

PEDA 2020 Frequently Asked Questions

APPLICATION CONTENT/SUBMISSION

Q. Can I apply for more than one project?

A. A legal entity can apply for as many projects as they like, however PEDA requests one application per project due to the cap of \$250,000 per application.

Q. Does the 10-page limit for the project narrative include references?

A. No. Attachments and supporting documentation do not count towards the 10-page narrative limit.

Q. Are letters of support from state and federal lawmakers stating the benefits of project considered or required?

A. They are not required. If support letters are included in the application please upload them as attachments, they cannot be accepted any other way. Do not send in letters of support after the application has been submitted.

Q. Where can I obtain a surety bond?

A. You can get a surety bond from an approved surety agency that is licensed in your state. (An insurance company authorized to do business in Pennsylvania.)

Q. Must I purchase a surety bond from a specific vendor?

A. No but the surety bond must be executed by a corporate surety authorized to do business in the Commonwealth.

Q. Our organization is a non-profit and the fee for a surety bond for us is 3% of the total project costs. Must I have the surety bond in place BEFORE I apply? And if not, when must I have it?

A. It is not required to secure the surety bond prior to submitting your application. However, information regarding the expected cost of the surety bond should be included in the application as the acquisition and costs of the surety bond may impact the project and the provision of the grant funds. All awarded Grantees will be required to purchase a surety bond in the total amount of the grant award and matching funds plus a 10% maintenance surety as a condition of receipt of the grant funds. Grant funds will not be paid unless proof of a surety bond in the in the total amount of the grant award and matching funds plus 10% for maintenance is provided. It is expected that proof of the surety bond in the total amount as awarded and reflected in the resulting grant agreement will be provided as a condition of execution of the grant agreement.

Q. Can I count the cost of the surety bond as match?

No. The surety bond is not an eligible cost.

Q. What is the research component required for the grant?

A. Applicants should identify a portion of the grant project whereby some information is learned or gained via testing and evaluating information that will not only benefit the project but also future energy development projects.

Q. Will a grant application be counted as ineligible if there is not a significant research component?

A. Each application must describe a research component. Having a research component is mandatory.

Q. Can you provide information on scoring/ranking/prioritization/weighting of research, manufacturing, job creation, environmental justice, power offset, percentage of grant vs total cost, off-grid/disaster recovery focus, etc.

A. Projects are scored based on the evaluation criteria listed in the solicitation document.

Q. Is there a bonus scoring or advantage to grouping multiple municipal/non-profit entities into one single request?

A. Projects are scored based on the evaluation criteria listed in the solicitation document.

PROJECT IMPLEMENTATION

Q. If a project had a general contractor in place before COVID-19 and all equipment is being purchased through that general contract how can you apply for a grant?

A. The contractor would have to provide documentation of the equipment costs as separate line item to the applicant/grantee.

Q. Are projects allowed to start before the grant is awarded?

A. Projects may have started as this is the purpose of the grant opportunity to help projects restart which have been interrupted due to COVID but any expenditures which occurred prior to January 1, 2019 cannot and will not be reimbursed.

Q. Must all permits be in hand at time of application, or before the project start date?

A. Permits do not need to be in hand at the time of application. But if permits are required, they need to be obtained and documented or expenses may not be eligible for reimbursement nor qualify as expenses toward the working capital. Expenses may not be reimbursed if permits cannot be obtained.

Q. Is there any requirement for measurement and verification of savings claimed?

A. Final and follow-up reports require measurement of savings, and documentation of methodologies used to verify those savings.

Q. Are there "Buy American" requirements or Small Diverse Business contractor requirements to receive grant?

A. No, although PEDA does encourage the hiring of PA contractors, suppliers, laborers and minority, veteran service-disabled veteran and women owned businesses.

Q. If a project requires parts or equipment that can be purchased from a PA distributor, does that count as being dollars spent in PA?

A. Yes.

Q. What if my project cannot be completed within the required time period?

A. Requests for extensions to the grant period of performance must be received 30 days prior to the end date of the period of performance on a DEP Change Scope, Change Budget or Extension Request form; A Change Scope, Change Budget or Extension Request form may be obtained from the grant project advisor. It is anticipated that projects cannot be extended beyond the 24-month period of performance.

