RISE PA MAT/LAT Round 2

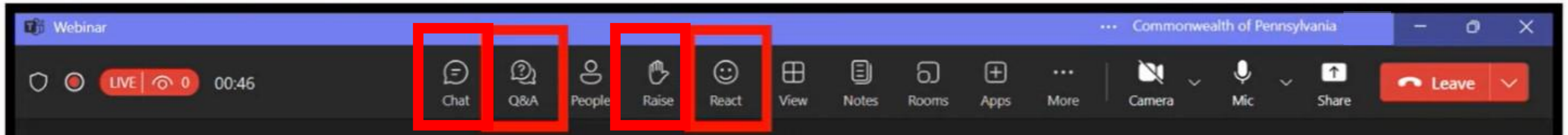
Application Support Webinar: Financial Documentation

Energy Programs Office
July 23, 2026

Welcome

Pennsylvania Department of Environmental Protection

Housekeeping



Chat:
Use the chatpod feature to share your contact info or chat with other attendees during today's call.

Q&A:
Place your questions into the Q&A box for our presenters to answer during the Q&A portions of today's call

Raise your virtual hand if you'd like to unmute & speak during the Q&A

Use the **React** button to visually let us know how we're doing!

RISE PA Financial Support Webinar

Project Budgets, Eligible Costs, and Project Financing

The views and positions expressed in the following presentation and its materials are those of ICF and EIP and do not necessarily reflect those of the Commonwealth or the Department of Environmental Protection.

Agenda

- Introductions
- Cost Principles
- MMV Costs
- Project Financing and Budget Breakdowns
- Financial Commitment Letters
- Q&A
- Wrap up

Introductions

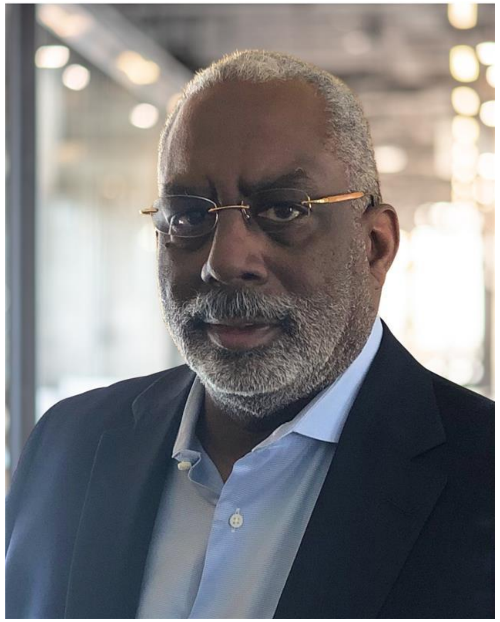
Sam Loprinzo, Director, Strategic Resilience

Samantha Loprinzo is a Director of Strategic Resilience at ICF with more than 15 years of experience designing, implementing, and overseeing federally- and ratepayer-funded programs across the energy, infrastructure, resilience, and disaster recovery sectors. She specializes in federal grant management and compliance, including procurement under 2 CFR 200, Davis-Bacon and Related Acts labor standards, Build America, Buy America requirements, subrecipient oversight, and audit readiness. Samantha has supported federal agencies, state and local governments, and utilities in managing complex grant portfolios funded by agencies such as DOE, EPA, FEMA, and HUD.
https://www.icf.com/

Jordan Paige, Energy Infrastructure Partners, Program Manager

Jordan Paige is a Program Manager at EIP with experience managing clean energy financing and workforce development initiatives. Jordan has supported financing programs for the New York City Accelerator and RISE PA, as well as We Source NYC, where he helped small businesses transition into the energy efficiency market. He is also supporting Strategic Energy Management programs with the Boston Housing Authority and the New York Power Authority, helping train building operators to reduce energy consumption, improve building performance, and lower greenhouse gas emissions.
https://energy-infrastructure-partners.com/

Introductions (Cont.)



