Environmental Protection Network

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CPRG Project Narrative Instructions

Instructions from the Notice of Funding Opportunity (NOFO) are in red; suggestions are in dark gray.

The "project narrative" for the set of GHG reduction measures included in the application should substantially comply with the instructions, format, and content described below. It should also address the evaluation criteria in Section V.A of this NOFO. The project narrative should include a cover page and workplan. The workplan (details below and optional workplan outline provided by EPA on the checklist) must not exceed a maximum of 25 pages. Pages in excess of the 25-page limit for the workplan will not be reviewed. EPA ***recommends applicants use the Calibri font, a font size of 11, and 1-inch margins.*** Applicants must submit the following documents, either in the same or different file as the cover page and workplan:

- Budget narrative (optional budget spreadsheet and up to 10 additional pages of descriptive budget narrative), and
- Technical appendix that explains the assumptions and methodology for developing the estimated GHG emissions reductions associated with the measures (up to 10 additional pages).

The budget narrative and technical appendix do not count toward the 25-page limit for the Workplan.

Optional supporting materials can be submitted as attachments and are not included in the 25-page limit for the workplan. Supporting materials should be submitted using the "Other Attachments" form, as described in Section IV.B.1.1.

Applicants should ensure that their narratives are written clearly using understandable terms. Doing so will help ensure that EPA's evaluation team members understand the purpose, outputs, and outcomes of the overall project.

Cover Page

The cover page serves as an application summary and does not count toward the 25-page limit for the workplan. The cover page should include the following information:

- Applicant Information
  - Applicant organization
  - Primary contact name, phone number, and email address
- Type of Application: individual application or coalition application
  - If applying as the lead applicant for a coalition, provide a list of other coalition members.
- **Funding Requested**: Total CPRG implementation grant funding requested.
- Application Title:

- **Brief Description of GHG Measures**: Describe each GHG reduction measure contained in the application (1-2 sentences each).
- **Sector(s):** Indicate the sector(s) associated with the GHG reduction measures included in the application: industry; electric power; transportation; commercial and residential buildings; agriculture/natural and working lands; waste and materials management; or, other.
- **Expected Total Cumulative GHG Emission Reductions:** Identify the total cumulative GHG emission reductions in metric tons for the measures in the application for the period 2025 through 2030, and for the period 2025 through 2050.
- **Location(s):** List the primary location(s) where the GHG reduction measures will be implemented (e.g., city and state).
- **Applicable PCAP Reference(s):** Provide references to applicable PCAP(s) under which each GHG reduction measure is covered (including PCAP lead organization, PCAP title, PCAP website link, list of GHG reduction measures, and PCAP page numbers).

EPA has provided an example Cover Page on the posting for this NOFO on Grants.gov. Use of this example Cover Page is optional.

Section 1: Overall Project Summary and Approach (45 possible points)

a. Description of GHG Reduction Measures (20 possible points)

Provide a detailed description of each of the proposed GHG reduction measures to be undertaken, consistent with Section I.B. These descriptions should include the major features, tasks, and milestones for each measure. The application should also explain how these features, tasks, and milestones will ensure success of the measures. The application should also describe underlying assumptions and risks associated with those features, tasks, and milestones. At a minimum, the application should discuss risks that could reasonably lead to delays or interruptions in the development or implementation of a GHG reduction measure or could impact its effectiveness. The application should discuss the extent to which GHG emission reductions may be affected by these risks. If the application is from a coalition of eligible applicants, it should briefly describe the role(s) and responsibilities of each coalition member in the project design and implementation. The application should also include an explanation of how each GHG reduction measure included in the application relates to a GHG reduction measure included in the relevant PCAP(s), why each measure was selected as a priority, and a description of how each measure will meet the goals of the CPRG program. Applications may include additional key information in Section 1.a of the workplan not otherwise covered in another section of the application.

