

4280-B Energy Program QUESTIONS AND ANSWERS

Regarding energy efficiency projects - Please note: The original intent of the Section 9006 energy program was to make an **existing** building or facility more energy efficient. Energy efficiency improvements identified in an energy assessment or energy audit are eligible for financing. The energy assessment or energy audit also provides the answers for a portion of the scoring criteria.

Regarding energy efficiency projects - The 4280-B final regulation also provides for **construction of a replacement** building or facility as long as they are for the same purpose, the same size, and are more energy efficient than the previous building. The energy assessment or energy audit provides the justification for the new, more energy efficient building and provides the answers for a portion of the scoring criteria.

If your energy efficiency project is for the **replacement of equipment**, there are no size constraints – but the equipment must be for the same purpose and be more energy efficient than the previous equipment.

	Renewable Energy	Energy Efficiency
1. Construction of a new facility including purchasing an RE or EE system.	Yes	No
2. Construction of a new replacement facility including purchasing an RE or EE system.	Yes	Yes, if the facility is the same size, used for same purpose, provides more energy savings than improving an existing facility.
3. Purchase of a renewable energy system (for ex: a geothermal floor heating system) - to be placed in a newly constructed facility or purchase of an energy efficiency system (a non-renewable energy floor heating system) - to be placed in a newly constructed facility.	Yes	No
4. Purchase of a renewable energy system (for ex: a geothermal floor heating system) - to be placed in a new replacement facility or purchase of an energy efficiency system (a non-renewable energy floor heating system) - to be placed in a new replacement facility.	Yes	Yes, same size, used for same purpose, provides more energy savings than improving an existing facility.
5. Where is the gross market value of ag products in the preceding year found? Where is the gross annual receipts found for a rural small business? (The definition of annual gross receipts for a rural small business is gross income + cost of goods sold.)	<p>IRS tax forms should be submitted to provide the gross market value of ag products for an agricultural producer or the gross annual receipts for a rural small business.</p> <p>IRS form 1120 – for a corporation – line 1a IRS form 1120S – for an “S” corporation – line 1a IRS form 1065 – for a partnership – line 1a Schedule C – for a business – line 1 Schedule F- for a farming operation – lines 3 & 4</p>	

	Renewable Energy	Energy Efficiency
6. The NOFA discusses post-application expenses are eligible. Can an applicant apply today and start the project tomorrow?	Yes – with a caveat. If they already incurred expenses prior to award they may not be able to demonstrate financial need, they are taking a risk of not being selected for funding, and we may not be able to complete the environmental assessment. <u>Our advice is that the environmental assessment has to be done, the FONSI published, and any comment period has to have expired prior to any construction being started, or before breaking ground.</u>	
7. Is a bio-diesel plant an eligible small business?	<p>We asked the Iowa SBA director his opinion of what NAICS code would be applicable to a biodiesel plant.</p> <p>The answer - 325199 - all other basic organic chemical manufacturing.</p> <p>The only size standard is to have less than 1000 employees.</p>	
8. Is an ethanol plant an eligible small business?	<p>In the NAICS search – ethanol produces 3 possibilities –</p> <p>325193 Ethanol, nonpotable, manufacturing – size standard – cannot exceed 1000 employees</p> <p>325199 – Methyl alcohol (i.e. , methanol), synthetic, manufacturing – size standard – cannot exceed 1000 employees</p> <p>325191 Methyl alcohol (methanol), natural, manufacturing – size standard – cannot exceed 500 employees</p> <p>To be an eligible project, the small business must meet the size standards shown in the NAICS code.</p>	
9. A person rents out his turkey buildings. He owns and maintains the buildings. Does that qualify as controlling the operation and maintenance of the proposed project?	Yes, as long as he/she owns and maintains the property.	Yes, as long as he/she owns and maintains the property.
10. The landlord of a farm wants to make RE/EE improvements on the buildings on the farm he is renting out. Is he eligible?	<p>Unless the landlord is <u>directly</u> engaged in the production of ag products and 50% or greater of their gross income is derived from the operations – he cannot apply as an eligible ag producer.</p> <p>If the landlord wants to apply as a rural small business – they’d be eligible, as long as it is not for residential uses.</p>	
11. The landlord of a building (not multi-family or single family residential housing) leases out the building to a business, but wants to make RE/EE improvements to it. Is he eligible?	Yes, if they qualify as a rural small business.	