Eric Newsum, Energy Infrastructure Partners, Senior Consultant

Eric is a Senior Consultant at EIP, where he leads C&I, and public sector clean energy initiatives and advises clients on financial strategy, risk, and program participation. Eric has more than 30 years of experience spanning corporate and public housing finance, financial services, and energy program implementation. At EIP, he has led commercial and multifamily energy initiatives including managing vendor vetting and financial protocols for Con Edison's Clean Heat Program, provided financing and underwriting analysis for RISE PA and account management services for the NYC Accelerator Program and NJ Clean Energy Program.

https://energy-infrastructure-partners.com/

Cost Principles

Total Project Cost vs. Possible Grant Award Breakdown

- Base Grant Award Percentage (calculated as % of Total Project Cost)
  - Medium Scale: 30%
  - Large Scale: 30%
- Available bonus opportunities include:
  - **Community Benefits Bonus** (CBB): Up to 10% of TPC for projects serving a Low-Income and Disadvantaged Community (LIDAC) with an approved Community Benefits Plan.
  - **Fair Labor Bonus** (FLB): Up to 10% of TPC for projects exceeding required prevailing wage and apprenticeship standards.
  - **GHG Emissions Reduction Bonus** (GERB): *(MAT and LAT only)* Up to 10% of TPC based on facility-wide greenhouse gas emissions reductions.
  - Projects may qualify for multiple bonus awards, subject to DEP verification of all requirements before funds are awarded.

Total Project Cost

Total Program Cost (TPC)	RISE PA Grant (BGA + any applicable Bonuses)	Applicant Cost Share / (private match)	Total
Personnel			
Equipment (over $ 10k/item)			
Supplies (under $10k/item)			
Contractual			
Total Budget			

Cost Principles – 2 CFR 200

What is 2 CFR 200?

Basic Considerations

Allowable

- **Necessary** for project performance, **reasonable** in nature and amount, **permitted** under award terms and regulations
- **Consistently treated across the grant and be consistent with policies and procedures applied to the financed activities**
- **Adequately documented**

Reasonable

- **Does** not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost.

Allocable

- Directly benefits the project
- Assigned based on relative benefit received
- Shared costs distributed using a reasonable methodology
- Cannot be shifted between federal awards to cover funding shortages

Eligible Costs

Budget Category	Federal Definition	Federal Citations
Personnel	• Compensation for internal employees performing work on project	2 CFR §200.430
Fringe Benefits	• Employer costs for benefits such as health insurance, retirement, leave, FICA, etc.	2 CFR §200.431
Travel	• Transportation, lodging, and related travel costs necessary for the award ○ GSA travel regulations and federal cost principles apply	2 CFR §200.475; GSA Rates
Supplies	• Items with an acquisition cost of **$10,000 or less** and generally used during project	2 CFR §200.453
Contractual	• Costs paid to contractors, consultants, and service providers supporting the project • **RISE PA requires all vendor costs to be budgeted here**	2 CFR 200.459
Construction	• Agency-specific definition often applies	RISE PA Administrative and Programmatic Conditions ; EPA Grant Terms & Conditions
Equipment	• Tangible personal property with a useful life greater than one year and a per-unit acquisition cost of **$10,000 or more**	2 CFR §200.439
Other Direct Costs	• Project-specific direct costs that do not fit another category, such as printing, etc.	2 CFR §200.413
Indirect Costs (if included)	• Costs incurred for common or joint objectives that cannot be readily assigned to a project	2 CFR §200.414

Ineligible Costs

Ineligible if…	What this means for RISE PA grant recipients	Examples
Not allowable, reasonable, or allocable	Costs must be necessary and reasonable for the award, allocable to the project, consistent with policies, treated consistently, not used as match elsewhere, and adequately documented.	Lobbying costs; Entertainment cost; Alcoholic beverages; Fines, penalties, damages, or settlements; Costs paid to debarred, suspended, or ineligible parties; Funds to a foreign entity of concern; Fundraising costs; Costs shifted from another federal award to cover a funding shortfall.
Used for prohibited CPRG purposes	CPRG funds may not be used for activities restricted by the program.	Land acquisition, permits, or landscaping; Advertising or business start-up costs; General administrative and overhead costs, including contingency funds; Construction costs unrelated to the proposed project; Plant or facility closure costs; Travel that is not integral to the proposed project, including lodging or subsistence; Conference or meeting expenses, including catering, conference equipment, or room rental; Legal fees or fees associated with securing financing; Equipment under $10,000
Incurred outside the approved performance period	RISE PA funds may be used for eligible expenses and costs incurred during the Performance Period.	Costs incurred prior to October 1, 2024.
Not supported by payment and progress documentation	Reimbursement requires proof of payment, receipts/invoices or other appropriate original documents, detailed accounting of costs, and corresponding progress reports.	Unsupported costs, including costs without invoices, receipts, proof of payment, adequate accounting records, or required progress documentation.

