

STATE OF NEVADA
GOVERNOR'S OFFICE OF
ENERGY

JOE LOMBARDO
Governor

DWAYNE MCCLINTON
Director

JEANNE STONEMAN
Deputy Director



March 11, 2024

MEMORANDUM

TO: The Cities of Caliente, Carlin, Ely, Fallon, Lovelock, Wells, West Wendover, Winnemucca, and Yerington; and the Counties of Mineral, Lander, Lincoln, Storey, Eureka, and Esmerelda

FROM: Dwayne McClinton, Director of the Governor's Office of Energy

SUBJECT: Notice of Funding Opportunity – Department of Energy (DOE) Energy Efficiency and Conservation Block Grant Funding Available to Certain Nevada Units of Local Governments from the Governor's Office of Energy

Summary

The Nevada Governor's Office of Energy (GOE) was established in 1975 to ensure the wise development of Nevada's energy resources in harmony with local economic needs and to position Nevada to lead the nation in renewable energy production, energy efficiency, and the exportation of energy. This Notice of Funding Opportunity (NOFO) is to allocate funds from the 2022 Bipartisan Infrastructure Law's Energy Efficiency and Conservation Block Grant Program (EECBG) administered by the U.S. Department of Energy (DOE).¹ The EECBG Program is designed to assist states, local governments, and Tribes in implementing strategies to reduce energy use, reduce fossil fuel emissions, and improve energy efficiency. DOE is making a portion of EECBG funds available to state, local, and Tribal governments. Nevada's state formula award of \$1,767,140 was awarded to the Nevada Governor's Office of Energy (GOE). In accordance with the program requirements, GOE will pass 60% of its allocation through to cities and counties within the state that are ineligible for direct formula grants from DOE, plus an additional allocation for administrative costs. This memo outlines the processes and requirements for such cities and counties to access formula EECBG funds from GOE. GOE is working with the Nevada Clean Energy Fund (NCEF) on outreach to eligible cities and counties about this Notice of Funding Opportunity, application intake, and fund disbursement.

¹ US DOE. EECBG Program Formula Grant Application Hub. <https://www.energy.gov/scep/eecbg-program-formula-grant-application-hub>

Eligible Units of Local Governments

In accordance with DOE's EECBG Program Guidance, cities and counties in Nevada that are ineligible for direct formula grants from DOE are eligible for subgrants from GOE. The list of cities and counties eligible for direct formula grants from DOE can be found on DOE's website.² In addition, DOE defines an eligible city or county as one that is listed in the 2021 Census of Governments Survey.³ Applying these two eligibility criteria, the following units of local government are eligible to access EECBG subgrant from GOE:

- Cities: Caliente, Carlin, Ely, Fallon, Lovelock, Wells, West Wendover, Winnemucca, and Yerington
- Counties: Mineral, Lander, Lincoln, Storey, Eureka, and Esmerelda

Formula Allocation Approach and Award Amounts

Based on Nevada's initial state formula award, the amount available to local governments is \$1,148,641. This amount is subject to change pending additional updates from DOE. GOE is using an approach similar to DOE's EECBG formula allocation methodology,⁴ to determine the formula awards available to eligible units of local government. The formula sets a minimum level of funding at \$30,000. The formula allocates \$30,000 to each eligible local government, then remaining funds are distributed on a pro rate basis based on the population served by the local government, according to the latest available decennial census. In line with DOE's approach, GOE used the U.S. Census Bureau's 2020 Decennial Census Redistricting Data to determine the population of local governments. The resulting award allocation available to each unit of local government is shown in the table on the following page.

² US DOE. Office of State and Community Energy Partnerships (SCEP). Final Allocation of Funds. Attachment 1A: DOE Formula Grant Funding Allocations to Local Governments for the Energy Efficiency and Conservation Block Grant (EECBG) Program. https://www.energy.gov/sites/default/files/2023-01/IJA%20%2840552%29%20EECBG%20Program_Attachment%201a.%20_Local%20Govt.%20Allocations_FINAL.pdf

³ US Census. 2021 – Public Use Files. <https://www.census.gov/data/datasets/2021/econ/gus/public-use-files.html>

⁴ 87 FR 38732 <https://www.federalregister.gov/documents/2022/06/29/2022-13859/notice-of-availability-of-state-local-and-tribal-allocation-formulas-for-the-energy-efficiency-and#footnote-7-p38732>

