



Department of Energy
Washington, DC 20585

ENERGY EFFICIENCY AND CONSERVATION PROGRAM NOTICE 09-001
EFFECTIVE DATE: November 20, 2009

SUBJECT: CONTRACTING OFFICER APPROVAL OF SUB-GRANTS AND LOANS UNDER THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM – FORMULA GRANTS

PURPOSE: Provides guidance to recipients regarding Department of Energy (DOE) review of sub-grants and loans under the Energy Efficiency and Conservation Block Grant (EECBG) formula program.

SCOPE: The provisions of this guidance apply to recipients of EECBG program funds named in the Notification of Grant Award from DOE under the EECBG program (“direct recipients”). National Environmental Policy Act (NEPA) conditions and requirements are outside the scope of this Program Guidance.

LEGAL AUTHORITY: Title V, subtitle E of the Energy Independence and Security Act, as amended, authorizes the Department of Energy to administer the EECBG program. All grant awards made under this program shall comply with applicable law, including the American Recovery and Reinvestment Act of 2009 and other procedures applicable to this program as DOE may, from time to time, prescribe for the administration of financial assistance.

BACKGROUND: DOE’s Office of Procurement and Assistance Policy issued a Financial Assistance Memo (FAM) on 11/19/09 containing a revised clause for the standard EECBG Terms and Conditions of award. The revised clause was formerly titled “Sub-grant Approvals” and is now titled “Sub-grants and Loans.” The former clause required approval for all sub-grants with an estimated cost greater than 25% of the Total Allocation or \$1,000,000, whichever was less, and did not provide guidance for loans. The purpose of the FAM is to provide direction to DOE Contracting Officers and to EECBG funds recipients on requirements for notification and approval regarding sub-grants and loans made by direct recipients of funds from DOE under the program. The FAM is effective immediately upon issuance and is in effect until it is cancelled.

GUIDANCE: The following guidance applies to all direct recipients of EECBG program funds. The term “loan” includes but is not limited to Revolving Loan Fund loans and Property Assessed Clean Energy loan-type program loans.

Use of Funds (“Eligible Activities”) of Sub-grantee(s) and Loan Recipient(s)

42 U.S.C. 17154 authorizes specific uses of funds under the program, referred to as “eligible activities.” Under the Terms and Conditions of award, the recipient warrants that it will ensure that all activities by sub-grantee(s) and loan recipient(s) to accomplish the approved Project Description or Statement of Project objects are eligible activities. DOE Contracting Officers are not required to approve the eligibility of activities of recipient sub-grantee(s) and loan recipient(s).

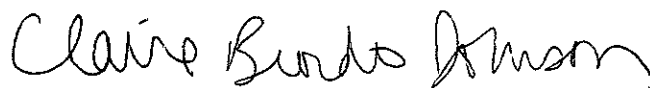
Selection of Sub-Grantee(s) and Loan-Recipient(s) for Sub-grants and Loans with an Estimated Cost of \$2,000,000 or Less

Upon the selection of sub-grantee(s) and loan recipient(s) by the direct recipient and within 180 days of the award date to the direct recipient, the direct recipient is required to notify DOE with the following information for each recipient of a sub-grant or loan: name, DUNS number, award or loan amount, and statement of work including applicable activities. Contracting Officer approval of this information is not required.

Selection of Sub-Grantee(s) and Loan-Recipient(s) for Sub-grants and Loans with an Estimated Cost of Greater Than \$2,000,000

Upon the selection of sub-grantee(s) and loan recipient(s) by the direct recipient and within 180 days of the award date to the direct recipient, the direct recipient is required to notify DOE with the following information for each recipient of a sub-grant or loan with an estimated cost greater than \$2,000,000: name, DUNS number, award or loan amount, and statement of work including applicable activities. In addition, the direct recipient must submit for approval by the Contracting Officer the following information for each sub-grant or loan: a SF424A Budget Information – Nonconstruction Programs, and PMC 123.1 Cost Reasonableness Determination for Financial Assistance (available at <https://www.eere-pmc.energy.gov/forms.aspx>).

CONCLUSION: This guidance addresses a revision in the standard Terms and Conditions of formula EECBG awards. Specifically, approval by the Contracting Officer of sub-grants and loans made by direct recipients is required only for sub-grants and loans with an estimated cost of greater than \$2,000,000. DOE Contracting Officers are not required to approve the eligibility of activities of recipient sub-grantee(s) and loan recipient(s). National Environmental Policy Act (NEPA) conditions and requirements are outside the scope of this Program Guidance and are addressed in Program Guidance specific to that topic.



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