ELIGIBILITY

Entities

Q. Can a sole proprietorship submit an application?

A. Any legal business, registered to do businesses in the Commonwealth, is eligible.

Q. Are all transit agencies, considered eligible applicants?

A. Yes.

Q. Is third party ownership of the equipment allowed - such as a Power Purchase Agreement?

A. In general, if the grantee does not own the property where the project will happen, then a landowner-grantee agreement will need to be provided that shows that the landowner grants permission for the grantee to do the project.

Q. Are Power Purchase Agreements (PPAs) allowed?

A. Yes, but landowner agreements must be provided.

Q. Does the corporation need to be headquartered in Pennsylvania, or is it sufficient to have the work entirely take place in the state?

A. The project must be sited/take place in Pennsylvania and the applicant and business must be registered with the Commonwealth to do business in PA.

Q. How do I document that our project was interrupted by COVID-19?

A. Applicants should provide whatever justification and documentation they feel is necessary to demonstrate that COVID impacted the start or completion of a project. Many businesses were impacted during the Commonwealth's red phase and documentation of this condition is foundational to this award. Applicants should keep in mind that these are competitive grants.

Types of Projects

Q. Does "energy storage" qualify as an eligible project under the terms of this grant program.

A. Yes, describe this project either as a demand management project – (recycled energy, energy recovery, energy efficiency or load management project) or if you are manufacturing batteries, describe under Alternative Energy Manufacturing and/or alternative energy research project type.

Q. Is funding available for batteries/energy storage

A. Yes, describe this project either as a demand management project – (recycled energy, energy recovery, energy efficiency or load management project), or if you are manufacturing batteries, describe under Alternative Energy Manufacturing and/or alternative energy research project type.

Q. Can CHP be considered for this grant as an energy efficiency project?

A. Yes, describe this project either as a demand management project – (recycled energy, energy recovery, energy efficiency or load management project).

Q. Is there a minimum required overall efficiency of CHP for applying for grants?

A. No, there is no minimum or maximum efficiency to qualify, all projects will be competitively scored.

Q. Will any natural gas projects be considered if they improve energy efficiency? ex. Coal boiler to natural gas boiler. If so, what efficiency improvement needs to be shown or captured in data?

A. Energy efficiency projects are eligible, must describe the project in terms of efficiency not simply fuel switching. Include efficiency data as requested in the supplemental application information forms.

Q. We are interested in expanding our capability to participate in load shedding. Is this something that you feel would fall within the grant guidelines?

A. Depending on the project, this could be eligible as a load management project. Be sure to specifically describe your project and its benefits.

Q. For alternative fuels refueling infrastructure, does the infrastructure need to be publicly accessible?

A. No.

Q. Are there monies available for help building a LNG/CNG refueling depot?

A. Yes.

Q. Can funds be used to help scale-up manufacturing for technologies that fit within this proposal?

A. Projects that support manufacture of component parts of the alternative energy sector are eligible, so would be scale up; providing the scale-up was interrupted by COVID-19.

Q. Has PEDDA worked to make awarded projects eligible for Pennsylvania Infrastructure Bank financing?

A. Not to date.

Funding & Match

Q. Can we apply for a grant if we were previously awarded PEDDA funding - if the grant is for a new project?

A. Yes, you can apply.

Q. Is there an upper limit on project costs eligible for funding?

A. \$250,000 of PEDDA funding.

Q. Is that \$250K total project or total grant?

A. Total Grant. If requesting \$250,000, the total project cost must be a minimum of \$500,000.

Q. Grants are up to \$250,000, is there any opportunity for additional funding?

A. No.

Q. Is there a maximum percentage of project cost the grant will cover?

A. There is no maximum percentage.

Q. It was stated the grant is a "reimbursement grant" what does this mean?

A. Reimbursement grants are those in which the grantee expends money for eligible project costs, provides to PEDDA proof of payment for those eligible costs and eligible, appropriate match and then receives reimbursement from PEDDA. The reimbursement funds are for eligible equipment and supplies purchased between January 1, 2019 and October 2, 2020.

Q. How does working capital work?

A. A Grant award applied as working capital may will be provided as a lump sum payment for eligible cost expenditures to be incurred after the application submission deadline of October 2, 2020 and up to the project completion date within the 24-month period of performance. Grant award funds will be paid upon execution of the grant agreement and grantees will be required to provide proof of payment for the eligible costs used to expend the working capital and for the expenditure of the matching funds before the end of the period of performance.

