



# **Clean Tennessee Energy Grant Program**

**FY 2011-2012  
Application Manual**

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# Clean Tennessee Energy Grant Program

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# CLEAN TENNESSEE ENERGY GRANT PROGRAM 2011 Grant Cycle

## OVERVIEW OF THE CLEAN TENNESSEE ENERGY GRANT PROGRAM

### **Background:**

In 2011, Tennessee and other states were parties to a federal court settlement of an enforcement action under the federal Clean Air Act that resulted in a consent decree with the Tennessee Valley Authority (TVA). A part of the Consent Decree obligates TVA to provide Tennessee \$26.4 million to fund environmental mitigation projects in participating states. The funds are to be paid over 5 years or longer, with the first-year payment not to exceed \$5.28 million. The Department of Environment and Conservation (TDEC) is designated by the Governor as the lead state agency to develop and manage a process for selection and implementation of the environmental mitigation projects for Tennessee.

### **Purpose of the Clean Tennessee Energy Grant Program:**

The purpose of the **Clean Tennessee Energy Grant Program** is to select and fund projects that best result in a reduction of emissions and pollutants identified below. The Clean Tennessee Energy Program provides financial assistance to government agencies (state, local) utility districts, and private businesses/organizations in Tennessee to purchase, install, and construct energy projects that fit into one of the following eligible project categories:

1. **Cleaner Alternative Energy:** biomass, geothermal, solar, wind
2. **Energy Conservation:** Lighting, HVAC improvements, improved fuel efficiency, insulation, idling minimization
3. **Air Quality Improvement:** GHG, SO<sub>2</sub>, VOC's, NO<sub>x</sub>, HAP's

### **Which projects are NOT eligible?**

- Energy Audits (but may be used as match)
- Any project that has already commenced
- Projects not consistent with the TVA Consent Decree from which this funding has originated

### **Who is eligible to apply?**

Tennessee sites only. Government agencies (state, local) utility districts, and private businesses/organizations including not for profit organizations are eligible to apply for grant funding from the Clean Tennessee Energy Grant Program.

### **Grant Requests and Matching the grant – what qualifies?:**

The applicant must select a match percentage. The match level is awarded points in the evaluation of grant applications. A larger match percentage receives higher points. The minimum grant request is **\$5,000** and the maximum grant request is **\$250,000**. The State may waive the minimum amount of an approved grant under special circumstances. The applicant must specify the match percentage as one of the following:

- 50% Grant / 50% Match
- 60% Grant / 40% Match
- 80% Grant / 20% Match

Match may be satisfied by in kind contributions. This may include volunteer labor, materials, equipment and other approved by TDEC.

### **Application Procedure:**

Applicants must complete and provide the items listed below in their grant request. Details for completing the items below are provided in this grant manual.

- Clean Tennessee Energy Grant Program Application
- Project Proposal (maximum three pages)
  - Selection Criteria (below)
  - Estimate of reductions and or air emissions (below)
- Budget page (provided)
- Budget justification (below)

**When you have compiled all required documents make a copy for your records and return the final version to the following address with original signatures:**

TDEC  
Attention: Kathy Glapa  
8<sup>th</sup> Floor, L&C Tower  
401 Church Street  
Nashville, TN 37243  
[Kathy.glapa@tn.gov](mailto:Kathy.glapa@tn.gov)

## **Selection Criteria:**

Applicants will select and briefly explain those that apply to their project.