	Renewable Energy	Energy Efficiency
12. Can Solar drying be included as an eligible purpose to be financed?	Yes, solar drying is a recognized application and a good opportunity for 9006.	This would be considered an RE project, not EE.
13. An LLC intends to file an application for an energy project. Financial information will be sent in as required on the LLC. Does financial information have to be submitted also on the partners/owners?	<p>No</p> <p>Only financial information on the LLC is required for a grant application.</p> <p>However, for a guaranteed loan application, personal financial statements would be required from all owners/members of the LLC who would be guarantors.</p>	
14. A cooperative wants to replace outdated and inefficient grain dryers. What size standards would they be subject to – to qualify as a small business?		<p>Each small business should check the NAICS codes at the SBA small business size standards website. www.sba.gov/size/index.html On the left hand side of the page, choose the “NAICS search” option or “Table of Size Standards”. Find the NAICS code industry description which best describes the small business you own – then look at the size standards you must not exceed.</p> <p>Two codes we found which might work are: 424510 Grain and Field Bean Wholesaler – size limitation is less than 100 employees, or 493130 Farm Product Warehousing & Storage – size limitation is less than \$21.5 million in gross annual receipts</p> <p>There may be other descriptions which fit the overall business better.</p>
15. One of the size standards for a small business could be a size limitation on gross annual receipts per year. What is gross annual receipts?	Gross annual receipts is gross income plus cost of goods sold.	
16. An applicant wants to apply for a grant to help pay for a feasibility study <u>only</u> . Is it an eligible request?	<p>As a sole purpose in a request for a grant - No.</p> <p>The <u>purpose</u> of the grant program is for the <u>purchase</u> of a renewable energy system or to make energy efficiency improvements. If the feasibility study cost is part of overall project costs to purchase an RE/EE system, it is an eligible cost.</p>	
<p>17. A potential applicant has an in-home business. It is an old 2 story farm house. He says that 40% of the residence is used for the business. He would like an energy efficiency grant to replace the heating system and add insulation.</p> <p>I know that residential use is not eligible, but would the business portion of the home be eligible?</p>		This project is not eligible, because it is residential.

	Renewable Energy	Energy Efficiency
18. We have a greenhouse that is to be replaced since replacing the greenhouse would be more cost effective than improving the existing facility. In calculating the number of years to recoup the investment, is the total project costs included in this calculation or is it just the energy related costs for this project that need to be included in this calculation?		The costs used should be the eligible project costs. Any part of the building that is identified as related energy efficiency through the energy audit is eligible, and those are the costs that should be used for payback calculations.
19. An existing ethanol plant wants to purchase and install equipment which will be more energy efficient to the ethanol process. Is it an eligible project?		Yes, it appears to be an energy efficiency project. The extent to how much it saves energy and how fast it pays it back will obviously affect its scoring.
20. An ethanol plant under construction wants to purchase a piece of equipment. Prior to starting construction, a Phase I archaeological study was done to make sure the site was clear. The equipment will be an integral and necessary part of the total project and will be a post application purchase, are they eligible?	<p>There are several issues to address. The first is environmental. There is a possibility that an environmental assessment can be completed since the archaeological study was completed <u>prior</u> to construction being started. More investigation would be needed to determine whether all other environmental requirements could be met.</p> <p>Was this a planned component they were going to purchase anyway? If so, it may be tough to show financial need.</p> <p style="text-align: center;">or</p> <p>Was this a piece of equipment they hadn't planned on purchasing because they couldn't afford it?</p> <p>Is the piece of equipment operated with a renewable energy source or is it an energy efficient piece of equipment?</p> <p>Please advise them to address these issues if they apply for the grant.</p>	
21. Is a 49% owner of a rural small business eligible for a grant?	<p>The rural small business should apply for the grant – which would include all owners.</p> <p>Individuals are not eligible to apply, unless they are applying as a sole proprietorship (they own, operate, and control 100% of the business) and meet the definition of agricultural producers or rural small business.</p>	
22. Can an individual apply for a grant – and – as one of the owners of a farm corporation – apply for a second grant?	<p>We need to make sure they are not trying to circumvent the regulation. It needs to be a <u>separate and identifiable project</u> on a <u>separate site</u> owned by the applicant applying.</p> <p>If the individual is applying, the individual needs to meet the definition of a rural small business or ag producer on it's own legal merit and needs to be for his own business, <u>not related</u> to the other entity. Remember, the rural small business includes all affiliates, parent companies, subsidiaries, etc.</p> <p>In the case of an individual filing as a sole proprietor for 1 grant application and the farming corporation filing a second grant application for projects on the same farm – that would be a close and genuine relationship and would be a conflict of interest and double dipping.</p>	

