(1) **Renewable energy feasibility studies.** Beginning the first full year after the feasibility study has been completed, grantees shall report annually for 2 years on the following:

(1) Is the renewable energy system project for which the feasibility study was conducted underway? If “yes,” describe how far along the renewable energy system project is (e.g., financing has been secured, site has been secured, construction contracts are in place, project is completed).

(2) Is the renewable energy system project complete? If so, what is the actual amount of energy being produced?

(m) **Other reports.** For clarification purposes, the Agency may request any additional project and/or performance data for the project for which grant funds have been received.

(n) **Grant close-out and related activities.** Grant close-out and related activities shall be performed in accordance with the Departmental Regulations. In addition, failure to submit satisfactory reports on time under the provisions of paragraphs (i) through (m) of this section may result in the suspension or termination of a grant. The provisions of this section apply to grants and subgrants.

§§ 4280.183–4280.185  [Reserved]

**ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT ASSISTANCE GRANTS**

§ 4280.186 Applicant eligibility.

To be eligible for an energy audit grant or a renewable energy development assistance grant under this subpart, the applicant must meet each of the criteria, as applicable, specified in paragraphs (a) through (c) of this section. The Agency will determine an applicant’s eligibility.

(a) **Type of applicant.** The applicant must be one of the following: (1) A unit of State, tribal, or local government; (2) A land-grant college or university, or other institution of higher education; (3) A rural electric cooperative; (4) A public power entity; or (5) An instrumentality of a State, tribal, or local government.

(b) **Capacity to perform.** The applicant must have sufficient capacity to perform the energy audit or renewable energy development assistance activities proposed in the application to ensure success. The Agency will make this assessment based on the information provided in the application.

(c) **Legal authority and responsibility.** Each applicant must have, or obtain, the legal authority necessary to carry out the purpose of the grant.

§ 4280.187 Project eligibility.

To be eligible for an energy audit or a renewable energy development assistance grant, the grant funds for a project must be used by the grant recipient to assist agricultural producers or rural small businesses located in a State in one or both of the purposes specified in paragraphs (a) and (b) of this section, and shall also comply with paragraphs (c) through (e), and, if applicable, paragraph (f) of this section.

(a) Grant funds may be used to conduct and promote energy audits that meet the requirements of the energy audit as defined in this subpart. Energy audits must cover the following:

(1) **Situation report.** Provide a narrative description of the facility or process being audited; its energy system(s) and usage; its activity profile; and the price per unit of energy (electricity, natural gas, propane, fuel oil, renewable energy, etc.) paid by the customer on the date of the audit. Any energy conversion data should be based on use and source.

(2) **Potential improvements.** List specific information regarding all potential energy-saving opportunities and the associated cost.

(3) **Technical analysis.** Discuss the interactions of the potential improvements with existing energy systems.

(i) Estimate the annual energy and energy costs savings expected from each improvement identified for the potential project.

(ii) Estimate all direct and attendant indirect costs of each improvement.

(iii) Rank potential improvement measures by cost-effectiveness.

(b) **Capacity to perform.** The applicant must have sufficient capacity to perform the energy audit or renewable energy development assistance activities proposed in the application to ensure success. The Agency will make this assessment based on the information provided in the application.

(c) **Legal authority and responsibility.** Each applicant must have, or obtain, the legal authority necessary to carry out the purpose of the grant.

§§ 4280.183–4280.185  [Reserved]
discussion of non-energy benefits such as project reliability and durability.

(i) Provide preliminary specifications for critical components.

(ii) Provide preliminary drawings of project layout, including any related structural changes.

(iii) Document baseline data compared to projected consumption, together with any explanatory notes. Provide the actual total quantity of energy used (BTU) in the original building and/or equipment in the 12 months prior to the EEI project and the projected energy usage after the EEI project shall be the projected total quantity of energy used (BTU) on an annual basis for the same size or capacity as the original building or equipment. For energy efficiency improvement to equipment, if the new piece of equipment has a different capacity than the piece of equipment being replaced, the projected total quantity of energy used for the new piece of equipment shall be adjusted based on the ratio of the capacity of the replaced piece of equipment to the capacity of the new piece of equipment. When appropriate, show before-and-after data in terms of consumption per unit of production, time or area. Include at least 1 year’s bills for those energy sources/fuel types affected by this project. Also submit utility rate schedules, if appropriate.

(iv) Identify significant changes in future related operations and maintenance costs.

(v) Describe explicitly how outcomes will be measured annually.

(b) Grant funds may be used to conduct and promote renewable energy development assistance by providing to agricultural producers and rural small businesses recommendations and information on how to improve the energy efficiency of their operations and to use renewable energy technologies and resources in their operations.

(c) Energy audit and renewable energy development assistance can be provided only to a facility located in a rural area unless the owner of such facility is an agricultural producer. If the facility is owned by an agricultural producer, the facility for which such services are being provided may be located in either a rural or non-rural area. If the agricultural producer’s facility is in a non-rural area, then the energy audit or renewable energy development assistance can only be for a renewable energy system or energy efficiency improvement on integral components of or directly related to the facility, such as vertically integrated operations, and are part of and co-located with the agriculture production operation.

(d) The energy audit or renewable energy development assistance must be provided to a recipient in a State.

(e) The applicant must have a place of business in a State.

(f) For the purposes of this subpart, only small hydropower projects are eligible for energy audits and renewable energy development assistance. Per consultation with the U.S. Department of Energy, the Agency is defining small hydropower as having a rated power of 30 megawatts or less, which includes hydropower projects commonly referred to as “micro-hydropower” and “mini-hydropower.”

§ 4280.188 Grant funding for energy audit and renewable energy development assistance.

(a) Maximum grant amount. The maximum aggregate amount of energy audit and renewable energy development assistance grants awarded to any one recipient under this subpart cannot exceed $100,000. Grant funds awarded for energy audit and renewable energy development assistance projects may be used only to pay eligible project costs, as described in paragraph (b) of this section. Grant funds awarded for energy audits and renewable energy development assistance projects are prohibited from being used to pay costs associated with the items listed in paragraph (c) of this section.

(b) Eligible project costs. Eligible project costs for energy audits and renewable energy development assistance are those post-application expenses directly related to conducting and promoting energy audits and renewable energy development assistance, which include but are not limited to:

(1) Salaries directly or indirectly related to the project;