



pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION

PA Green Energy Works!

Green Energy Loan Fund

Application Deadline January 6, 2010

CONTENTS

	Page
INTRODUCTION	
PA Green Energy Works! – The Green Energy Loan Fund	1
 PART I	
General Information	2
Eligibility – Green Energy Loan Fund	3
Program Requirements – Green Energy Loan Fund	5
 PART II	
Application Requirements	7
DBE Requirements	9
Application Evaluation Criteria	10
Application Submission and Deadline	11
Grant Award and Contract Conditions	12
 PART III	
DEP Contacts	15
Grant Application Instructions	16
Blank Application Form	19

PA Green Energy Works! Introduction

Creating Green Energy and Green Jobs in Pa's Communities through a Revolving Green Energy Loan Fund

The Commonwealth of Pennsylvania, through the Pennsylvania Department of Environmental Protection ("Department" or "DEP") is offering a one-time grant for the establishment, preparation, deployment and management of a revolving Green Energy Loan Fund ("Fund") using \$12 million of Pennsylvania's State Energy Program funding from the American Recovery and Reinvestment Act of 2009 ("ARRA"). The loan Fund will be used to support Pennsylvania projects deploying renewable energy technologies and energy saving improvements.

- This program will use these loan funds to quickly deploy projects that put Pennsylvanians back to work. The program will support local employment through a focus on using Pennsylvania products to make energy efficient and green energy improvements to existing buildings. The program will produce immediate benefits by providing loan capital to projects that can be constructed quickly. The PA Green Energy Works! revolving Green Energy Loan Fund will use significant leveraging of other capital to broaden the impact of recovery funds on jobs and energy costs. \$12 million of ARRA funds will be provided by DEP under this grant opportunity.

The goals of this Fund are as follows:

- To establish a Statewide revolving loan program in which initial loans using the capital provided by DEP will be fully executed within 24 months of the date of a fully executed grant agreement or by April 30, 2012, whichever occurs first.
- To include in the Fund additional capital of at least \$18 million for a leveraging ratio of at least \$1.5 (invested) to \$1 (ARRA provided).
- To invest these funds, along with other funds procured by the manager, into cost-effective energy efficiency and renewable energy projects;
- To provide loans to multi-family residential, commercial, non-profit, government and for industrial enterprises throughout Pennsylvania;
- To establish or retain jobs;
- To support disadvantaged businesses conducting work in the energy efficiency and renewable energy marketplace.

The Department will begin accepting applications for establishment, preparation, deployment and management of a revolving Green Energy Loan Fund on December 9, 2009. The deadline for submitting applications, which must be in hard copy format, is the close of business January 6, 2010. Projects will be reviewed and evaluated based on criteria outlined in the Application Evaluation Criteria section of this guidance document. Applications received after the due date will not be reviewed and will not be eligible for funding.

PART I

General Information

- PA Green Energy Works revolving Green Energy Loan Fund is a one-time competitive grant opportunity to engage a qualified loan fund manager (“Fund Manager”) for administration of the Fund. Applications will be competitively reviewed and evaluated based on criteria outlined in the **Application Evaluation Criteria** section of this guidance document. DEP, at its discretion reserves the right to decline applications based on technical deficiencies, lack of financial assurance, or other reasons impacting the eligibility of the project.
- Subject to the availability of funds and the compliance with the terms and conditions of a fully executed grant agreement, DEP will provide advance payments to the Fund Manager for development and deployment of the Green Loan Program as per a schedule determined by DEP and the Fund Manager. The Fund Manager will be required to abide by specific conditions related to receipt of advance payment which will include requirements regarding deposit of payments and repayment by the Fund Manager if it fails to comply with the terms and conditions of the grant agreement.
- The Fund must result in renewable energy, demand side management and/or energy efficiency projects being deployed Statewide and within the period of performance.
- The Fund must result in the creation or retention of part-time or full-time temporary or permanent jobs.
- The Fund Manager must adhere to all General Application conditions and all General Grant Award and Contract conditions described in this document.
- All loan agreements using ARRA funds must be fully executed within 24 months of the date of a fully executed grant agreement or by April 30, 2012, whichever occurs first. Applicants shall certify, in the application, a project schedule in accordance with these time constraints.
- The Fund Manager, as well as all borrowers, must be at all times in compliance with all applicable laws and must not have any outstanding obligations to the commonwealth or unresolved compliance issues with DEP. If obligations or compliance issues exist, a resolution plan to satisfy any obligations and compliance issues will be required prior to the grant being awarded.
- The Fund Manager is expected to recoup all of its administrative costs through reasonable origination and/or servicing fees from the project participant(s) and/or additional funding sources. Accordingly, expenses related to the creation or operation of the Fund will not be paid by or with the ARRA funds. DEP may, after consultation with the fund manager, require the origination and/or servicing fees to be reduced if DEP determines that the fees are not reasonable.
- Any advance payments provided by the Department must be held in an FDIC insured depository institution in a manner that will ensure that all funds are 100% insured by the FDIC until the funds are disbursed for the respective project(s). Any interest or other income derived from said funds must be reported to DEP at least quarterly and solely utilized for program purposes.
- All applications made under these guidelines are public documents and subject to disclosure to the public upon request. Any information included in the grant proposal that the applicant wishes the commonwealth to consider as proprietary must be on a separate sheet of paper and must be clearly marked as proprietary.

