

ENERGY EFFICIENCY AND CONSERVATION FOR LOCAL GOVERNMENTS

Grant Program Guidelines



PURPOSE

The Kentucky Energy Efficiency and Conservation for Local Government's (EEC) program is part of an on-going effort by the Department for Local Government to assist city and county governments in reducing their energy consumption, thereby saving money, benefitting taxpayers through lower utility costs for local governments, and reducing greenhouse gas emissions. While only county and city governments are eligible to apply for EEC funding, a local government may apply on behalf of a non-profit agency or a public or quasi-public entity within their jurisdiction.

ELIGIBLE ACTIVITIES

Activities that are likely to result in maximum energy efficiency improvements, fossil-fuel emission reductions, economic benefits and total energy use reduction are eligible. Projects that are part of a comprehensive plan for energy reduction will receive preference. Funds may be used to "buy down" an energy savings performance contract. An administrative fee not to exceed five percent (5%) of the award total may be included to cover the cost of a third party administrator.

1. Residential and Commercial Building Energy Audits: Entities may support the conduct of residential and commercial building energy audits.

2. Financial Incentive Programs: Entities may establish financial incentive programs and mechanisms for energy efficiency improvements such as energy saving performance contracting, on-bill financing, and revolving loan funds.

3. Energy Efficiency Retrofits: Grants may be made to nonprofit organizations and governmental agencies for the purpose of retrofitting existing facilities to improve energy efficiency. Grants should not necessarily be expected to cover the entire cost of HVAC replacement; instead should cover additional costs for high-efficiency systems.

4. Energy Efficiency and Conservation Programs for Buildings and Facilities: Entities may develop and implement energy efficiency and conservation programs for public buildings and facilities within the jurisdiction of the entity. The range of activities includes the design and operation of the programs; the identification of the most effective methods for achieving maximum participation and efficiency rates; public education; measurement and verification protocols; and identification of energy efficient technologies.

5. Energy Distribution: Entities may implement distributed energy resource technologies that significantly increase energy efficiency, including:

- District heating and cooling systems;
- Combined heat and power systems;
- Cogeneration systems;
- Energy Storage systems;
- Absorption chillers;

- Desiccant humidifiers;
- Micro turbines; and
- Ground source heat pumps.

6. Material Conservation Programs: Entities may implement activities to increase participation and efficiency rates for material conservation programs, including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency.

7. Reduction and Capture of Methane and Greenhouse Gases: Entities may use grant funds to purchase and implement technologies to reduce, capture, and, to the maximum extent practicable, use methane and other greenhouse gases generated by landfills or similar waste-related sources, such as wastewater treatment plants, operations producing food waste, dairy farms and other animal operations.

8. Traffic Signals and Street Lighting: Entities may use grant funds to replace traffic signals and street lighting with energy efficient lighting technologies, including light emitting diodes, and any other technology of equal or greater energy efficiency.

9. 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 technology that generates electricity from renewable resources, including solar energy; wind energy; fuel cells; and biomass.

FUNDING LEVELS

The program provides for a minimum grant of \$10,000 to the maximum grant of \$100,000. Multi-jurisdictional projects may request an amount not to exceed the maximum grant multiplied by the number of jurisdictions involved in the project.

APPLICATION PROCESS

The applicant must submit three copies of the application with detailed scope of work and budget as part of its application to DLG.

Applications will be accepted beginning December 5, 2016 and ending January 31, 2017. EEC applications are available at www.dlg.ky.gov/downloads under "State Grants".

APPLICATION REVIEW AND AWARD PROCESS

Upon review and award approval the following shall occur:

1. Memorandum of Agreement (MOA). Successful applicants will receive a non-binding letter of intent describing the general nature and requirements of the award to be followed by a Memorandum of Agreement (MOA) that will outline the specific terms of the award and include procedures for obtaining the funds. The MOA will be forwarded for signatures to the chief executive officer of the entity.

2. Execution of Agreement. No funds shall be made available for a particular project until such time as all participating parties have signed the MOA. DLG is responsible for

the preparation of all agreements and the disbursement of funds. Each project will be governed by its own MOA outlining its own specific and unique terms.

3. Disbursement of Funds. To receive funds, the recipient will complete a Request for Disbursement (RFD) form, with grant identification number (found at the top of the recipient MOA), accompanied by documentation supporting the request, including invoices and cancelled checks. After the request form is received and approved by DLG, a payment will be executed.

Requests for Disbursement shall include:

- Current expenditures and cumulative expenditures to date.
- Invoices and/or receipts with cancelled checks. Invoices must include company name, address and phone number.
- Examples of back up documentation:
 - Contractual – invoice and documentation that the item has been paid for (recipient shall verify invoice).
 - Administrative fees (if included in MOA scope of work.)
- Summary by budget category:
 - Contractual – includes all costs related to sub-recipients, vendors, contractors, or consultants supplying products or services used to support the recipient's project.
 - Administrative fees.

Any funds not utilized for the purchases or services authorized in the MOA or not expended by the end date of the MOA are to be returned to DLG by check made out to the Kentucky State Treasurer.

4. Reporting Requirements. The recipient shall provide DLG regular reports on the prescribed form. Not later than eight (8) calendar days after the end of each reporting period, each recipient shall submit a quarterly report with required fiscal and programmatic information to DLG. A completion report shall be submitted to close out the project.

5. Recordkeeping. Accurate records shall be kept on project expenditures for a period of at least three (3) years after the grant close-out date

6. Project Monitoring. DLG staff will provide monitoring of activities based upon the scope of work, MOAs, project accounting, cost estimates, labor and equipment sheets, eligible expenditures, all legal documentation, progress reports and compliance with all state and federal requirements. DLG reserves the right to conduct site monitoring visits on all projects during the course of the project. Prior to project close-out, DLG may conduct a site visit to assure project completion, appropriate expenditure of funds and legal compliance. DLG reserves the right to make additional site visits on any and all projects if deemed necessary. The terms of the executed MOA for a particular project may set forth other obligations for that particular project.

7. Project Close-out. The recipients/grantees of projects shall be required to submit a completion report to DLG, following the form provided by DLG. This report indicates completion of the project and desire to close the project out. The completion report should

be submitted when the complete scope of work has been accomplished. Once the report is received, DLG will start close-out procedures.

Application forms can be found on the DLG website below and completed forms should be returned to:

**Department for Local Government
Office of State Grants/EEC
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601**

Questions or additional information:

Amy Barnes
Amy.Barnes@ky.gov

**800-346-5606
502-573-2382
fax: 502-573-0175**

Melanie Lane
Melanie.Lane@ky.gov

<http://www.dlg.ky.gov>