MMV Costs

Measurement, Monitoring and Verification (MMV)

- Required for all MAT and LAT grantees throughout the project period.

- MMV costs **are not included** in the TPC and should not be presented as part of the project budget.

- Costs associated with performing MMV **are not included** in TPC; MMV costs are itemized and reimbursed separately.

- Grantees will receive an “MMV allowance” towards reimbursable MMV costs; the allowances are capped at the lesser of:
  - 1% of TPC <u>or</u>
  - $70,000

ICF

Project Financing and Budget Breakdowns

Project Financing Overview

- Sources & Uses of Funds at Closing
- Proforma Cashflow (CF) Analysis
  - Ideally - base case/ worst case/ best case scenarios
  - At a minimum - show base case scenario
- Footnotes listing all CF modeling assumptions
  - positioned at the bottom of the CF spreadsheet, or
  - located on an adjacent CF tab, or
  - as a separate tab/section in the Budget Narrative Attachment
- Budget Narrative Attachment should include, but is not limited, to:
  - detailed budget breakdowns; equipment lists with costs/specifications & quotes; and any other supporting documentation for Capital Costs

RISE PA Cash Flow Resource Illustrative Example

Illustrative example only.

Values are not intended to represent a typical project and are provided solely to demonstrate workbook structure.

SECTION 1: KEY ASSUMPTIONS		Source
Total Project Cost	$670,000	
Discount Rate	8.0%	Corporate WACC
Inflation / Escalation Rate	2.5%	Corporate assumption
First Operating Year	2027	
Project Life	20 years	Engineering estimate
Electricity Price	$0.1/kWh	Utility data

		Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		Project Year	0	1	2	3	4	5	6	7	8	9	10
	Assumption Source:												
SECTION 2: CAPITAL COSTS													
Equipment CAPEX	*Vendor quote*	$400,000	$300,000	$100,000	-	-	-	-	-	-	-	-	-
Contractual CAPEX	*Vendor quote*	$200,000	$150,000	$50,000	-	-	-	-	-	-	-	-	-
Engineering / Permitting CAPEX	*Vendor quote*	$50,000	$50,000		-	-	-	-	-	-	-	-	-
Other CAPEX	*Vendor quote*	$20,000	$20,000	-	-	-	-	-	-	-	-	-	-
Total CAPEX		**$670,000**	**$520,000**	**$150,000**	-	-	-	-	-	-	-	-	-
SECTION 3: GRANTS, INCENTIVES, AND TAX BENEFITS													
Requested Program Base Grant	*RISE PA application*	$500,000	-	$500,000	-	-	-	-	-	-	-	-	-
RISE PA - Community Benefits Bonus Grant	*NA*	-	-	-	-	-	-	-	-	-	-	-	-
RISE PA - Fair Labor Bonus Grant	*NA*	-	-	-	-	-	-	-	-	-	-	-	-
RISE PA Greenhouse Gas Emissions Reduction Bonus (GE	*NA*	-	-	-	-	-	-	-	-	-	-	-	-
Other Grants / Rebates	*Source*	$10,000	-	$10,000	-	-	-	-	-	-	-	-	-
Tax Credits	*Source*	$20,000	-	$20,000	-	-	-	-	-	-	-	-	-
Total Incentives and Tax Benefits		**$530,000**	-	**$530,000**	-	-	-	-	-	-	-	-	-
SECTION 4: REVENUE AND BENEFITS													
Product / Service Revenue	*Source*	$3,881,885	-	$120,000	$123,000	$126,075	$129,227	$132,458	$135,769	$139,163	$142,642	$146,208	$149,864
Energy Savings / Utility Offset	*Source*	$2,587,923	-	$80,000	$82,000	$84,050	$86,151	$88,305	$90,513	$92,775	$95,095	$97,472	$99,909
Other Annual Benefits	*Source*	$646,981	-	$20,000	$20,500	$21,013	$21,538	$22,076	$22,628	$23,194	$23,774	$24,368	$24,977
Total Direct Project Revenue and Benefits		**$7,116,788**	-	**$220,000**	**$225,500**	**$231,138**	**$236,916**	**$242,839**	**$248,910**	**$255,133**	**$261,511**	**$268,049**	**$274,750**
Total Annual Grants, Incentives, Benefits & Revenue				**$750,000**	**$225,500**	**$231,138**	**$236,916**	**$242,839**	**$248,910**	**$255,133**	**$261,511**	**$268,049**	**$274,750**