- Loans using ARRA funds will be provided only for projects that meet the following minimum performance levels:
 - Energy efficiency equipment projects that are guaranteed to save at least 25% of the energy used by the equipment being replaced;
 - Energy efficiency building upgrades that are guaranteed to save at least 25% of the total energy consumption for the entire building or facility;
 - On-site renewable energy projects in or on existing buildings that can show at least 25% savings in the building's overall energy consumption over the previous 24 months and will be completed at a cost consistent with currently available prices;
 - On-site renewable energy projects that can show at least 25% savings in overall energy consumption based on future consumption modeled by an energy professional and will be completed at a cost consistent with currently available prices, and;
 - Other renewable energy projects that are cost-effective based on current, prevailing costs for similar projects.
- Using these funds for non-construction elements of a project that otherwise involves construction may trigger State and Federal prevailing wage requirements. Projects funded by the Green Energy Loan Fund which are subject to these requirements must adhere to them. For example, Section 1606 of ARRA requires that laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part pursuant to ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.
- Using these funds may trigger the Buy American provision in The American Recovery and Reinvestment Act of 2009 (ARRA). Section 1605 of Title XI directs that subject to certain exceptions, no funds appropriated or made otherwise available for a project may be used for the for the construction alteration or repair of a public building or public work unless all the iron, steel and manufactured goods used are produced in the United States.
- All funding provided by the Commonwealth for this program is Federal Funding appropriated under The American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5. ARRA appropriates funding for the Department of Energy (DOE) to issue/award formula-based grants under the State Energy Program. The Funding Opportunity Announcement for this program can be accessed at www.fedconnect.net.

Eligibility – Green Energy Loan Fund

An eligible Green Energy Loan Fund application is a proposal that establishes the qualifications of the applicant to manage this Fund and that demonstrates how the Fund Manager will provide significant leveraging of capital in addition to the grant to be provided from Pennsylvania's ARRA allocation. Funds shall be invested, in conjunction with other funds provided by the Fund Manager, to support projects that will significantly reduce energy consumption in existing buildings and processes, will enable energy cost reduction due to demand response, or will deploy renewable energy systems.

- **Eligible applicants include:**
 - **Business** – corporations, partnerships, sole proprietorship, limited liability company, business trust, or other legal business entities.
 - **Non-Profit Corporations** – Incorporated not for profit organizations that maintain 501(c)(3) status with the U.S. Internal Revenue Service and is that is also registered with the PA Bureau of Charitable Organizations, where necessary.

- **Universities** – Colleges or Universities located within Pennsylvania.
- **An Economic Development Organization** – a nonprofit corporation or incorporated association whose purpose is the enhancement of economic conditions in their community.
- **A political subdivision** – a municipality, county, city, township or school district.
- **Funding provided by the Department may not be used for:**
 - Loans made prior to the date on which the grant is made to the Fund Manager.
 - For initial loans that are made after 24 months from the date of grant award or after April 30, 2012, whichever occurs first.
 - To provide loans for energy efficiency projects that are not estimated, by an energy professional or engineer, to result in at least 25% conservation of energy
 - To create a Fund that does not provide minimum matching funding of at least \$1.5 (invested) to \$1 (ARRA provided).
 - For any work related to construction of new building projects or for non-energy-related alteration or upgrades or repair of buildings or structures;
 - To purchase land, a building or structure or any interest therein;
 - For site preparations projects;
 - For manufacturing equipment;
 - To subsidize utility rate demonstrations or State tax credits for energy conservation measures or renewable energy measures;
 - To conduct, or purchase equipment to conduct, research, development or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available;
 - For any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool, or;
 - To supplant or replace existing State or rate payer funding.

Program Requirements - Green Energy Loan Fund

Applicants must demonstrate that the Green Energy Loan Fund Program established under this grant award will meet all of the following criteria.

- Borrowers may include multi-family residential, commercial or industrial enterprises, non-profit organizations and local government.
- Loan funded projects must begin within 6 months of loan approval, or by April 30, 2012, whichever occurs first. Borrowers shall certify project schedules in accordance with this time constraint.
- All initial loan agreements using ARRA funds must be fully executed within 24 months of the date of a fully executed grant agreement or by April 30, 2012 whichever occurs first.
- Borrowers must secure all permits or approvals required for the project to proceed. This includes any permits required by DEP.
- If building or other permits are required for a project supported by the Fund, the permits must be supplied to the Fund Manager and available for inspection by DEP prior to work beginning.
- Borrowers must provide written consent for access to and inspection of the site by DEP.
- The Fund shall not be used to pay for work performed prior to the availability of funds or prior to the date on which the grant is made to the grantee.
- Borrowers must comply with all local, commonwealth and Federal requirements in the implementation of a project, including local zoning and planning requirements.
- Loans may be provided at below-market interest rates. Favorable consideration will be given to programs offering greater incentives for higher-performing projects, such as:
 - Whole-building energy efficiency projects,
 - Economic development, creation of jobs
 - Located in disadvantaged communities or an area that experienced a recent major plant closing.
 - Located on a targeted sites including
 - Brownfields, a Keystone Opportunity Zone (“KOZ”), Keystone Opportunity Expansion Zone (“KOEZ”), a Keystone Innovation Zone (“KIZ”), an Enterprise Zone (“EZ”), a Federal Enterprise Zone (“FED EZ”), an Agricultural Security Area, a Farmland Preservation Area,
- All Green Energy Loan Fund projects will be consistent with the applicable provisions of the Keystone Principles for Growth, Investment, and Resource Conservation. A description of the Keystone Principles is available at www.phmc.State.pa.us/bhp/pkp.pdf.
- Each Green Energy Loan Fund project must document that it meets the following obligations of the National Environmental Protection Act (“NEPA”).