We recommend filling out the workplan outline doc. and using this section as a narrative as outlined below:

Intro paragraph wrapping in all the goals:

Milestone 1

Milestone 2

Milestone 3, etc…

Showing how you measure and succeed in reduction measures

b. Demonstration of Funding Need (10 possible points)

Applicants must demonstrate a strong need for CPRG implementation funding that is unmet by other funding sources. Applicants should explain if and how they have explored the availability of other grants, tax incentives, and other funding sources to implement their GHG reduction measures and why these sources are not sufficient. The application should include a list of federal and non-federal funding sources (e.g., EPA's GHG Reduction Fund Solar for All program) that the applicant has applied for, secured, and/or will secure to implement the GHG reduction measures, if applicable. For GHG reduction measures for which the applicant has secured partial funding, which may include tax incentives, the applicant should explain why CPRG funds are also needed. Applicants should review funding opportunities on the White House BIL Guidebook and IRA websites prior to applying under this announcement.

Suggest mentioning the historical disparities and roadblocks in lending to Indigenous tribes and individuals. Then include any other applications/coalitions stated above.

c. Transformative Impact (15 possible points)

Applicants should describe the extent to which the proposed GHG reduction measures have the potential to create transformative opportunities or impacts that can lead to significant additional GHG emission reductions. Transformative impacts could include:

- Pioneering, replicable, and scalable policies or programs to increase the deployment of existing GHG emission reduction technologies or mitigation approaches;
- GHG emission reductions from hard-to-abate sectors where GHG emission reduction measures are not widely adopted; or,
- Market transformations that accelerate the deployment and market adoption of emerging GHG emission reduction technologies or practices.

This is a good place to discuss energy sovereignty and how that is transformational

Section 2: Impact of GHG Reduction Measures (60 possible points)

Applications should describe the magnitude of both near-term and long-term cumulative GHG emission reductions, the relative cost-effectiveness of those reductions, and the reasonableness and quality of the assumptions and calculations used to determine the reductions and cost-effectiveness of those reductions.

Applicants should provide quantitative totals of estimated GHG emission reductions in terms of metric tons of CO_2-equivalent, calculated using the global warming potentials in the IPCC's Fifth Assessment Report (see Appendix B of the NOFO). The application should include estimated reductions for the following GHGs, as relevant, for each GHG reduction measure: carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and sulfur hexafluoride.

For applications that include multiple GHG reduction measures, applicants should provide individual calculations, explanations, and documentation for each GHG reduction measure. Applications should also include the cumulative total amount of estimated CO_2-equivalent emission reductions and overall cost-effectiveness for the entire suite of GHG reduction measures (see Appendix C).

Applications should only quantify emission reductions that will occur as a result of EPA's CPRG implementation grant funding. If CPRG funding represents a fraction of the total funding for a GHG measure, the total estimated GHG emission reductions should be scaled by the same fraction in order to quantify GHG emission reductions associated with CPRG funding. In other words:

> Quantified GHG reductions from CPRG funding = [(Requested CPRG funding)/(Total funding to implement measure)] x (Total estimated GHG reductions of measure)

Quantified reductions should not include those that would already occur because of federal, tribal, territorial, local and/or other regulatory requirements or other funding sources.

Recommend including a table, in addition to the narrative, based on the formula they suggest in each following sub-section. Make sure to include any assumptions of data, like current utility rates.

a. Magnitude of GHG Reductions from 2025 through 2030 (20 possible points)

Applications should describe the magnitude of cumulative GHG emission reductions and the durability of the reductions that will be achieved through implementation of each GHG reduction measure for the period 2025 through 2030. Emission reductions should be estimated for the period 2025 through 2030 on a cumulative basis. For each GHG reduction measure, applicants should provide estimated metric tons of CO_2-equivalent emission reductions resulting from the measure. Applicants should also provide the sum total of GHG reductions resulting from all measures in the application. In describing the durability of the GHG emission reductions, applicants should discuss the extent to which the measures will result in a permanent reduction

in cumulative GHG emissions.

b. Magnitude of GHG Reductions from 2025 through 2050 (10 possible points)

Applications should describe the magnitude of cumulative GHG emission reductions and the durability of the reductions that will be achieved through implementation of each GHG reduction measure for the period 2025 through 2050. Emission reductions should be estimated for the period 2025 through 2050 on a cumulative basis. For each GHG reduction measure, applicants should provide estimated metric tons of CO_2-equivalent emission reductions resulting from the measure. Applicants should also provide the sum total of GHG reductions resulting from all measures in the application. In describing the durability of the GHG emission reductions, applicants should discuss the extent to which the measures will result in a permanent reduction in cumulative GHG emissions.