Entity Name	Level of Government	Allocation (\$)
Caliente	City	42,162.06
Carlin	City	55,182.87
Ely	City	78,204.30
Fallon	City	144,576.37
Lovelock	City	52,173.24
Wells	City	45,195.80
West Wendover	City	85,427.82
Winnemucca	City	133,570.35
Yerington	City	68,339.77
Esmeralda	County	38,955.57
Eureka	County	52,787.92
Lander	County	100,439.31
Lincoln	County	85,267.62
Mineral	County	85,943.07
Storey	County	80,414.95

Eligible cities and counties can opt to receive their formula allocation as a federal subgrant or opt to contribute their formula allocation to GOE’s statewide home energy program, available to all Nevadans, that GOE is launching in partnership with NCEF using the remainder of the funds not allocated through cities and counties (net of GOE’s administrative costs).

Eligible Activities

DOE has developed or identified resources to assist EECBG Program recipients with development of their energy efficiency and conservation strategies and project implementation plans, including Blueprints and Technical Assistance available from the EECBG Program and other DOE programs. GOE requires subgrantees to use one of DOE’s EECBG Blueprints to implement EECBG subgrants. Please refer to DOE’s webpage on EECBG Blueprints for more information.⁵ The six EECBG Blueprints are:

1. Blueprint #1: Energy Planning
2. Blueprint #2: Efficient Buildings
 - a. Energy Efficiency – Energy Audits & Building Upgrades
 - b. Energy Savings Performance Contracts: Energy Efficiency and Electrification in Government Buildings
 - c. Building Electrification Campaign
 - d. Building Performance Standards & Stretch Codes
3. Blueprint #3: Renewables
 - a. Solar & Storage – Power Purchase Agreements and Direct Ownership
 - b. Community Solar
 - c. Solarize Campaign

⁵ US DOE. Energy Efficiency and Conservation Block Grant Program Blueprints. <https://www.energy.gov/scep/energy-efficiency-and-conservation-block-grant-program-blueprints>

- d. Renewable Resource Planning for Rural and Tribal Communities
4. Blueprint #4: Electric Transportation
 - a. Electric Vehicles and Fleet Electrification
 - b. EV Charging Infrastructure for the Community
5. Blueprint #5: Unlocking Sustainable Financing Solutions for Energy Projects and Programs with Revolving Loan Funds
6. Blueprint #6: Workforce Development

EECBG activities should bear in mind an equitable distribution of community investment and projects serving disadvantaged communities, in line with the Justice40 Initiative. Per President Biden’s Executive Order 14008, the Federal Government has established the goal that 40 percent of the overall benefits of certain Federal investments flow to disadvantaged communities. (“DACs”). This government-wide effort is called the Justice40 Initiative. The EECBG Program is a Justice40-covered program and thus contributes to the goal that 40 percent of the overall benefits of federal investments in clean energy and climate solutions flow to DACs. DOE has released General Guidance on Justice40 Implementation designed to help eligible entities and other interested parties incorporate Justice40 Initiative goals into DOE-funded projects.⁶

Administrative and Legal Obligations of EECBG Subgrantees

If a local government opts to receive formula allocations, the local government will become a federal subgrantee, and as such, will assume all terms, conditions, and obligations associated with the DOE award agreement with GOE. This includes requirements outlined in the EECBG Program Administrative and Legal Requirements Document (ALRD).⁷ Notably, all expenditures must be allowable, allocable, and reasonable in accordance with the applicable Federal cost principles. Refer to the following Federal cost principles for more information: 2 CFR Part 200⁸ as amended by 2 CFR Part 910.⁹ Subgrantees will be required to report monthly to GOE on expenditures and program performance. Additional subgrant requirements are detailed below.

Local governments who opt to contribute their formula allocation to GOE’s statewide home energy program will not become a federal subgrantee or assume these obligations.

Subgrant Commencement and Duration

Subgrants will be awarded for each subgrant period, with project completion not to exceed two (2) years. Funding is based on performance of subgrantee goals, activities, milestones, reporting requirements, and availability of funds; GOE reserves the right to terminate a subgrant award demonstrating poor performance. Project implementation must be initiated within ninety days (90) from the starting date indicated on the subgrant award. Requests for an exception to this rule must be justified and submitted in writing within thirty days of award and approved by GOE. At the discretion of GOE, the subgrantee risks losing the award if the project does not commence as required.