Projects must fit into the following categories:

1. Funding energy efficiency retrofits, provided that:
 - Projects Are Limited To: installation of insulation; installation of energy efficient lighting; HVAC upgrades; weather sealing; purchase and installation of ENERGY STAR appliances; replacement of windows and doors; high efficiency shower/faucet upgrades; and installation of solar powered appliances with improved efficiency.

2. Development, implementation, and installation of onsite renewable energy technology that generates electricity from renewable resources, provided that:
 - Projects Are Limited To:
 - Solar Electricity/Photovoltaic - appropriately sized system or unit on existing rooftops and parking shade structures; or a 60 KW system or smaller unit installed on the ground within the boundaries of an existing facility.
 - Wind Turbine - 20 KW or smaller.
 - Solar Thermal - system must be 20 KW or smaller.
 - Solar Thermal Hot Water - appropriately sized for residences or small commercial buildings.
 - Ground Source Heat Pump - 5.5 tons of capacity or smaller, horizontal/vertical, ground, closed-loop system.
 - Combined Heat and Power System - boilers sized appropriately for the buildings in which they are located.
 - Biomass Thermal - 3 MMBTUs per hour or smaller system with appropriate Best Available Control Technologies (BACT) installed and operated.
3. Development, implementation and installation of energy efficient or renewable energy-powered emergency systems (lighting, cooling, heat, shelter) installed in existing buildings and facilities.
4. Installation of alternative fueling pumps and systems (but not storage tanks) installed on existing facilities (other than a large biorefinery); purchase of alternative fuel vehicles.

No Green Energy Loan project **may**:

- (1) Threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, including requirements of DOE and/or Executive Orders;
- (2) Require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators);
- (3) Disturb hazardous substances, pollutants, contaminants, or CERCLA-excluded petroleum and natural gas products that preexist in the environment such that there would be uncontrolled or unpermitted releases; or
- (4) Adversely affect environmentally sensitive resources. Environmentally sensitive resources include, but are not limited to:
 - (i) Property (e.g., sites, buildings, structures, objects) of historic, archeological, or architectural significance designated by Federal, State, or local governments or property eligible for listing on the National Register of Historic Places;
 - (ii) Federally-listed threatened or endangered species or their habitat (including critical habitat), Federally-proposed or candidate species or their habitat, or State-listed endangered or threatened species or their habitat;
 - (iii) Wetlands regulated under the Clean Water Act (33 U.S.C. 1344) and floodplains;
 - (iv) Areas having a special designation such as Federally- and State-designated wilderness areas, national parks, national natural landmarks, wild and scenic rivers, State and Federal wildlife refuges, and marine sanctuaries;
 - (v) Prime agricultural lands;
 - (vi) Special sources of water (such as sole-source aquifers, wellhead protection areas, and other water sources that are vital in a region); and
 - (vii) Tundra, coral reefs, or rain forests.

All funded Green Energy Loan projects **will**:

- (1) Require a waste management plan addressing waste generated by a proposed project prior to project commencing.
 - (i) The waste management plan will describe the loan-recipient's plan to dispose of any sanitary or hazardous waste (e.g., construction and demolition debris, old light bulbs, lead ballasts, piping, roofing material, discarded equipment, debris, and asbestos) generated as a result of the proposed Project and complies with all Federal, State and local regulations for waste disposal.
 - (2) Require documentation that a loan-recipient will comply with Section 106 of the National Historic Preservation Act (NHPA) prior to project commencing.
 - (i) If applicable, a loan-recipient may need to contact the State Historic Preservation Officer (SHPO), and the Tribal Historic Preservation Officer (THPO) to retain sufficient documentation, to demonstrate that a loan-recipient has received required approval(s) from the SHPO or THPO for the Project.
- Loans using ARRA funds will be provided only for projects that meet the following minimum performance levels as applicable:
 - Energy efficiency equipment projects that are guaranteed to save at least 25% of the energy used by the equipment being replaced;
 - Energy efficiency building upgrades that are guaranteed to save at least 25% of the total energy consumption for the entire building or facility;
 - On-site renewable energy projects in existing buildings that can show at least 25% savings in the building's overall energy consumption over the previous 24 months;
 - On-site renewable energy projects that can show at least 25% savings in overall energy consumption based on future consumption modeled by an energy professional, and;
 - Other renewable energy projects that are cost-effective based on current, prevailing costs for similar projects.

PART II

Application Requirements

Applications will be evaluated based solely on the data and information provided; therefore, each application must be complete and accurate. Applications that do not meet the requirements set forth in these guidelines will not be reviewed and are not eligible for funding.