c. Cost Effectiveness of GHG Reductions (15 possible points)

Applications should include information demonstrating the cost effectiveness of the GHG reductions anticipated from the measures included in the application. Applicants should include a calculation of the requested CPRG implementation grant dollars divided by the quantified GHG emission reductions for the period 2025-2030 calculated to meet criterion 2.a for the set of measures included in the application. For applications with more than one GHG reduction measure, the quantified emission reductions of all measures should be added together before conducting the calculation. Applicants may also provide a qualitative narrative explaining any factors that affect the measures' cost effectiveness (e.g., sector dynamics, expected beneficiaries of the measures, prevailing costs in the implementation areas, or other circumstances). In other words:

> Cost effectiveness of GHG reductions = (Requested CPRG funding) / (Sum of Quantified GHG reductions from CPRG funding from 2025-2030)

d. Documentation of GHG Reduction Assumptions (15 possible points)

Applicants must provide a technical appendix, along with the project narrative, demonstrating the reasonableness of their GHG emission reduction estimates. **The technical appendix should explain the methodology and assumptions used by the applicant for developing the estimated GHG emission reductions associated with each measure (up to 10 additional pages).** EPA will not review any technical appendix pages in excess of 10 pages. The requirements of this document are explained in Appendix C.

For each GHG reduction measure, applications should demonstrate the quality, thoroughness, reasonableness, and comprehensiveness of the methodology, assumptions, and calculations described for developing the estimated GHG emission reductions. In the technical appendix, annual GHG emission reduction estimates should also be provided for each measure, in addition to cumulative GHG emission reductions. These annual and cumulative estimates

should be provided for two time periods: 2025-2030 and 2025-2050. The application should document the method for estimating GHG emission reductions, including the basis for emission scenarios, relevant assumptions, and models or methods used and any uncertainties in these calculations. Applicants should use the latest available information, whenever possible, including the latest enacted federal, tribal, territorial, local, and/or other requirements and policies, where applicable.

All applicants should provide measure-specific assumptions and data elements needed to calculate GHG emission reductions. The rigor of the methodology and assumptions used in GHG emission reduction calculations should be commensurate with the level of funding requested in the application.

Applicants may provide an optional GHG emission reduction calculations spreadsheet that includes information on the quantification used to calculate the anticipated emission reductions for each GHG reduction measure. The GHG emission reduction calculations spreadsheet does not have a page limit.

Both the technical appendix and GHG emission reduction calculations will not count toward the 25-page limit for the workplan.

Section 3: Environmental Results – Outputs, Outcomes, and Performance Measures (30 possible points)

a. Expected Outputs and Outcomes (10 possible points)

Applicants should identify the expected outputs and outcomes (see Section I.C) for each GHG reduction measure. Specific outputs and outcomes should be provided and may include short- and longer-term activities. At a minimum, applicants must list GHG emission reductions as outcomes. Furthermore, for measures that are reasonably expected to have direct co-pollutant (e.g., CAPs and/or HAPs) emissions changes, applicants should also list CAP and/or HAP emissions reduced as expected outcomes. While applicants are expected to quantify GHG reductions, EPA does not expect applicants to quantify CAP and/or HAP emission reductions in their application.

Grant recipients will be required to track progress toward achieving these specific outcomes, as discussed in Section VI.B.

b. Performance Measures and Plan (10 possible points)

Applicants should describe the proposed performance measures that will be the mechanism to track, measure, and report progress toward achieving the expected outputs and outcomes for each GHG reduction measure. Applicants should describe their plan for tracking and measuring progress toward achieving the expected outputs and outcomes established in Section 3.a of the

workplan and explain how the results of each GHG reduction measure will be evaluated. This should include details on the approach to quantify and disclose the actual GHG emission reductions and associated CAP and HAP changes (if applicable) accomplished by each GHG measure.

c. Authorities, Implementation Timeline, and Milestones (10 possible points)

The applicant should describe the parties responsible for implementing each GHG reduction measure, including roles and responsibilities for each party, including sub awardees (including other members of a coalition), contractors, and other entities, whose cooperation is necessary for success of the measures. Applicants should also articulate which party or parties have the authority to carry out each proposed measure or, in the case where they do not currently have authority, provide a clear plan and timeline to obtain it during the grant period. Applicants should also list all other entities whose cooperation or participation is necessary for GHG reduction measure implementation.