	Renewable Energy	Energy Efficiency
<p>23. A series of wind turbines plan to be built. Each wind turbine will have its own LLC as the owner. Each LLC will build its own wind turbine. Each LLC will have its own site. Each LLC will be submitting an application for a grant. Can an individual be a partner or investor in more than one LLC?</p> <p>Is this considered double dipping?</p> <p>Do we need to verify citizenship of the investors?</p>	<p>This situation is similar to the successful Minnesota LLC wind turbine projects which received funding last fiscal year.</p> <p>Each LLC is a distinct entity, building its own turbine, and having its own site. Final 4280-B regulations require the submission of organizational documents. In addition, RD will need copies of contracts signed with any investors.</p> <p>It would not be considered double dipping.</p> <p>The citizenship of the owners would be taken care of by their statement/certification that at least 51% of the owners are U.S. citizens.</p>	
<p>Can loan closing costs be considered as an eligible cost under professional fees? For example, loan closing costs from a lender, who the applicant has used for the 75% match?</p>	<p>All loan closing fees are not considered "professional fees". A professional fee would include fees charged where a professional service was rendered such as in the case of an appraisal. Items such as loan points or escrowed money for taxes are NOT considered professional fees. Just keep in mind, if the lender or another vender provided a professional service (underwriting could even be considered a professional fee), it is an eligible cost.</p>	
<p>Is a Native American Tribe an eligible applicant for the Section 9006 program?</p>	<p>A tribal electric utility is eligible. A Native American tribal unit of government is not eligible.</p>	
<p>Is an air to air heat pump a renewable energy project or an energy efficiency project?</p>	<p>An air to air heat pump is NOT a renewable energy project.</p> <p>A geothermal heat pump is an eligible renewable energy project.</p>	<p>An air to air heat pump is an eligible energy efficiency project. The tubing and concrete floor would be eligible if they are integral and necessary parts of the overall system for storing and transferring heat to the building.</p>
<p>An agricultural producer currently makes his own feed for his livestock using a tractor fuel powered feed grinder. He wants to switch to an electric powered feed grinder in an enclosed building. Is this an eligible energy efficiency project?</p>		<p>Yes</p> <p>The energy assessment/audit would need to clearly show that this project is an improvement that reduces energy consumption.</p>

True-False Questions

- T F 1. To meet eligibility an agricultural producer must have a headquarters in a rural area.
False: There is not a “location” requirement for agricultural producers.
- T F 2. The headquarters of a small business may be located in an urbanized area as long as the renewable energy system to be funded by the Agency will be located in a rural area.
True: The final rule does not address the location of the headquarters of the small business. See Federal Register, IV. Discussion of Comments, C. Applicant Eligibility, Pg 41271—the headquarters may be located in either a rural or non-rural area. Both the small business and the project must be located in a rural area.
- T F 3. SBA small business size standards require always aggregating all subsidiary and affiliated companies.
True: By SBA definition, the affiliation with another business concern is based on the power to control. See 13 CFR part 121 or the SBA “Guide to Size Standards” at <http://www.sba.gov/size/indexguide.html>
- T F 4. Another business entity holding membership in a LLC is considered an affiliated business.
False. By SBA definition, the affiliation with another business concern is based on the power to control. See 13 CFR part 121 or the SBA “Guide to Size Standards” at <http://www.sba.gov/size/indexguide.html>
- T F 5. An eligible small business may not exceed \$20MM in annual sales.
False: the final rule uses the SBA size standards without the \$20MM sales ceiling used in the FY 2003 and 2004 NOFA’s.
- T F 6. The qualifying “test” of an agricultural producer is that an individual or entity must earn net income from the sale of agricultural products.
False, see definition of Agricultural producer. The test is that individual/entity must be directly engaged in the production of agricultural products and whereby 50% or greater of their gross income is derived from the (agricultural production) operations.
- T F 7. A farmer/agricultural producer-owned cooperative owning and operating an ethanol plant meets eligibility as an agricultural producer.
False: an agricultural producer must be directly engaged in the production of agricultural products. The co-op might meet qualifications of a small business if not chartered as a non-profit.
- T F 8. Rent income received by a land owner who leases the farm land to another farm operator may be considered by the land owner as income from farm operations in determining eligibility as an agricultural producer.
False: rent income is not derived from the production of agricultural products.
- T F 9. A public school may qualify as a small business.
False: public bodies do not qualify.
- T F 10. A private school may qualify as a small business.
True, if organized as a for-profit. See definitions.
- T F 11. A municipal owned electrical utility may qualify as a small business.
True, see definition of small business. The municipal owned electrical utility must operate as a separate entity from the city.