SECTION 5: OPERATING EXPENSES																
Fixed O&M Costs	*Vendor quote*	$1,293,962	-	$40,000	$41,000	$42,025	$43,076	$44,153	$45,256	$46,388	$47,547	$48,736	$49,955	$51,203	$52,483	$53,796
Variable O&M Costs	*Historical data*	$970,471	-	$30,000	$30,750	$31,519	$32,307	$33,114	$33,942	$34,791	$35,661	$36,552	$37,466	$38,403	$39,363	$40,347
Fuel / Electricity Costs	*Utility data*	$646,981	-	$20,000	$20,500	$21,013	$21,538	$22,076	$22,628	$23,194	$23,774	$24,368	$24,977	$25,602	$26,242	$26,898
Total Annual Operating Expenses		**$2,911,413**	-	**$90,000**	**$92,250**	**$94,556**	**$96,920**	**$99,343**	**$101,827**	**$104,372**	**$106,982**	**$109,656**	**$112,398**	**$115,208**	**$118,088**	**$121,040**
SECTION 6. EBITDA				$660,000	$133,250	$136,581	$139,996	$143,496	$147,083	$150,760	$154,529	$158,392	$162,352	$166,411	$170,571	$174,836
less: Depreciation																
EBIT				$660,000	$133,250	$136,581	$139,996	$143,496	$147,083	$150,760	$154,529	$158,392	$162,352	$166,411	$170,571	$174,836
less: Capex				$150,000	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve .... *(if applicable)*																
Tax Schedule/Tax Equity Transaction ..... *(if applicable)*																
PROJECT CASHFLOW* *(a/k/a- free or net cashflow)*				$510,000	$133,250	$136,581	$139,996	$143,496	$147,083	$150,760	$154,529	$158,392	$162,352	$166,411	$170,571	$174,836
Loan Financing .... *(if applicable)*																
Loan Amount																
Loan Amortization																
Interest Payment																
Remaining Loan Balance																
SECTION 6: SUMMARY																
Total Cash Inflows		$7,646,788	-	$750,000	$225,500	$231,138	$236,916	$242,839	$248,910	$255,133	$261,511	$268,049	$274,750	$281,619	$288,659	$295,876
Total Cash Outflows		($3,581,413)	($520,000)	($240,000)	($92,250)	($94,556)	($96,920)	($99,343)	($101,827)	($104,372)	($106,982)	($109,656)	($112,398)	($115,208)	($118,088)	($121,040)
Net Annual Cashflow*		$4,065,375	($520,000)	$510,000	$133,250	$136,581	$139,996	$143,496	$147,083	$150,760	$154,529	$158,392	$162,352	$166,411	$170,571	$174,836
Cumulative Cashflow		$4,065,375	($520,000)	($10,000)	$123,250	$259,831	$399,827	$543,323	$690,406	$841,166	$995,695	$1,154,087	$1,316,440	$1,482,851	$1,653,422	$1,828,257
Discounted Cashflow		$1,521,297	($520,000)	$472,222	$114,240	$108,423	$102,901	$97,661	$92,687	$87,967	$83,487	$79,236	$75,200	$71,371	$67,736	$64,287

SECTION 7: Financial Performance Metrics	
Equity Investment	
Net Present Value (NPV)	$1,521,297
Internal Rate of Return (IRR)	51.0%
Simple Payback Period (years)	1

Detailed Budget Table (link)

- Provides a detailed breakdown of all project costs by budget category (i.e., Equipment, Contractual, Personnel, Supplies).
- Distinguishes between grant-requested funds and applicant matching contributions.
- Enables reviewers to verify budget accuracy, cost eligibility, and consistency with the overall application.
- Documents matching fund commitments and confirms compliance with program funding requirements.
- Keep in mind: applicants must accurately split out expenses eligible for cost-share vs. eligible for reimbursement; budgets should not include ineligible expenses.