- Applicant must agree to provide the matching capital required by this program (minimum \$18 million or \$1.5 (invested) to \$1 (ARRA provided)).
- The application shall include a list of specific sources of private capital and the corresponding amounts of private capital already in hand or committed to the Fund and plans for future capital procurement for this Fund. In doing so, applicant must demonstrate that it has established partnerships or other arrangements that will broaden the financial capacity of the Green Energy Loan Fund.
- The application and program description must:
 - Be submitted along with all required attachments. An original hard copy, signature page, signed in black ink, must be provided on the application.
 - Be complete, including: project description and all items contained in the application instructions.
 - Include documentation supporting the grantee's qualifications, amounts to be leveraged, and the anticipated energy savings.
- Applicant shall provide its policies for the following:
 - lending products and corresponding underwriting criteria;
 - credit and collections standards and practices;
 - credit and interest rate risk management,
 - supervision/servicing of loans;
 - collection and management of delinquent loans;
 - a schedule of all loan origination, document preparation, third-party costs, servicing fees or any other fees to be paid by the borrower to obtain and maintain credit.
 - a schedule of all loan origination, document preparation, third-party costs, servicing fees or any other fees related to the extension and ongoing servicing of loans to be paid by loan participants and/or additional funding sources;
 - profitability analysis used to set loan pricing and maturities; and
 - the role of the secondary market and/or loan participations in making the operation of the Fund possible. Please be sure to include any information regarding securitization activities, gain/sale income and servicing income from secondary market, participation, and/or additional funding sources.
- Applicant must provide a plan whereby the revolving Green Energy Loan Fund shall be completely separate from other funds. Green Energy Loan funds may not be commingled with other funds. This is not meant to limit the use of capital from a variety of funds for projects in which Green Energy Loan Fund capital is also appropriately deployed. The application must include a plan for tracking all funds provided by the Department.
- Applicant must include a plan to ensure that loans are equitably available throughout the State. This shall include a process by which any qualified project in the commonwealth may apply to the Fund, and the means by which the applicant will advertise and market the Fund. For instance, local and regional economic development agencies might be enlisted as partners to ensure that potentially qualified projects throughout the State are made aware of the Fund. Also, a public information campaign might be supported through business-oriented publications that focus on the sectors to be supported by the Fund.

- Applicant must provide methods through which the Department can oversee the operations of the fund to ensure the purposes are fulfilled. This plan shall include a schedule of meetings to occur not less than once a month, an annual report, and interim reports to be filed not less than quarterly, at the discretion of the Department. In addition, information must be available for each project in the form of a project completion report that includes metrics on actual project performance compared to projected project performance. The Department will review progress in loaning the capital, the performance of loans, and the effectiveness of the Fund Manager at achieving the purpose of the Green Energy Loan Fund.
- Applicant must provide an assurance that loans will be provided only for projects that meet all Program Requirements for the Green Energy Loan Fund.
- Applicants must provide an assurance that all laborers and mechanics on Green Energy Loan Fund projects funded directly by or assisted in whole or in part by and through funding appropriated by the American Recovery and Reinvestment Act of 2009 (ARRA), Pub.L.111-5 are paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by subchapter IV of Chapter 31 of title 40, United States Code (Davis-Bacon Act). It is solely the responsibility of the borrower to ensure the Act is followed, if applicable.
- The application must include a spending plan for the Green Energy Loan Fund which indicates that, at a minimum
 - 25 percent of the grant funds provided will be provided to borrowers within the first six months following award of the grant.
 - 50 percent of the grant funds provided will be provided to borrowers within the first 12 months following award of the grant.
 - 75 percent of the grant funds provided will be provided to borrowers within the first 15 months following award of the grant.
- The application must describe how all projects will adhere to NEPA principles identified in the Program Requirements for the Green Energy Loan Fund.
- Applicant shall demonstrate a past performance in procuring capital from a variety of sources to invest in green energy projects. Applicant shall provide a list of past green energy projects in which it was involved describing the projects, sources of funding, amounts of funding, and impacts of the projects.
- Applicant shall explain in detail its experience and ability to effectively place qualifying loans to multi-family residential, commercial, industrial, government, and non-profit customers in Pennsylvania for energy-related, renewable energy production, and energy efficiency projects.
- Applicant shall describe partners that will be used throughout the State to identify and attract qualified loan applicants to be funded by the Green Energy Loan Fund.
- Applicant shall demonstrate its ability to perform or manage the performance of energy and environmental assessments needed to screen potential projects.
- Applicant shall demonstrate that it will encourage the use of Pennsylvania-based companies in funded projects.
- Applicant shall describe how projects that create co-benefits will be identified and monitored. These may include, but are not limited to, environmental improvement, economic development, jobs, and deployment of renewable energy production, demand side management and energy efficiency.

Disadvantaged Business Enterprise Recommendations

Green Energy Works! encourages participation by small disadvantaged businesses as prime contractors, joint ventures, and subcontractors/suppliers and by socially disadvantaged businesses as prime contractors.

Grantees shall make reasonable and good faith efforts to provide maximum practicable opportunities for small disadvantaged businesses to participate as contractors, professional service providers, subcontractors, and suppliers. Grantees, at a minimum, shall be required to:

- a. Consult with the Department of General Services' Bureau of Minority and Women Business Opportunities to ensure significant ARRA opportunities for small certified MBEs and WBEs unless the Department of General Services agrees that contractor or grantee participation in outreach activities will satisfy this requirement;
- b. Participate in outreach activities and events to increase small disadvantaged business interest and participation in ARRA opportunities;
- c. Use the Department of General Services' Web site (www.dgs.State.pa.us) to identify certified MBEs and WBEs on solicitation lists;
- d. Include certified MBEs and WBEs on solicitation lists;
- e. Prepare and keep records of solicitations, including a bid tabulations, showing names of all firms solicited and the dollar amount of the bid, quote or proposal, as well as copies of all bids, quotes, and proposals received; and
- f. Provide monthly reports to the Department of General Services' Bureau of Minority and Women Business Opportunities on MBE and WBE utilization.