Note: You can use the term “contractor” as a placeholder, without naming them to avoid procurement restrictions, unless they are a nonprofit organization.

Applicants should include a detailed implementation timeline for each GHG reduction measure included in the application, including milestones for completing specific tasks by the end of the grant period, such as quality assurance project plans, bidding, procurement, installation, and reporting, along with estimated dates. Applicants should account for semi-annual and final report preparation in the project timeline.

Section 4: Benefits and Community Engagement (35 possible points)

Applications should include GHG measures that are designed to deliver benefits and/or avoid disbenefits to communities and should demonstrate ongoing meaningful engagement with those communities.

Recommend exploring the IBEW Education curriculum as a model, and/or partnering with their local chapter

a. Community Benefits (25 possible points)

Applications should discuss benefits and potential disbenefits to communities, particularly those that are disadvantaged or overburdened by pollution, from their proposed GHG reduction measures.

Examples of expected direct and indirect benefits to communities from GHG reduction measures could include:

- Direct and indirect benefits from mitigating climate impacts (e.g., reduced risk of wildfires, drought, extreme weather events, and/or sea level rise);
- Increased resilience to climate change from GHG reduction measures that have both GHG reduction benefits and climate adaptation benefits (e.g., heat island mitigation strategies help reduce GHG emissions by reducing energy demand and help reduce health impacts due to extreme heat);
- Improved public health resulting from reductions in co-pollutants (e.g., CAPs, such as NOx, ozone, $PM_{2.5}$, and HAPs), such as reductions in new asthma cases and reductions in hospital admissions and emergency department visits;
- Creation of high-quality jobs and new workforce training opportunities with an emphasis on expanding opportunities for individuals that face barriers to employment;
- Improved access to services and amenities;
- Decreased energy costs and improved energy resilience;
- Reduced noise pollution;
- New green space and/or community beautification;
- Increased access to transportation alternatives;
- Improved housing quality, comfort, and safety; and/or,
- Other benefits identified during consultation with community residents.

Regarding creation of high-quality jobs and training opportunities, applications may request funding to be used for high-quality workforce development activities tied to a proposed measure that benefits community individuals. Workforce development can be a community benefit through its creation of equitable career pathways and training opportunities. Specifically, this includes preparing individuals for high-quality, middle-skill career pathways that enable economic mobility, rather than short-term, low-wage jobs. This could involve using high-quality training models, such as:

- Pre-apprenticeship programs with connections to one or more Registered Apprenticeship Programs;
- Registered Apprenticeship Programs;
- Joint Labor-Management Training Programs;
- Paid internships; and/or,
- Partnerships with community colleges that award an industry-recognized credential.

b. Community Engagement (10 possible points)

Community engagement through meaningful involvement means people have an opportunity to participate in decisions about activities that may affect their environment and/or health; the public's contribution can influence the regulatory agency's decision; community concerns will be considered in the decision-making process; and, decision makers will seek out and facilitate the involvement of those potentially affected. Applicants should provide a qualitative discussion of:

1. How community input has been incorporated into this application; and
2. How meaningful engagement will be continuously included in the development and implementation of the GHG reduction measures throughout the life of this grant. Applicants should specify how they plan to ensure early and consistent inclusion of various linguistic, cultural, institutional, geographic, and other perspectives throughout project development and implementation.

Letters of commitment should be included in the application as an attachment if applicable and **will not count toward the 25-page workplan page limit**; see Section IV.B. These letters of commitment should describe the partners' support for and/or involvement with the project.

Grant recipients will be expected to report on their community engagement and, as applicable, their strategy for mitigating environmental risks (see Section VI.B).