- T F 12. A municipal owned central heating utility may qualify as a small business.
False, only municipal electrical utilities are exempted and qualify. See definition of small business.
- T F 13. A renewable energy system owned by an agricultural producer may be located in an urbanized area. (The RES project may be located in an urbanized area.)
False: all projects, renewable energy systems and energy efficiency improvement projects must be located in rural areas. See 4280.108(d).
- T F 14. Equipment for an E-85 fuel station may be an eligible renewable energy project.
True, if the E-85 fuel station is part of a RES project that produces and delivers usable energy (ethanol) from a renewable energy source and if the equipment is an integral and necessary part of the renewable energy (delivery) system. See 4280.110(c) and definition of renewable energy system. Delivery of the ethanol as a stand-alone project without the production of ethanol is not an eligible project.
- T F 15. A passive solar drying kiln may be an eligible project.
True, (RES). See Federal Register, IV. Discussion of Comments, D. Project Eligibility, Pg 41272—the definition of solar projects and such technology does not require a heat transfer mechanism, air heating and water heating with no active storage are eligible.
- T F 16. Land-fill methane may be an eligible project.
False: Does not meet the definition of biomass/biogas
- T F 17. A fluid bed boiler fueled with urban-wood waste may be an eligible renewable energy project.
True: See definitions of renewable energy systems, renewable energy, biomass and biogas.
- T F 18. A biodiesel fueled gen-set may be an eligible renewable energy project. For example, an eligible Rural Electric Cooperative purchasing and installing a gen-set fueled by (purchased) biodiesel to generate electricity during peak loads.
True: See Federal Register, IV. Discussion of Comments, A. Definitions, Renewable Energy, (two comments) Pg 41268
- T F 19. An on-farm renewable energy system (small wind project) primarily for self-use by the agricultural producer for their residence (on a separate meter) may be an eligible project.
False. Residential uses are excluded. See 4280.110(c)(2). Also see see Federal Register, IV. Discussion of Comments, F. Funding, Pg 41283 & 41284.
- T F 20. An on-farm renewable energy system (small wind project) primarily for self-use by the agricultural producer for their farm and residence on one meter may be an eligible project.
False. Residential uses are excluded. See 4280.110(c)(2). Also see see Federal Register, IV. Discussion of Comments, F. Funding, Pg 41283 & 41284. The residential use must be severable from the farm use.
- T F 21. A renewable energy system (small PV) with a net-meter interconnection, where the small business is an office located in their residence (one meter), may be an eligible project.
False. Residential uses are excluded. See 4280.110(c)(2). Also see Federal Register, IV. Discussion of Comments, F. Funding, Pg 41283 & 41284. The residential use must be severable from the small business use.

- T F 22. A renewable energy system (small PV) with a net-meter interconnection, where the small business is a separate facility co-located with their residence, though on one meter, may be an eligible project if they can demonstrate that the small business facility is the primary purpose.
False. Residential uses are excluded. See 4280.110(c)(2). Also see Federal Register, IV. Discussion of Comments, F. Funding, Pg 41283 & 41284. The residential use must be severable from the small business use.
- T F 23. Though their previous large wind project has been stalled because of zoning and local opposition, the applicant may be considered for a new project.
True (though not likely). See 4280.107(b). The Agency will need to determine if the applicant is making satisfactory progress on the first project. A factor might be the steps they have taken to avoid or resolve a similar issue with the second project.
- T F 24. An energy efficiency project with a total eligible project cost of \$6,000 is too small to qualify for a grant even if the applicant requests 25% grant funding.
False. Minimum EEI grant is \$1,500. See 4280.110(f).
- T F 25. The Final Rules allow for the Applicants/Owners to perform part of the project development work themselves.
True. See 4280.115(c)
- T F 26. An energy audit is required for Energy Efficiency Improvement applications.
False. An energy audit is required for EEI applications with total eligible project costs greater than \$50,000. An energy assessment is acceptable for EEI applications with total eligible project costs that do not exceed \$50,000. See 4280.111(b)(7)(i)(B) or 4280.111(b)(7)(ii)(B). Those projects with total eligible project costs of \$50,000 who choose to do an energy audit, can earn an additional 5 points in the scoring.
- T F 27. An applicant's/owner's contribution of labor may be reimbursed by grant funds.
False. See 4280.115(c)
- T F 28. The value of an applicant's/owner's contribution of labor shall be included in the total eligible project cost as an in-kind contribution.
False. The labor is not considered part of total eligible project costs. See 4280.115(c) and 4280.110(b)(1).
- T F 29. A Renewable Energy System application must include the interconnection agreement to be considered a complete application.
False. In the Technical Report the applicant must describe the necessary agreements and permits and the schedule for securing the agreements and permits. See 4280.111(b)(7)(ii)(G)(2)
- T F 30. A 40 million gallon ethanol plant (\$50MM is sales in FY 2004) may qualify as a small business.
Yes, if employees of the business do not exceed 1,000. The SBA small business size standard for this NAICS code is 1,000 employees. The cap of \$20MM of sales was removed from the Final Rules.
- T F 31. A passive investor may provide a majority of equity and hold up to 99% ownership in an eligible project.
True, the definition of passive investor is not based on percentage of ownership but is based on the participation of the investor in management and operations of the business and must be evidenced by a contractual arrangement. See definition of passive investor.