⁶ US DOE. General Guidance for Justice40 Implementation. <https://www.energy.gov/sites/default/files/2022-07/Final%20DOE%20Justice40%20General%20Guidance%20072522.pdf>

⁷ US DOE. Administrative and Legal Requirements Document - Energy Efficiency and Conservation Block Grant Program. November 6, 2023. <https://www.energy.gov/scep/articles/administrative-and-legal-requirements-document-energy-efficiency-and-conservation>

⁸ 2 CFR Part 200. <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>

⁹ 2 CFR Part 910. <https://www.ecfr.gov/current/title-2/subtitle-B/chapter-IX/part-910>

Reimbursement Notice

GOE subgrants are reimbursement subgrants. Subgrantees are expected to pay for expenses upfront from their budgets and will be reimbursed for eligible expenses listed on the approved award budget after a review of the expense request form and appropriate backup. To be reimbursed by NCEF, subgrantees must be established as a vendor with NCEF. Information about vendor registration will be provided after award notifications are made.

Administrative Expenses

Local government subgrantees may use up to 7.6% of the subgrant amount for indirect administrative expenses. Administrative activities are those that cannot be reasonably identified with any single program but are necessary to the general conduct of the activities of the entity organization; this may include such items as the overall direction of the organization, record keeping, budgeting, and business management.

Fiscal Responsibilities

All recipients of funding are required to establish and maintain accounting systems and financial records to accurately account for awarded funds. Accounting systems for all projects must ensure the following:

- Grant funds are not commingled with funds from other subgrant sources.
- Grant funds specifically budgeted and/or received for one project cannot be used to support another.
- All subgrant awards are subject to audits at any time during the project and within three years after the subgrant award performance period has closed.
- The accounting system presents and classifies historical cost of the subgrant as required for budgetary and auditing purposes.

Additional Information

Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available. In the event funds are not appropriated, any resulting contracts (subgrant awards) will become null and void, without penalty to the state of Nevada.

State Historic Office of Preservation (SHPO) Requirements

All projects must comply with applicable State statutes, regulations, and policies. Projects completed on historical buildings/sites using GOE funds must follow SHPO requirements.

Application Process for Eligible Local Governments

Eligible local governments that wish to receive their formula awards directly as a subgrant must submit an application to greg@nevadacef.org by **April 22, 2024**. The entire application should not exceed four pages of Times New Roman, 12-point font in a document with one-inch margins and submitted as a single PDF. The application should include:

1. Primary and administrative contacts: name, title, address, email, phone number.
2. A description of how the local government will use the funds in a way that is consistent with EECBG program requirements, including a list of activities, activity milestones, process

- metrics, and a budget narrative. Please identify the specific EECBG Blueprint that the applicant is pursuing and include all sections from the EECBG BIL Activity File template.¹⁰
3. An assurance that, in becoming a federal subgrantee, the local government commits fully to all terms and conditions of the DOE EECBG Award, including as it may relate to the National Environmental Protection Act, Davis-Bacon Act, and Build America Buy America.

After GOE and NCEF determine that the local government application for formula funds complies with the requirements of the EECBG program, NCEF will make award notifications on or around May 10, 2024, after which GOE will reach out to execute a subgrant agreement.

Any applicant whose application has been submitted according to this NOFO and has not been awarded may request reconsideration. Applicants must submit requests for reconsideration to NCEF in writing by email to greg@nevadacef.org within ten (10) days of notification of non-award. Requests for reconsideration must clearly state why the applicant should have received a subaward pursuant to the procedures outlined in this NOFO. NCEF reserves the right to request additional clarifying information on any reconsideration requests. The Director or designee will make the final determination once all information is received.

Local governments that wish to opt to contribute their formula allocation to GOE's statewide home energy program should email greg@nevadacef.org by April 22, 2024 notifying NCEF of this decision. The email notification should include the following statement "[Municipal government name] opts to contribute its formula allocation under DOE's Energy Efficiency and Conservation Block Grant Program" to GOE's statewide home energy program."

If NCEF does not receive a notification or application from a local government by April 22, 2024, GOE and NCEF will deem such local government as having opted to contribute their formula allocation to GOE's statewide home energy program.

Contacts

Nevada Clean Energy Fund

Attn: Greg Zegas, Director of Investments

greg@nevadacef.org

Thank you for your interest in applying for GOE funding. You will be contacted if further information is required. Do not begin your project or incur costs until you have received, signed and returned the Notice of Award document with GOE.

¹⁰ US DOE. EECBG BIL Activity File. <https://www.energy.gov/sites/default/files/2023-06/EECBG%20BIL%20Activity%20File.pdf>