Examples of meaningful community involvement could include, but are not limited to:

- Developing an outreach and engagement strategy; promoting the use of a wide variety of techniques to create early, frequent, and continuing opportunities for community engagement;
- Creating a transparent planning process that also provides opportunity for early risk mitigation;
- Holding community consultations or public input meetings; and/or,
- Providing a publicly accessible list of all upcoming community engagement opportunities (e.g., listening sessions, outreach, questions and answers sessions, door-to-door visits, and community meetings);
- Creating a community work group or advisory board made up of community members;
- Having a community-elected member(s) on the planning and project team; and/or,
- Getting community feedback on local benefits and prioritizing what they value most.

Section 5: Job Quality (5 possible points)

Applications should describe concrete, specific strategies to ensure CPRG implementation grant funds and the implementation of the GHG reduction measures generate high-quality jobs with a diverse, highly skilled workforce and support "high road" labor practices. Job quality should be thought of expansively and should consider opportunities to incorporate strong labor standards for all partners involved in implementing the GHG reduction measures, including contractors, sub-contractors, and sub-awardees. Applicants are strongly encouraged to review the eight **Good Jobs Principles** developed by the U.S. Department of Labor and Department of Commerce and the **Good Jobs Toolkit** when developing their application.

Examples of strategies include, but are not limited to:

- Clear commitments to paying at least the median area income for all workers

(where prevailing wage is not required by law);

- Requiring employers, including contractors and subcontractors, to provide family-sustaining benefits and retirement contributions;
- Employees are represented by a collective bargaining agreement;
- Formal partnerships with labor organizations and other workers' rights groups;
- Clear examples of how you will protect employees' rights to freely and fairly join a union and collectively bargain, such as agreeing to voluntary recognition/majority sign-up and requiring participating contractors to commit to remaining neutral in union organizing and operations;
- Use of Project Labor Agreements or Community Workforce Agreements on construction projects;[15]
- Incorporating labor and job quality standards into procurement activities associated with the measure;
- Health and safety plans that are developed in conjunction with workers, including anti-harassment training for workers and management, OSHA training to minimize workplace hazards (e.g., OSHA 10 and OSHA 30), and supplemental health and safety training as needed;
- Use of Registered Apprenticeship labor to expand the pool of highly skilled workers (e.g., a commitment to using qualified apprentices for at least 10% of the total labor hours on a project);
- Use of second-chance hiring policies, or the practice of hiring individuals with a criminal record, to expand opportunity for individuals with justice-system involvement;
- Benchmarks and goals to hire individuals from disadvantaged communities, in alignment with applicable law;
- Providing supportive services, such as childcare and transportation assistance, for employees that need them; and/or,
- Promoting stable, predictable employment through minimizing the use of temporary or contract workers, and an explanation of how workers will be properly classified.

Applicants are strongly encouraged to collaborate with partners with expertise in job quality and labor standards for this component of the application, such as their state Department of Labor and labor unions. Applicants may attach any letters of commitment from applicable labor organizations including unions and other workers' rights groups they plan to partner with as optional attachments (does not contribute to the workplan 25-page limit).

Section 6: Programmatic Capability and Past Performance (30 possible points)

Applicants to all EPA grants must report on programmatic capability and past performance from federally funded or non-federally funded assistance agreements. If the applicant does not have any relevant or available past performance or past reporting information, they should indicate this in the application.

a. Past Performance (10 possible points)

Submit a list of up to five federally funded or non-federally funded assistance agreements that the applicant is performing or has performed within the last three years. Assistance agreements include federal grants and cooperative agreements, but not federal contracts. These assistance agreements should be awards made directly to the applicant. For each of these agreements, include:

- Project title
- Assistance agreement number (if applicable)
- Federal funding agency and assistance listing number (formerly known as the CFDA number) (if applicable)
- Brief description of the agreement (no more than two sentences)
- Contact from the organization that funded the assistance agreement.

Include a discussion of whether and, if so, how the applicant was able to successfully complete and manage the listed agreements.

b. Reporting Requirements (10 possible points)

For each of the assistance agreements listed, the applicant should describe their history of meeting the reporting requirements under the agreement(s). This should include:

- Whether the applicant submitted acceptable interim and/or final reports under those agreements;
- The extent to which the applicant adequately and timely reported on its progress toward achieving the expected outputs and outcomes under those agreements; and,
- If progress was not being made, whether the applicant adequately reported why not.