- T F 32. Upon the utilization of production tax credits, the passive investor transferring their ownership interest (99%) to the remaining owners (1%) may trigger recapture of the grant. (MN “flip-model”)
False, by definition of passive investor the control of the business entity is not changing.
- T F 33. A passive investor transferring their ownership interest to another passive investor may trigger recapture of the grant if the new passive investor exceeds the small business size standards.
False, the applicant entity has not changed its ownership of the RES project. The ownership of the applicant entity has changed. By definition of a passive investor, a passive investor does not have any control in the business entity and is not considered an affiliated business in accordance with SBA Guide to Size Standards.
- T F 34. Demonstrated financial need for a grant must be based on both the applicant’s ability to finance the project from its own and commercially available resources and project income and cash flow sustainability.
False, see definition of demonstrated financial need. “The demonstration by an applicant that the applicant is unable to finance the project from its own and commercially available resources without grant assistance, or that the project proposed by the applicant cannot achieve the income and cash flows to sustain it financially over the long term without grant assistance.”
- T F 35. An application is ineligible if the applicant’s financial statements show that they have the ability (collateral and debt service coverage) to obtain a commercial loan to finance the renewable energy project without a grant even though the income from the renewable energy project is inadequate to cash flow the operating expenses, maintenance, and debt repayment of the project.
False, see definition of demonstrated financial need. Also see the Federal Register, IV. Discussion of Comments, Project Versus Applicant Financial Need, pages 41269 and 41270.
- T F 36. An applicant that received a \$500,000 grant for a renewable energy project may be eligible for another grant of \$500,000 later in the fiscal year for another project if they have made satisfactory progress toward completion of their initial project.
False, maximum grant assistance cannot exceed \$750,000 in one fiscal year. See 4280.110(d)
- T F 37. An applicant that received a \$500,000 grant for a renewable energy project may be eligible for an energy efficiency grant later in the fiscal year regardless of their progress toward completion of their initial renewable energy project.
False, they must make satisfactory progress on the existing grant project (either RES or EEI) to be eligible for a subsequent grant (either RES or EEI). See 4280. 107(b)
- T F 38. A geothermal heating system supplementing an electrical heating system in a Bed and Breakfast Inn (located in a rural community) may be an eligible energy efficiency improvement project if the applicant can show that the geothermal heating system will reduce the total amount of electricity consumed.
False, (depends) if the B&B is a true B&B and includes the owners residence, than the project is not eligible. If the facility does not include a residence, it might be eligible.
- T F 39. An energy efficiency improvement project in a new facility replacing an old facility is no longer eligible.

False, it might be eligible. However, only the costs identified in the energy audit for energy efficiency improvements are allowed as total eligible project costs.