Pennsylvania Department of Environmental Protection

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
ENERGY PROGRAMS OFFICE

Enterprise Help Desk
833-448-0647
*Indicates required information

DEP
Electronic Single Application (ESA)
www.esa.dced.state.pa.us/

Detailed Budget Table
RISE PA

Application Information

Web Application ID:

Facility Address:

Technical Point of Contact

Legal Name (First, Last name):

Work Email:

Work Phone:

Position:

Business Point of Contact

Legal Name (First, Last name):

Work Email:

Work Phone:

Position:

Other Senior Level Project Management

Legal Name (First, Last name):

Work Email:

Work Phone:

Position:

Other Senior Level Project Management

Legal Name (First, Last name):

Work Email:

Work Phone:

Position:

Applicant Instructions

Applicants must complete the Budget Summary and Detailed Budget Worksheet sections below. The Budget Summary should be consistent with the costs included in the Detailed Budget Worksheet. Itemize the costs related to personnel, fringe benefits, travel, supplies, contractual, construction, equipment, and other direct costs. Applicants should use the following budget category descriptions to complete the Detailed Budget Worksheet and Budget Summary tables.

Budget Categories

1. **Personnel** – List all staff positions by title, hourly rate, hours worked on the project, and the cost. Salaries for staff members contributing to the direct work of the project are eligible. Salaries are to be itemized by name and duties of staff members. This category cannot include any mark-up above the salary paid to employees for direct labor hours worked on the project, documented by timesheets. Benefits are covered separately under "Fringe Benefits." Participant support costs for Commonwealth Workforce Transformation Program (CWTP) trainees are covered under the "Other" category.

Budget Summary

The Budget Summary must be consistent with the Detailed Budget Worksheet below.

	Category	Grant Request *(from DEP)*	+	Cost Share *(from Applicant)*	=	Project Cost *(Total)*
1	Personnel		+		=	
2	Fringe Benefits		+		=	
3	Travel		+		=	
4	Supplies *(Items between $1,000 - $10,000/item)*		+		=	
5	Contractual		+		=	
6	Construction		+		=	
7	Equipment *(Over $10,000/item)*		+		=	
8	Other		+		=	
Total for each column:			+		=	

Detailed Budget Worksheet

Please complete the detailed budget worksheet below. Totals for each category should be entered into the budget summary above. **For items 1-8, indicate grant requested funds and match funds in their respective columns. The total cost should be the sum of the requested funds and the match funds (i.e. 100% of TPC). All matching funds should be listed on the Match table (item 9).**

1) Personnel

				Cost		
Individual	Position	Hourly Rate	Hours	Grant Request *(from DEP)*	Cost Share *(from Applicant)*	Total Cost
Total Personnel:						

2) Fringe Benefits

				Cost		
Individual	Position	Personnel Cost	Fringe Rate (%)	Grant Request *(from DEP)*	Cost Share *(from Applicant)*	Total Cost
Total Fringe Benefits:						

Budget Narrative

- Serves as the justification for why each cost is necessary and how it supports the project's objectives.
- A strong budget narrative helps reviewers to:
  - Understand the purpose of each cost
  - Connect the budget to the scope of work
  - Determine whether the costs are reasonable
  - Verify allowability
  - Understand the funding split
- TIP: Always QA/QC the budget narrative against the Detailed Budget Table before submitting! (Numbers should match)

Budget Narrative Example

Work Component / Task	Total Cost ($)	Requested Funding Amount from PA DEP ($)	Financial Match	Detailed Description
High-Efficiency Process Equipment	$ 600,000	240,000	360,000.0	Purchase and install energy-efficient manufacturing equipment to reduce electricity consumption and improve operational efficiency.
Facility Lighting Modernization	$ 180,000	72,000	108,000.0	Replace existing lighting with high-efficiency LED fixtures and smart lighting controls throughout the facility.
Building Automation System	$ 425,000	170,000	255,000.0	Install an advanced energy management system to optimize HVAC, lighting, and process controls through automated scheduling and monitoring.
Electrical Infrastructure Upgrades	$ 900,000	360,000	540,000.0	Upgrade electrical distribution equipment, switchgear, and transformers to support new energy-efficient technologies
Waste Heat Recovery System	$ 1,150,000	460,000	690,000.0	Capture and reuse excess process heat to reduce fuel consumption and improve overall plant efficiency.
Compressed Air System Improvements	$ 700,000	280,000	420,000.0	Replace aging compressors, repair system leaks, and install variable speed drives to reduce energy use.
Engineering, Design & Permitting	$ 350,000	140,000	210,000.0	Professional engineering, design development, permitting, procurement support, and construction administration services.
Performance Monitoring & Verification	$ 120,000	48,000	72,000.0	Install monitoring equipment and complete post-installation verification to document project performance and energy savings.
Project Contingency	$ 468,000	187,200	280,800.0	Contingency allowance for unforeseen construction conditions, material price fluctuations, and project modifications.
Total	**4,893,000**	**1,957,200**	**2,935,800**	