Note: In evaluating applicants under the past performance criteria in 5.a and 5.b, EPA will consider the information provided by the applicant and may also consider relevant information from other sources, including information from EPA files and from current/prior grantors (e.g., to verify and/or supplement the information provided by the applicant).

c. Staff Expertise (10 possible points)

The applicant should include information on their organization, including a description of the staff's knowledge, expertise, qualifications, and resources, and/or the ability to obtain them, to

successfully achieve the proposed project's goals and GHG reduction measures. Biographical sketches, including resumes or curriculum vitae for key staff, managers, and any other key personnel can be included as an optional project team biography attachment, as listed in Section IV.B. The optional attachment does not count towards the 25-page limit of the workplan.

Section 7: Budget (45 possible points)

Applicants **must submit a budget narrative attached to their project narrative (including an optional budget spreadsheet and up to 10 additional pages).** The budget narrative is a detailed description of the budget found in the SF-424A and should include a discussion of the applicant's approach to ensuring proper management of grant funds, and itemized budget table(s) (see example below). The budget spreadsheet and additional pages for the budget narrative **will not count toward the 25-page limit for the workplan.** EPA will not review any additional budget documents beyond those described here, including pages of the budget narrative in excess of 10 pages. If an applicant chooses to include any federal and non-federal voluntary cost share, they must account for those funds in the budget table and budget narrative. Selected applicant(s) may need to submit a copy of their current indirect cost rate that has been negotiated with a federal cognizant agency prior to award. (Additional indirect cost guidance is available in RAIN-2018-G02, "Indirect Cost Guidance for Recipients of EPA Assistance Agreements.") Additional guidance for developing the applicant's budget is available in RAIN-2019-G02, "Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance."

a. Budget Detail (20 possible points)

Applicants should provide a detailed breakout for each GHG reduction measure in their application by funding type included in the proper budget category for each activity requesting funds. Applicants should consult EPA's "Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance." Costs for implementing GHG reduction measures may include:

- Staffing and contractual costs necessary to implement GHG reduction measures;
- Building, materials, equipment, and infrastructure costs to implement GHG reduction measures;
- Programs to disburse funds to consumers, businesses, and other parties, in the form of subsidies, incentives, or other mechanisms, that result in GHG emission reductions;
- Subawards to air pollution control agencies, regional planning organizations, non-governmental organizations (NGOs), academic institutions, etc.;
- Studies, assessments, data collection, etc., needed to develop and implement GHG reduction measures;
- Evaluation and metrics-tracking activities;
- Planning and implementing meetings, workshops, and convenings to foster collaboration among and between levels of government, the public, and key stakeholders;

- Outreach and education for stakeholders and members of the public;
- Modeling and analytical costs, including purchase or licensing of software, data, or tools;
- Training and staff capacity-building costs to implement GHG reduction measures;
- Supplies (e.g., office supplies, software, printing, etc.) related to implementing GHG reduction measures;
- Incidental costs related to the above activities, including but not limited to travel, membership fees, and indirect costs; and/or,
- Other allowable activities as necessary to implement the GHG reduction measures.

Applicants should use the instructions and budget object class descriptions below and may use the example table below to complete the detailed budget section of the project narrative. EPA has provided an optional budget spreadsheet to aid applicants in developing the required budget table(s) for the budget narrative. The budget spreadsheet can be found on the posting for this NOFO on Grants.gov. **Applicants may submit a budget spreadsheet (no page limit) with their application, in addition to the budget narrative (up to 10 pages).** Applicants should include applicable rows of costs for each budget category in their budget table(s) to accurately reflect the proposed budget for each GHG reduction measure. Applicants must itemize costs related to personnel, fringe benefits, travel, equipment, installation or labor supplies, contractual costs, other direct costs (i.e., subawards, participant support costs), indirect costs, and total costs.

Note: Funds disbursed under the CPRG are subject to Davis Bacon Prevailing Wage requirements as explained in Section VI.C and to Build America, Buy America (BABA) as explained in Section VI.D.

For applicants proposing to implement a participant support cost or rebate program, the rebates are appropriately listed under the "Other" budget category as "Participant Support Costs." For more information on participant support costs, see Appendix A and RAIN-2018-G05, "EPA Guidance on Participant Support Costs."