A database of BMWBO-certified minority- and women-owned businesses can be accessed at www.dgsweb.State.pa.us/mbewbe/ VendorSearch.aspx. The Federal vendor database can be accessed at www.ccr.gov by clicking on *Dynamic Small Business Search* (certified companies are so indicated).

Application Evaluation Criteria

Evaluation Considerations

- The applicant's experience in lending for projects that include energy efficiency and renewable energy.
- The applicant's experience in leveraging money for projects that include energy efficiency or renewable energy.
- The level of matching capital leveraged for the Fund beyond the minimum requirement.
- Fund readiness to begin offering loans.
- Ability of the Fund to promote additional energy potential to markets above and beyond projects that receive loans.
- Whether the applicant has demonstrated that it can make loans using all ARRA funding within 24 months of the date of a fully executed grant agreement, or by April 30, 2012, whichever occurs first.
- Evaluation of the applicant's plan for maximizing the quantity and cost-effectiveness of alternative energy generated or energy efficiency achieved produced by each project. Preference will be given to programs that offer greater incentives for higher-performing projects (i.e. whole-building energy efficiency projects), for those located on a targeted site (brownfield, KOZ, etc), or for projects that generate or save more energy per dollar.
- Evaluation of the Applicant's ability to:
 - Prudently and effectively manage the loans within the Fund portfolio so that good projects are completed and loans are repaid on time.
 - Report on the financial performance of individual loans and of the loan portfolio.
 - Report the number and quality of jobs to be created or preserved by the project. Fund Manager will be required to report jobs information;
 - Identify and report on the environmental benefits resulting from the Fund;
 - Interpret and make decisions related to cost per Kwh lifetime of expected energy generation or savings from Fund projects;
 - Describe how the fund meets or exceeds the Program Requirements for the Green Energy Loan Fund.
 - Insure use of Disadvantaged Business in projects

Application Submission and Deadline

Applications will be received anytime after the grant application opening date until the application deadline of January 6, 2010 at 4:00 p.m. Submit an original and three copies of the application, containing all required attachments to the DEP Grants Center. An original black ink signature page must be submitted.

- Applications must be in hard copy mailed or delivered to the address below.
- E-mails and faxes will not be accepted.
- Applications submitted after the closing date will not be considered.
- **Incomplete applications will not be considered.**

Do not submit separate attachments other than those specifically called for in the instructions.

Please submit applications to:

DEP Grants Center – Green Energy Loan Fund
15th Floor, Rachel Carson State Office Building
400 Market Street
P.O. Box 8776
Harrisburg, PA 17105-8776

Grant Award and Contract Conditions

- The proposal that is selected for funding will receive a letter from the DEP Secretary or designee, addressed to the contact person specified in the application.
- Disbursement of grant funding is contingent upon availability and release of funds.
- Grant recipient will be assigned a DEP project advisor.
- Grant recipient will execute a grant agreement acceptable to the Department.
- If the spending plan or any other grant condition is not adhered to, **DEP reserves the right to terminate the project and/or recover funding from a grant recipient that is not properly managing the funding in accordance with the conditions of the program and the grant agreement.**
- **Leveraged funds provided by the grant recipient or from other sources must be spent during the period of performance. No credit will be given for funds spent prior to grant execution. Leveraged funds must be available for loans made by the Fund as outlined in the project budget.**
- Time Extensions for the initial execution of loans by the grant recipient will not be approved.
- Projects supported by this Fund must be completed as described in the application and grant document. All changes to the scope of this grant must be approved by the project advisor.
- A grant recipient that has not had previous contracts or grant agreements with the commonwealth will be required to submit a Form W-9, Request for Taxpayer Identification Number and Certification.
- Fund activities and payment requests may begin after the grant recipient, and the commonwealth have executed the grant agreement.
- Grant recipients must comply with all local, Commonwealth and Federal requirements in the implementation of the Fund.
- A grant recipient claiming the use of a Small Disadvantaged Businesses certified by BMWBO as an MBE/WBE must provide a photocopy of their BMWBO certificate.
- The grant recipient will receive the funds to be expended only during the period of performance.
- The grant recipient must properly manage and account for funding received. A complete record will be required for each loan made under this Fund, including loan performance and other properly certified documents. Documentation will be required for leveraged funds as well as DEP funds. The funding must be spent in accordance with the spending plan included in the application. **DEP reserves the right to terminate the project and/or recover funding from the grant recipient if it fails to properly manage the loan fund in accordance with the conditions of the program and the grant.**
- The grant recipient must meet monthly with the Department, or at other times at the discretion of the Department, to review and discuss current loan applications as well as provide the results of and evaluations of potential and existing projects.
- DEP reserves the right to inspect any project financed with funds provided by the Green Energy Loan Fund and to audit or require a third-party audit of any project's financial transactions or compliance with agreement terms.
- Grant recipient must report to the Department on a calendar year and quarterly basis on all activity involving ARRA funds consistent with the Department's requirements. The contents of this required report may be changed at the Department's discretion.
 - For each loan this report shall include, but not be limited to:

- total Green Energy Loan Fund funding;
 - total project funding including a breakdown of all funding sources;
 - a project description;
 - borrowers;
 - jobs created and/or retained;
 - energy saved;
 - delinquency status;
 - energy produced;
 - loan maturity and loan due dates;
 - the nature or State of origin of equipment used;
 - whether the project is located in a targeted area (Keystone Opportunity Zone (KOZ), Keystone Opportunity Expansion Zone (KOEZ), Keystone Innovation Zone (KIZ), Enterprise Zone (EZ), Federal Enterprise Zone (FED EZ)) or an Agricultural Security Area, Farmland Preservation Area or an area that experienced a recent major plant closing;
 - whether the project is located on a brownfield area;
 - whether the project will use a Disadvantaged Business Enterprise, which includes disadvantaged, minority, women owned and small business enterprises.
 - useful life of the projects, and;
 - qualifications of the applicant or contractor;
 - The grant recipient must also provide a list of all portfolio loans indicating:
 - Historical current 30-60-90- day past due record for each loan;
 - loans delinquent more than 30 days past the contractual due date;
 - past due amounts;
 - the actual number of days past the contractual due date;
 - any other conditions of default that exist for the corresponding loan;
 - a list of all loans that have been modified and/or extended with the corresponding reasons; and
 - a narrative as to the plan of action to bring each delinquent loan current.
 - The Grant recipient must also provide:
 - An accounting of any interest earned on advance payments provided by the Department
 - An accounting of earnings to date
- A final report detailing project successes, problems, failures and measurable energy, economic, jobs created or retained and environmental benefits is required. Accomplishments shall be reported in terms of energy generation or savings. The final report must be submitted in a format required by DEP. Failure to submit final report in appropriate format may result in loss or repayment of 25% of grant funding back to DEP.
 - Grant recipients will be required to submit a follow up status report including performance measures as detailed in the final report.
 - **Failure to comply with the spending plan, reporting requirements or other requirements of the grant may result in immediate termination of the grant and full recovery of any and all grant funds.**
 - At the conclusion the program, the fund manager will be required to provide all ARRA funding utilized in the program back to the Department on a schedule mutually determined by the Fund Manager and the Department.

PART III

DEP CONTACTS

Applicants are encouraged to contact the appropriate DEP staff to discuss the application before submittal.

Grants Processing, Application Submission and Deadlines:

DEP Grants Center – 717-705-5400

Project-Related Inquiries (Central Office):

David Althoff – 717-783-0542

Kerry Campbell – 717-772-5985

PA Green Energy Works! Green Energy Loan Fund Grant Application Instructions

The instructions on the following pages describe the information required to complete the application. The application form must be typed or printed neatly and all applicable parts completed. The information **MUST** be complete. **Incomplete applications will not be considered.** Do not submit separate attachments other than those specifically called for in the instructions.

Please be sure to indicate your organization and sign the application. The authorized representative signing this section must be authorized by a board of directors, governing entity, etc., as the legal signatory for the applicant and the person capable of entering into a contract with the commonwealth. The original signature **MUST** be dated.

1. **Project Title:** Please give your proposal a descriptive title of fewer than 10 words. Please use this title for all correspondence regarding this project.
2. **Applicant Information:**
 - The applicant organization's legal formation documents, tax EIN documents and legal name must be provided. Do not use fictitious names.
 - Eligible applicants include organizations with experience in lending for energy efficiency or renewable energy projects.
 - Applicant shall State whether it has any outstanding obligations to the Commonwealth, or unresolved compliance issues with DEP.
 - The DUNS Number field is a mandatory field on the application. The Federal government requires Pennsylvania to provide the DUNS number for grantees to whom Federal grant funds are awarded. For information on how to get a DUNS number, visit www.dnb.com. The Dun & Bradstreet toll free customer service number is 800-234-3867.
3. **Other ARRA Funding:** Applicants shall indicate whether it has received, or expects to receive, any other funding from the American Recovery and Reinvestment Act of 2009. If so, State how much will be received.
4. **Other Government Funding:** Applicant shall indicate whether it has received, or expects to receive funding from other State of Federal government programs.
5. **Project Duration:** Applicants shall indicate that all DEP ARRA funding must be committed into loans within 24 months of the date of a fully executed grant agreement, or by April 30, 2012, whichever occurs first
6. **Spending Plan:** Please identify the calendar quarter for which payment will be requested. This information will assist DEP in budgeting for the transfer of funds to the Fund manager. No funds provided under this grant may be used for loans made prior to the date of the grant award.
7. **Summary Statistics:** Summarize the expected energy, economic and environmental results or benefits and define measures of success in quantitative terms in the table.
8. **Leverage Funds Table:** Please complete the Leverage funds table on the application form. Leveraged funds as well as the partner or contributor are to be identified in the table. Please provide the current status of the funding as identified on the table. Any funds that are pledged or in hand must be accompanied by a letter of commitment verifying that the funds are in place and are able to be expended during the period of performance. Leverage may not include funds or in-kind services provided by DEP. All leveraged funds must be expended during the grant period. Funds expended prior to the grant period of performance cannot be claimed as leverage.

9. Attachments A-J, Instructions:

Attachment A - Executive Summary: Provide an abstract of the proposal that briefly describes how the Fund will contribute to the desired outcomes of the program. It should be clear, concise, specific and no longer than 200 words.