Equipment Specifications

- Itemize all equipment purchases over $10,000, including quantity, unit cost, and total cost.

- Include equipment purchases under $10,000, if applicable

- Include equipment specifications and vendor quotes, if applicable
  - More detail is always better!

- Provide supporting financial analyses, including equipment life expectancy, cash flow, payback period, etc.

Financial Commitment Letters

Financial Commitment Letter

- Each financial commitment letter must include the following minimum elements:
    1. Required Content of Each Letter
    2. Required Statements
    3. Additional Requirements for Third-Party Letters
    4. Consistency with Application Budget
    5. Formatting and Submission Instructions

- Common Issues to Avoid

Example Commitment Letter 1: Applicant Funds

June 26, 2026

Applicant Funds

Pennsylvania Department of Environmental Protection
RISE PA Grant Program
400 Market Street
Harrisburg, PA 17101

Dear PA DEP,

Legal name of the organization providing funds

Specific dollar value of the financial contribution

Project name or identifier from application

This letter confirms that **Company A** has committed **$50,000.00** to fund our proposed **Scranton Farm Electrification project.** This contribution is a **fixed contribution** that is **an approved loan.**

...or a maximum available

Fund source type

All funding will be allocated specifically for the execution of the project described in our RISE PA application.

Fund commitment statement

Company A acknowledges that items identified as ineligible costs in the program guidelines are not included as cost share and will not be used as eligible costs under this funding.

Acknowledgement of ineligible costs

Company A confirms that funds identified as cost share are currently available and in-hand, either as cash reserves or through an already approved loan.

A third-party entity has committed to provide financial support toward the project cost share. The amount and terms of this commitment are documented in an attached letter from the contributing organization.

Verification of funds availability statement(s)

Sincerely,

Alex Taylor 6/25/2026

Alex Taylor
Company A - Chief Financial Officer

Authorized representative name, title, and signature

Pennsylvania Department of Environmental Protection

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
ENERGY PROGRAMS OFFICE

Example Commitment Letter 2: Third-Party Funds

June 26, 2026

Partner Contribution

Pennsylvania Department of Environmental Protection
RISE PA Grant Program
400 Market Street
Harrisburg, PA 17101

Dear PA DEP,

Legal name of the organization providing funds

Specific dollar value of the financial contribution

Project name or identifier from application

This letter confirms that **Company B** has committed **$20,000.00** to fund the proposed **Scranton Farm Electrification project** from the applicant, Company A.

...or a maximum available

Fund source type

... or available

This contribution is a **fixed contribution** that is **cash-on-hand.** All funds are **contractually committed**, contingent on **Company A providing quarterly project updates to Company B.**

Conditions or contingencies (if applicable)

All funding will be allocated specifically for the execution of the project described the applicant's RISE PA application.

Fund commitment statement

Sincerely,

John Does 6/25/2026

John Does
Company B - Chief Executive Officer

Authorized representative name, title, and signature

Additional Supporting Documents

1. Letters of Support
2. Staff and Executive Resumes
3. Consent of Property Owner

Q&A

Wrap-Up

Thank You!

Pennsylvania Department of Environmental Protection

The RISE PA Team
DEP Energy Programs Office
400 Market St
Harrisburg, PA, 17101

RISE PA
RISING TOGETHER TO LOWER EMISSIONS

RISE PA
RISING TOGETHER TO LOWER EMISSIONS

For questions or comments, email RA-EP-CPRG@pa.gov

The Department of Environmental Protection's mission is to protect Pennsylvania's air, land and water resources and to provide for the health and safety of its residents and visitors, consistent with the rights and duties established under the Environmental Rights Amendment (Article 1, Section 27 of the Pennsylvania Constitution).