1. Energy Efficiency (25 possible points)
  - Measurable
  - Savings – both energy & monetary
2. Air Quality (30 possible points)
  - Overall emission reduction
  - Non-Attainment Area targeted
  - Sensitive populations targeted
3. General Public Benefit (15 possible points)
  - Immediate Results & Project Readiness
  - Long Term Savings – energy & costs
4. Protection of Environment Resources (15 possible points)
  - Utilizing existing resources – Example: landfill conversion to methane use)
  - Conservation
  - Reduction in Carbon Intensity
5. Creative / New Technology (15 possible points)
  - Unique & Emerging Technology
  - Model for Future Projects
  - Renewable Resources

## **Estimate of reductions and or air emissions:**

For all projects provide an estimated amount for the pollution projected or expected to be reduced by responding to the following series of questions within your project proposal:

1. Will this project decrease the amount of electricity (measured in kilowatt hours (kWh) or natural gas (measured in therms) used to perform heating and cooling on an annual basis?
  - a. \*If so, provide an annual estimate of the energy to be saved?
2. Use the following emissions reduction calculator at for all projects:  
<http://www.epa.gov/cleanenergy/energy-and-you/how-clean.html>

If emission's reductions are from mechanisms other than reduction in use of electricity provide calculation to determine emissions reduction.

The generic emissions reduction calculator is provided as a default method of calculation. Compare the emissions from the current utility bill for electricity to the projected decreased emissions resulting from the proposed grant project.

### **\*Note:**

The estimate of the reduction in energy consumption from the project from Question #1.a. must be certified by a licensed professional engineer. This may be in the form of an official stamp or letter from a licensed professional engineer. The calculation does not have to be certified.

## Budget

GRANT BUDGET				
Additional Identification Information As Necessary				
The grant budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period:		BEGIN: DATE	END: DATE	
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY <sup>1</sup>	GRANT CONTRACT	GRANTEE MATCH	TOTAL PROJECT
1. 2	Salaries, Benefits & Taxes	0.00	0.00	0.00
4. 15	Professional Fee, Grant & Award <sup>2</sup>	0.00	0.00	0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00
11. 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest <sup>2</sup>	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation <sup>2</sup>	0.00	0.00	0.00
18	Other Non-Personnel <sup>2</sup>	0.00	0.00	0.00
20	Capital Purchase <sup>2</sup>	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
n/a	Grantee Match Requirement (for any amount of the required Grantee Match that is <u>not</u> specifically delineated by budget line-items above)	0.00	0.00	0.00
25	GRAND TOTAL	0.00	0.00	0.00

<sup>1</sup> Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <http://www.state.tn.us/finance/act/documents/policy3.pdf> ).

<sup>2</sup> Applicable detail follows this page if line-item is funded.

<sup>3</sup> A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.

<http://state.tn.us/finance/act/documents/policy3.pdf>

### Budget Justification

In addition to completing the budget template provided, a budget justification shall be included. Details and justifications of budget line items with estimated costs shall be provided for each category completed in the budget. The budget justification shall not exceed two (2) pages, this is addition to the three (3) page limit for the project proposal.

**If funded these are the stipulations:**

***Reimbursement of Project Expenses***

Payment of project expenses takes place on a reimbursement basis. The Grantee must make payments for work actually completed or document in kind contribution, and then submit required invoice documentation to the TDEC for payment. **TDEC will not pay project expenses for work that is performed prior to the date the grant term starts on the executed contract**. Grantees **must not** begin work before receiving notification that the State has approved the grant contract.

Reimbursement invoices are to be submitted no more often than quarterly (except for the final reimbursement). Payments will be made electronically through the Automated Clearing House (ACH). Grantees will be required to provide account information in order to receive a grant reimbursement.

***Can I use part of the funds for design expenses and grant administration?***

Grant funds may be used for architecture and engineering services, but this is limited to 15% of the total project budget. Grant administration expenses will not be reimbursed.

***When can projects begin?***

Projects may begin after the Grantee is notified by State that the grant has been fully approved. Any work performed prior to the begin date of the approved contract will not be reimbursed.

***How long will I have to complete the project?***

Grantee will have two years from the effective date of the project contract to complete the project. There will be no term extensions regardless of justification. Projects must be completed by the end date set out in the executed contract. Work performed after the executed contract date will not be reimbursable.

***What are the Grantee's post completion responsibilities to the proposed project?***

Grantees are responsible for the continued operations and maintenance of the project. Grantee's must submit an annual report of energy conservation for five years following the project completion. The annual report template will be provided upon grant award.