Attachment B - Detailed Project Description: Provide a detailed project description focusing on the following items:

1. Goals and objectives: Describe the goals and objectives of the Fund, including but not limited to energy, jobs, economic and environmental benefits.
2. Environmental and Energy Benefits: Include a clear description of expected environmental and energy benefits. This enumeration of benefits should include careful estimates and calculations. Estimates and calculations include the economics (e.g., the cost per Kwh or gallon) and the environmental improvements (e.g., pounds of pollutant reduction). Emphasis should be placed on reductions in nitrogen oxides, volatile organic compounds, sulfur oxides, and toxic pollutants. There are many Web sites that can help you determine the environmental benefits of reducing conventional energy use. The following Web sites are examples:
http://www.eia.doe.gov/cneaf/electricity/st_profiles/pennsylvania.html ;
<http://www.onlineconversion.com/energy.htm> .
Others exist at www.epa.gov .
3. Economic benefits: Applicants should identify the economic benefits of the Fund based on documented estimates and calculations. Each project must demonstrably create or retain jobs. Additional potential benefits such as savings to consumers, and revenue generation for the commonwealth, reduced dependence on foreign oil, or decreased transportation, production or operating costs should be included and explained.
4. Partnerships: Applicants should identify any other organizations that will participate in ensuring the success of the Fund. The nature of their participation and contributions should be specified. Please indicate the participation of DBE enterprise, or a plan to be inclusive of DBE enterprise.
5. Work Plan with Schedule: Applicants should provide an implementation schedule identifying sub-tasks, schedule for making the Fund fully open for business, and describe corresponding parties responsible for their accomplishment.
6. Energy Savings Verification: Explain how the Fund will meet the energy and energy cost savings goals. Explain how the technical merit of projects will be assessed. Estimates of energy savings, energy cost savings, and energy production for funded projects must be assessed by a trained energy assessment professional or a Professional Engineer.

Attachment C - Letters of Commitment: Attach any letters of financial commitment. The proposal will not be accepted unless all of the leveraged funds have been confirmed. Letters of financial commitment from outside entities should clearly State the nature of their participation with dollar amounts, work tasks, etc., in addition to the amounts identified.

Attachment D – Keystone Principles: Please provide a separate detailed report on how the lending practices of the Loan Fund will be consistent with the Keystone Principles. Please see the Commonwealth of Pennsylvania Keystone Principles for Growth, Investment & Resource Conservation, available at www.phmc.State.pa.us/bhp/pkp.pdf.

Attachment E - Attach a description of plans for raising future capital that will increase the leverage of non-ARRA funds.

Attachment F - Attach a description of plans for ensuring the funds provided under this grant will continue to be used as initial loans are paid off.

Attachment G - Attach descriptions of the following standards and practices:

- lending products and corresponding underwriting criteria;
- credit and collections standards and practices;
- credit and interest rate risk management,
- supervision/servicing of loans;
- collection and management of delinquent loans;
- a schedule of all loan origination, document preparation, third-party costs, servicing fees or any other fees to be paid by the borrower to obtain and maintain credit.
- a schedule of all loan origination, document preparation, third-party costs, servicing fees or any other fees related to the extension and ongoing servicing of loans to be paid by loan participants and/or additional funding sources;
- profitability analysis used to set loan pricing and maturities; and
- The role of the secondary market and/or loan participations in making the operation of the Fund possible. Please be sure to include any information regarding securitization activities, gain/sale income and servicing income from secondary market, participation, and/or additional funding sources.

Attachment H – Attach a description of current loan portfolios, their year of creation, their performance history in terms of number of loans made, number of loans outstanding, defaults and default rates, and significant results related to energy and community benefits.

Attachment I – Attach a plan for DEP oversight of the Fund including meetings and the extent of DEP authority over the standards and practices used in making loans. This should include monthly meetings to review and discuss current loan applications.

Attachment J – Attach program guidelines demonstrating that loan program will meet the performance criteria identified in the instructions.

Attachment K – Provide an explanation of how variable loan interest rates may be used to lead borrowers to more efficient choices in energy efficiency measures.



PENNSYLVANIA PA GREEN ENERGY WORKS! GREEN ENERGY LOAN FUND GRANT PROJECT APPLICATION

This form is to be used to apply to the Department of Environmental Protection for a PA Green Energy Works Grant. Projects will be supported through Federal funds. See instructions and grant program conditions.

Applicant: I certify that the information in this application is true and correct to the best of my knowledge.

Submitted By:			
	(Applicant Organization)		
Date Submitted:			
Printed Name:			Signature:
Title:			
1. Proposal Title (ten word maximum):			
2. Applicant Legal Name: _____			
Address: _____			
Address 2: _____			
City: _____ State: _____ Zip Code: _____			
Contact Person: _____			
Contact's Phone: _____ Contact's Fax: _____			
Contact's E-mail: _____			
Organization type: (specify LLC, "S" Corp, "C" Corp, etc.): _____			
Applicant's Federal Employer Identification Number (FEIN) or SAP Vendor Number: _____			
Does applicant have any outstanding obligations to the Commonwealth?			<input type="checkbox"/> Yes <input type="checkbox"/> No
Does applicant have any unresolved compliance issues with DEP?			<input type="checkbox"/> Yes <input type="checkbox"/> No
Organizational DUNS: _____			
3. Has or will the applicant receive any other funding from the American Recovery and Reinvestment Act of 2009?			<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, how much funding has been received or applied for? _____			
4. Has or will the applicant receive any other funding from other government programs?			<input type="checkbox"/> Yes <input type="checkbox"/> No
If so, how much funding has been applied for? _____			
5. Will all projects under initial loans be committed into loans by April 30, 2012?			<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Indicate the total funding you will request during the following periods (please ensure that the numbers add up to the requested grant amount):			<input type="checkbox"/> Yes <input type="checkbox"/> No
NOTE: The timeframes below are for DEP budget purposes only. No funds will be reimbursed for any expenses incurred prior to the date of the grant award. The total time period may not exceed 24 months or April 30 th 2012.			
January - June 2010	\$	_____	
July - December 2010	\$	_____	
January - June 2011	\$	_____	
July - December 2011	\$	_____	
January 2012 - April 2012	\$	_____	
Total Funding Requested	\$	_____	