- T F 40. A new technology that has completed its research and development and has proven performance in a full-scale test plant shall be determined to be “commercially available” technology.
False, see the definition of commercially available. It also must demonstrate that construction services and labor are familiar with installation procedures and practices, maintenance services and spare parts are readily available, along with warranty, etc.
- T F 41. A small ethanol plant that is not in compliance with its air quality permit may qualify as an eligible project for a grant to upgrade the production facility to comply with air quality regulations.
False, see 4280.108(a), this is not a purchase of a renewable energy system. It might be eligible for an Energy loan guarantee, see 4280.122.
- T F 42. The definition of a renewable energy system has been revised in the Final Rule from the Proposed Rule and previous NOFAs.
True, now includes “...or produces and delivers...”
- T F 43. The Final Rule has been revised from the Proposed Rule and previous NOFAs allowing for the purchase of used equipment as an eligible project costs if the equipment is an integral and necessary part of the renewable energy system or energy efficiency improvement project.
False. The Rule allows for the purchase of refurbished or remanufactured equipment but not for used equipment. See 4280.110(c)(1) and see Federal Register, IV. Discussion of Comments, (two comments) page 41274. See definition of used equipment.
- T F 44. A “simplified application” must provide the applicant’s financial statements to document their “demonstrated financial need” for a grant.
False. They must provide a certification that they meet the definition of demonstrated financial need. The Agency may require supplemental information. See 4280.109(b)(2)
- T F 45. An applicant may qualify for a simplified application if their grant request is for \$50,000 or less.
False. The amount of grant requested is not included in the qualification criteria for a simplified application. The total eligible project costs may not exceed \$200,000. See 4280.109(a)(3)
- T F 46. All applicants, Simplified Applications and Full Applications, must follow the same Technical Report guidelines, RD Instruction 4280-B, Exhibit A.
False. While the Technical Report framework is similar, Simplified Applications use Exhibit A and the Full Applications use Exhibit B. See 4280.111(b)(7)
- T F 47. A Simplified Application may not use pre-commercial technology.
True. Pre-commercial technology must file under a Full Application. See 4280.109(a).
- T F 48. A project funded under a Simplified Applicant is limited to one draw of grant funds every 30 days on a reimbursement basis.
False. Such projects are limited to a final draw of funds after the completion of the project and operational testing and certifications have been submitted. See 4280.109(a)(8)

- T F 49. The project development method of a project funded under a Simplified Application is similar to rebate program. That is, the project must be constructed, start-up and stabilized, and tested to evidence performance meets or exceeds design standards prior to draw of any grant funds.
True. See 4280.109 and Federal Register, IV. Discussion of Comments, Direct Rebate Program, page 41276
- T F 50. Design/build method is an acceptable development method for a Simplified Applicant project.
True. The development methods in 4280.115 are not limited. See 4280.109(a)(5)
- T F 51. It is optional for the applicant to self score their application.
False. It is required for the applicant to self-score their application.
- T F 52. The technical merit score determined by the applicant or RD will over-rule the technical reviewers at NREL (National Renewable Energy Lab).
False, the technical reviewers technical merit score is final.
- T F 53. The formula for determining Return on Investment is:
$$\frac{\text{local owner's investment}}{\text{Net income}}$$

True.
- T F 54. An example of an energy replacement (scoring criteria #1) project is: a small wind turbine to reduce farm utility costs.
True – it's a renewable energy project – wind energy produced will offset electrical costs purchased from the utility.
- T F 55. An example of an energy replacement (scoring criteria #1) project is: a replacement grain dryer to reduce propane and electrical costs.
False – it is an energy efficiency project and should be scored under the energy savings scoring criteria #1.
- T F 56. An award of 10 points can be given to a geothermal project with a 2 year warranty for Scoring Criteria #4 – Commercial Availability.
False – The applicant has to have a 5 year warranty to qualify for the 10 points.
- T F 57. An award of 5 points can be given to any renewable energy or energy efficiency project for Scoring Criteria #4 as long as it is commercially available and replicable. *False, the technology must not only be commercially available and replicable – it must also have a warranty.*
- T F 58. Energy savings (Scoring Criteria #1 for energy efficiency projects) is determined as follows:
 Previous year's usage - 20,000 kwh
 Proposed usage with new energy efficient improvement - 5,000 kwh
 Savings is 15,000 kwh/20,000 kwh or 75%
True.
- T F 59. NREL (National Renewable Energy Lab) makes a recommendation on Scoring Criteria #1 – Quantity of Energy Replaced, Generated, or Saved,

#3 – Commercial Availability

#9 – Return on Investment

and makes the final determination on Scoring Criteria #4 – Technical Merit.

True.

- T F 60. Grants are scored on 9 criteria and Guaranteed loans are scored on 10 criteria.
False, guaranteed loans are scored on 9 criteria, too. G-loans are not scored on Readiness (scoring criteria #5).