Budget Categories

- **Personnel - List all staff positions by title. Give annual salary, percentage of time assigned to the project, and total cost for the budget period.** This category includes only direct costs for the salaries of those individuals who will perform work directly for the project (paid employees of the applicant organization as reflected in payroll tax records). If the applicant organization is including staff time (in-kind services) as a cost-share, this should be included as Personnel costs. Personnel costs do not include:

  (1) costs for services of contractors (including individual consultants), which are included in the "Contractual" category;
  (2) costs for employees of subrecipients under subawards or non-employee program participants (e.g., interns or volunteers), which are included in the "Other" category; or

(3) effort that is not directly in support of the proposed project, which may be covered by the organization's negotiated indirect cost rate. The budget detail must identify the personnel category type by Full Time Equivalent (FTE), including percentage of FTE for part-time employees, number of personnel proposed for each category, and the estimated funding amounts.

- **Fringe Benefits - Identify the percentage used, the basis for its computation, and the types of benefits included.** Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits may include, but are not limited to, the cost of leave, employee insurance, pensions, and unemployment benefit plans. If the applicant's fringe rate does not include the cost of leave, and the applicant intends to charge leave to the agreement, it must provide supplemental information describing its proposed method(s) for determining and equitably distributing these costs.

- **Travel - Specify the mileage, per diem, estimated number of trips, number of travelers, and other costs for each type of travel.** Travel may be: integral to the purpose of the proposed project (e.g., inspections); related to proposed project activities (e.g., attendance at meetings); or, related to a technical training or workshop that supports effective implementation of the project activities. Only include travel costs for employees in the travel category. Travel costs do not include:

  (1) costs for travel of contractors (including consultants), which are included in the "Contractual" category;
  (2) travel costs for employees of subrecipients under subawards and non-employee program participants (e.g., trainees), which are included in the "Other" category. Further, travel does not include bus rentals for group trips, which would be covered under the "Contractual" category. EPA will not award any funds for travel outside of the U.S.

- **Equipment - Identify each item to be purchased that has an estimated acquisition cost of $5,000 or more per unit and a useful life of more than one year.** Equipment also includes accessories necessary to make the equipment operational. Equipment does not include:

  (1) equipment planned to be leased/rented, including lease/purchase agreement; or (2) equipment service or maintenance contracts that are not included in the purchase price for the equipment.

  These types of proposed costs should be included in the "Other" category. Items with a unit cost of less than $5,000 should be categorized as supplies, pursuant to 2 CFR § 200.1, "Equipment." The budget detail must include an itemized listing of all equipment proposed under the project. If installation costs are included in the equipment costs, labor expenses shall be itemized with the detailed number of hours charged and the

hourly wage. If the applicant has written procurement procedures that define a threshold for equipment costs that is lower than $5,000, then that threshold takes precedence. Projects that include the construction, alteration, maintenance, or repair of infrastructure in the United States must comply with the BABA Term and Condition if selected for award. Please refer to Section VI.D for additional information and consider this information when preparing the budget. The procurement of equipment should follow EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements.

- **Supplies - "Supplies" means all tangible personal property other than "equipment."** The budget detail should identify categories of supplies to be procured (e.g., laboratory supplies or office supplies). Non-tangible goods and services associated with supplies, such as printing service, photocopy services, and rental costs should be included in the "Other" category. The procurement of supplies should follow EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements.

- **Contractual – Identify each proposed contract and specify its purpose and estimated cost.** Contractual services (including consultant services) are those services to be carried out by an individual or organization, other than the applicant, in the form of a procurement relationship. EPA's Subaward Policy and supplemental Frequent Questions provide detailed guidance for differentiating between contractors and subrecipients. Leased or rented goods (equipment or supplies) should be included in the "Other" category. EPA does not require applicants to identify specific contractors. The applicant should list the proposed contract activities along with a brief description of the anticipated scope of work or services to be provided, proposed duration, and proposed procurement method (competitive or non-competitive), if known. Any proposed non competing/sole-source contracts in excess of $10,000 must include a justification. Note that it is unlikely that EPA will accept proposed sole source contracts for goods and services (e.g., consulting) that are widely available in the commercial market. Refer to EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements for EPA's policies on competitive procurements and encouraging the use of small and disadvantaged business enterprises.