7. Indicate the Proposed Annual Project Summary Statistics the Green Loan Fund will return when completed. Applicants should enter as much data as possible. Must be consistent with detailed statistics provided in the detailed project description.

A. Energy and Fuel Savings as a result of Green Loan Fund project deployment.

<i>(Insert more rows if necessary)</i>	Specify Type	Quantity	Quantity
electricity saved		Kwh/yr	MMBTU/yr
liquid fuel saved		Gals/yr	MMBTU/yr
solid fuel saved		Tons/yr	MMBTU/yr
gaseous fuel saved		Mcf/yr	MMBTU/yr

B. Energy and Fuel Generation as a result of Green Loan Fund project deployment.

<i>(Insert more rows if necessary)</i>	Specify Type	Quantity	Quantity
electricity generated		Kwh/yr	MMBTU/yr
liquid fuel generated		Gals/yr	MMBTU/yr
solid fuel generated		Tons/yr	MMBTU/yr
gaseous fuel generated		Mcf/yr	MMBTU/yr

C. Energy Saving or Generating Components manufactured, sold or deployed in PA

<i>(Insert more rows if necessary)</i>	Specify Type	Quantity
Units/components manufactured		
Units/components sold		
Units/components deployed		

D. Cost Saving and Economic benefit as a result of Green Loan Fund project deployment

1. Energy/fuel cost savings (\$/yr) \$ _____
2. Energy/fuel generation/production Value (\$/yr) \$ _____
3. Value of units/energy components manufactured, sold or deployed in PA (\$/yr) \$ _____
4. Revenue generated (\$/yr) \$ _____

E. Number of NEW jobs created by the Fund

1. Permanent full-time _____
2. Permanent part-time _____
3. Temporary full-time _____
4. Temporary part-time _____

F. Number of jobs retained resulting from the Fund

1. Permanent full-time _____
2. Permanent part-time _____
3. Temporary full-time _____
4. Temporary part-time _____

- G. Other economic development benefits
- 1. Savings to Pennsylvania consumers (\$/yr) _____
 - 2. Revenue generated for other Pennsylvania companies and beneficiaries (\$/yr) _____
 - 3. Revitalization of Communities or blighted properties (#acres) _____
 - 4. Revitalization of Communities or blighted properties (building sq. footage) _____

H. Estimated Environmental Benefit Data:

<i>(Insert more rows if necessary)</i>	Specify Type	Quantity
Air pollutant reduced	NOx	lbs/yr
Air pollutant reduced	SOx	lbs/yr
Air pollutant reduced	CO2	lbs/yr
Air pollutant reduced	Hg	lbs/yr
Air pollutant reduced		lbs/yr
		lbs/yr
		lbs/yr

8. **Leverage In-Hand**

Please use the following table to show leveraged funds. All items listed must be accompanied by a letter of commitment.

Partner/Contributor	Description	Status (applied for, pledged or in-hand)	Value in Dollars

9. Attachments – Provide Attachments A – K as described in the application instructions. Be sure to include all necessary elements as presented in the guidelines

- A. Executive Summary
- B. Detailed Project Description
- C. Letters of Commitment
- D. Keystone Principles
- E. Attach a description of plans for securing future capital.
- F. Attach a description of plans for ensuring the funds provided under this grant will continue to be used after initial loans mature.

<p>G. Attach descriptions of the following standards and practices:</p> <ul style="list-style-type: none">○ lending products and corresponding underwriting criteria;○ credit and collections standards and practices;○ credit and interest rate risk management,○ supervision/servicing of loans;○ collection and management of delinquent loans;○ a schedule of all loan origination, document preparation, third-party costs, servicing fees or any other fees to be paid by the borrower to obtain and maintain credit.○ a schedule of all loan origination, document preparation, third-party costs, servicing fees or any other fees related to the extension and ongoing servicing of loans to be paid by loan participants and/or additional funding sources;○ profitability analysis used to set loan pricing and maturities; and the role of the secondary market and/or loan participations in making the operation of the Fund possible. Please be sure to include any information regarding securitization activities, gain/sale income and servicing income from secondary market, participation, and/or additional funding sources.
<p>H. Attach a description of current loan portfolios, their year of creation, their performance history in terms of number of loans made, number of loans outstanding, defaults and default rates, and significant results related to energy and community benefits.</p>
<p>I. Attach a plan for DEP oversight of the Fund including meetings and the extent of DEP authority over the standards and practices used in making loans.</p>
<p>J. Attach program guidelines demonstrating that loan program will meet the performance criteria identified in the instructions.</p>
<p>K. Provide an explanation of whether and how loan interest rates may be used to lead borrowers to more efficient choices in energy efficiency measures.</p>