Q. What is the maximum amount of working capital?

A. Grant award funds may be requested up to 100% of working capital.

Q. What is the maximum amount of a reimbursement grant?"

A. Grant award funds may be requested up to 100% of reimbursement if all costs to be covered by the grant were incurred and paid between Jan, 1, 2019 and the applications submission date, however all match funds must be expended after the application submission date.

Q. How do I apply for both?

A. Applications can describe a combination of cost, past costs which have been incurred and paid for prior to application submission as well as future costs yet to be incurred and paid and will occur within a 24-month period of performance. You do not have to apply twice, simply describe your costs and when they have occurred and will occur.

Q. Are projects that will require financing in excess of the Grant, such as tax equity and a construction loan, ineligible?

A. All funds which must be utilized to deploy projects will have to be documented as committed at the time of application and documented before reimbursement of grants funds can be approved.

Q. We have been considering applying for a PA ACE grant from the Department of Community and Economic Development; how does this grant differ, and is there an advantage or disadvantage to applying for one over the other? Can we apply for both?

A. You may apply for both. PEDDA is a one-time opportunity, whereas the PA ACE is open for application year-round. Please note, additional funds needed to deploy the project must be committed at the time of application to PEDDA. Also, PEDDA cannot be used to replace existing state and federal funds awarded.

Q. Can grant funding be used to obtain permits?

A. Permit costs are not eligible grant or match expenditures.

Q. What are matching funds? Can salaries count?

A. Matching Funds are funds not received from PEDDA and that are eligible costs as defined in the guidelines beginning on page A1 and expended during the period of performance. Salaries are defined as eligible costs for match, not for PEDDA funds.

Q. Upon what date can I begin to count matching funds?

A. For match, the period of performance will likely begin on October 2, 2020 which is the last date an application can be submitted however match cost can be accounted after application submission which could be prior to October 2, 2020

Q. If expenditures are made, engineering or site acquisition for example, prior to the PEDAs award, can these count as part of the investment match? I understand that PEDAs won't reimburse costs prior to the award but it was unclear if they would count as matching levels.

A. Match costs must be eligible costs that occur during the period of performance. Please detail the eligible costs in the project description that pertain to the costs invested prior to the period of performance. Those costs won't count as match but can help document the technical and financial feasibility of your project.

Q. What is the recommended % of matching funding for a project? What were match ratios of previous awarded projects?

A. Match is evaluated as a part of the competitive evaluation of the projects received. Previous projects had various rates of matching funds.

Q. Is there a minimum match amount?

A. A dollar for dollar match is the minimum amount. A project will only be considered if for every dollar requested, a dollar of match is provided.

Q. Is a match required? If so, how much? Must it be a cash match?

A. A match of dollar for dollar is required, and it is evaluated as a part of the competitive scoring criterion. Match must be documented as committed from the applicant in the form of a letter, a lending institution and so on. Other items besides cash, such as salary and benefit costs for employees working directly on the project, can be claimed as match.

Q. Can previously invested funds be considered a match?

A. Previously invested funds cannot be considered for match. Funds that can be counted as match must be eligible costs and must be expended during the period of performance.

Q. Must I use state or federal prevailing wage for the contractor work that is match?

A. Grant funded projects may be subject to Pennsylvania Prevailing Wage Act requirements: The grantee shall insure where necessary that construction projects with a cost in excess of \$25,000, which are subject to Pennsylvania's Prevailing Wage Act requirements, are paid appropriate wages commensurate with the Act. For information about the applicability of Prevailing Wage, applicants are encouraged to contact the Department of Labor and Industry at (800) 932-0665 or visit their website at <http://www.dli.pa.gov>. It is solely the responsibility of a grantee to ensure the Act is followed if applicable.

Q. Are contingent financing offers (i.e. loan contingent upon PEDAs grant award) considered for the match?

A. No. Funds must be documented as committed at the time of application.

Q. We have a project that will be using a new financing platform. Could that be used for the research component?

A. Yes, if the financing platform pertains directly towards the alternative energy components of the project.

Q. Are the funds associated with this program already in place by DEP or are they subject to the FY 2020-2021 budget?

A. All of the funds are in place, but all monies whether offered, awarded or committed are subject to allocation for other priorities should the applicable branches of government demand it.

Q. What happens if the project costs less than anticipated?

A. The amount of the grant award will be reduced by the appropriate percentage grant dollar to match dollar.

Q. Will there be additional funding from PEDDA in the future or is this the end of it?

A. Future funding opportunities are unknown at this time.