ Fax number _____

Project Information

Project Name _____

Project Address _____ County _____

Project Contact _____ Phone _____

Project Contact E-mail address _____

Brief Project Description: _____

Proposed Start Date _____ Planned Completion Date _____

Illinois Legislative District (s) the Project is located in House _____ Senate _____

ACTIVITY APPLIED FOR

APPLICANT CERTIFICATE: To the best of my knowledge and belief, the information and data provided are true and correct. I realize that regardless of the elections made, we the applicant are responsible to ensure compliance with all the provisions of the grant and requirements of the program and to respond to official correspondence/notifications as required within allowable times.

Signature - Chief Elected Official _____

Date _____

Project Narrative

The project narrative should include the following:

- A. Project Description. (4 page maximum) Required information:
1. Description of the project or program
 2. Measurable Goals and Objectives of the project or program
 3. Statement of Work that includes:
 - Clearly identified project or program tasks included in a well developed work plan
 - Easily identifiable project or program deliverables
 4. Statement that certifies applicant has applied for EEP (if applicable), and amount applied for;
 5. Statement that certifies applicant will meet State Historic Preservation mandates (if applicable)

- B. Project Benefits (Also include Attachment A)

Economic Development/Job Creation

- Application narrative must include a statement that addresses the potential for the project to support economic development in the state of Illinois through job creation and/or job retention. Please explain how the jobs created and retained were estimated or calculated.

Energy Savings and Greenhouse Gas Emission Reductions, Renewable Energy

- If applicable, the application must include the potential for the project to save or reduce energy, measured in kwh/therms/gallon/BTU's and must provide the potential for the project to reduce GHG emissions, measured in CO₂, as well as renewable energy generated by renewable projects. Please explain how the energy and greenhouse gas emission benefits were estimated for purposes of the application and how they will be measured for reporting after project completion.

- C. Project Budget (Also include Attachment B)

Provide a narrative of the project budget with an explanation of all project activities and related costs that are eligible for grant funds. Also describe any additional funding sources being leveraged with grant funds. If the applicant is applying for Energy Efficiency Retrofits in Buildings and Facilities, information must be included in the application that confirms the EEP Pre-Application has been submitted to DCEO and identifies the amount of the EEP rebate from the Pre-Application.

ATTACHMENT A

Project Benefits: Jobs, Energy Savings, Greenhouse Gas Reductions

1. Job Creation

Jobs Related to Project: Created: _____ Retained: _____

Jobs should be expressed as “full-time equivalents: (FTE’s), calculated as total hours worked divided by the number of hours in a full-time schedule as defined by the vendor. A job “created” is a new position created and filled, or an existing position that is filled as a result of the Recovery Act. A job “retained” is an existing position that would not have been continued in the absence of ARRA funding.

2. Energy Savings and Greenhouse Gas Emission Reductions (Must be completed for each activity)

Fuel	Energy Saved	Million Btu	CO ₂
Electricity (kWh)			
Natural Gas (therms)			
Liquid Petroleum (LP) (gallons)			
Gasoline (gallons)			
Coal (tons)			
Oil #2 (gallons)			
Oil #6 (gallons)			
TOTAL			

- | | |
|---|---|
| 1 kWh = 0.01034 MMBtu | 1 kWh = 0.000722 Metric Tons CO ₂ |
| 1 therm = 0.1 MMBtu | 1 therm = 0.00529 Metric Tons CO ₂ |
| 1 gallon LP = 0.0955 MMBtu | 1 gallon LP = 0.005807 Metric Tons CO ₂ |
| 1 gallon gasoline = 0.124884 | 1 gal gasoline = 0.008601 Metric Tons CO ₂ |
| 1 ton coal = 20.169 MMBtu (U.S. avg., use actual) | 1 ton coal = 1.747 Metric Tons CO ₂ |
| 1 gal #2 oil = 0.138874 MMBtu | 1 gal #2 oil = 0.01015 Metric Tons CO ₂ |
| 1 gal #6 oil = 0.149793 MMBtu | 1 gal #6 oil = 0.01181 Metric Tons CO ₂ |

3. Renewable Energy Capacity

kW Capacity: _____

**ATTACHMENT B
BUDGET DETAIL**

	Total Costs	Applicant Investment	Contributions From Other Sources i.e. EEP, RERP	EECBG Funding Requested
A. Purchase of Services:				
B. Equipment/Materials:				
Total:				
Percent of Total:	100%			

Purchase of Services: List all applicable costs for design, consultation, installation and retrofit-related work.

	Total Costs	EECBG Funding Requested
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
4. _____	\$ _____	\$ _____
5. _____	\$ _____	\$ _____
6. _____	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____

Equipment/Materials: List all items of equipment to be purchased valued greater than \$100.

	Total Costs	EECBG Funding Requested
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
4. _____	\$ _____	\$ _____
5. _____	\$ _____	\$ _____
6. _____	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____

ATTACHMENT C
STATE HISTORIC PRESERVATION AGENCY

EECBG UNDERTAKINGS EXEMPT FROM SECTION 106 REVIEW

A. Category 1 – No Consultation required

DOE and the SHPO have concluded that the following undertakings do not have the potential to cause effects on historic properties per 36 CFR § 800.3(a)(1):

1. *General efficiency measures not affecting the exterior of the building:*

- a. Energy audits and feasibility studies
- b. Weatherization of mobile homes and trailers
- c. Caulking and weather-stripping around doors and windows in a manner that does not harm or obscure historic windows or trim.
- d. Water conservation measures -like low flow faucets, toilets, shower heads, urinals - and distribution device controls
- e. Repairing or replacing in kind existing driveways, parking areas, and walkways with materials of similar appearance
- f. Excavating to gain access to existing underground utilities to repair or replace them, provided that the work is performed consistent with previous conditions
- g. Ventilating crawl spaces
- h. Replacement of existing HVAC equipment including pumps, motors, boilers, chillers, cooling towers, air handling units, package units, condensers, compressors, heat exchangers that do not require a change to existing ducting, plumbing, electrical, controls or a new location, or if ducting, plumbing, electrical and controls are on the rear of the structure or not visible from any public right of way.
- i. Adding or replacing existing building controls systems including HVAC control systems and the replacement of building-wide pneumatic controls with digital controls, thermostats, dampers, and other individual sensors like smoke detectors and carbon monoxide detectors (wired or non-wired)
- j. New installation of non-hard wired devices including photo-controls, occupancy sensors, carbon dioxide, thermostats, humidity, light meters and other building control sensors, provided the work conforms with applicable state and local permitting requirements
- k. Adding variable speed drive motors
- l. Insulation of water heater tanks and pipes
- m. Furnace or hot water tank replacement that does not require a visible new supply or venting

2. *Insulation measures not affecting the exterior of the building:*

- a. Thermal insulation installation in walls, floors and ceilings (excluding spray foam insulation)
- b. Duct sealing, insulation, repair or replacement in unoccupied areas
- c. Attic insulation with proper ventilation; if under an effective R8 - add additional R-19 up to R-38 (fiberglass bat only)
- d. Band joist insulation - R-II to R19 as applicable
- e. Water heater tank and pipe insulation

3. *Electric base load measures not affecting the exterior the building:*

- a. Appliance replacement (upgrade to EnergyStar appliances)
- b. Compact fluorescent light bulbs
- c. Energy efficient light fixtures, including ballasts (Replacement)
- d. LED light fixtures and exit signs (Replacement)
- e. Upgrade exterior lighting (replacement with metal halide bulbs, LEDs, or others) along with ballasts, sensors and energy storage devices not visible from any public right of way