- **Other - List each item in sufficient detail for EPA to determine the reasonableness and allowability of its cost.** This category should include only those types of direct costs that do not fit in any of the other budget categories. Examples of costs that may be in this category may include the following: insurance; rental/lease of equipment or supplies; equipment service or maintenance contracts; printing or photocopying; participant support costs (such as non-employee training stipends, childcare support, transportation, and subsidies or rebates for purchases of pollution control equipment); and, subaward costs. Applicants should describe the items included in the "Other" category and include the estimated amount of participant support costs in a separate line item. Additional information about participant support costs is

contained in RAIN-2018-G05, "EPA Guidance on Participant Support Costs."

Subawards (e.g., subgrants to other members of a coalition) and participant support costs are a distinct type of cost under this category. The term "subaward" means an award of financial assistance (money or property) by any legal agreement made by the recipient to an eligible subrecipient even if the agreement is referred to as a contract. Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for purchase of eligible emission control technologies are considered participant support costs. Please refer to Appendix A for detailed guidance on funding projects and partnerships and how to correctly categorize these costs in the workplan budget. "Other" does not include procurement purchases, technical assistance in the form of services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Subcontracts are not subawards and belong in the contractual category. Applicants must provide the aggregate amount they propose to issue as subaward work as a separate line item in the "Other" category and must include a description of the types of activities to be supported. Refer to EPA's Subaward Policy and supplemental Frequent Questions for additional guidance.

- **Indirect Charges - If indirect charges are budgeted, indicate the approved rate and base.** Indirect costs are those incurred by the recipient for a common or joint purpose that benefit more than one cost objective or project and are not readily assignable to specific cost objectives or projects as a direct cost. Examples of Indirect Cost Rate calculations are shown below:
    - Personnel (Indirect Rate x Personnel = Indirect Costs)
    - Personnel and Fringe (Indirect Rate x Personnel & Fringe = Indirect Costs)
    - Total Direct Costs (Indirect Rate x Total Direct Costs = Indirect Costs)
    - Direct Costs, less distorting or other factors such as contracts and equipment (Indirect Rate x (Total Direct Cost – Distorting Factors) = Indirect Costs)

  Additional indirect cost guidance is available in RAIN-2018-G02, "Indirect Cost Guidance for Recipients of EPA Assistance Agreements."

Example Budget Table (may be submitted as a budget spreadsheet or as part of the 10-page budget narrative)

Industrial Decarbonization GHG measure							
Categories	**Line Item & Itemized Costs**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Total EPA Funding**
PERSONNEL							

	Project Manager @ $80,000/yr 0.5 FTE, with salary increases	$40,000	$42,500	$45,000	$47,500	$50,000	$225,000
	Project Staff @ $60,000, 0.5 FTE, with salary increases	$30,000	$32,500	$35,000	$37,500	$40,000	$175,000
	TOTAL PERSONNEL	**$70,000**	**$75,000**	**$80,000**	**$85,000**	**$90,000**	**$400,000**
FRINGE BENEFITS							
	Full-time Employees @ 17% of salary	$11,900	$12,750	$13,600	$14,450	$15,300	$68,000
	TOTAL FRINGE	**$11,900**	**$12,750**	**$13,600**	**$14,450**	**$15,300**	**$68,000**
TRAVEL							
	Travel for conference and workshop presentations:						
	Airfare - $400 round trip @ 1 round trip per year	$400	$400	$400	$400	$400	$2,000
	Luggage Fees - $25 per flight @ 2 flights per year	$50	$50	$50	$50	$50	$250
	Hotel - $150 per day @ 3 days per year	$450	$450	$450	$450	$450	$2,250
	Per Diem - $71 per day @ 3.5 days per year	$249	$249	$249	$249	$249	$1,243
	Taxi - $45 per year	$45	$45	$45	$45	$45	$225
	Parking - $20 per day @ 4 days per year	$80	$80	$80	$80	$80	$400
	Mileage for local travel (500 miles per year	$328	$328	$328	$328	$328	$1,638

	at $0.655/mile)						
	TOTAL TRAVEL	**$1,601**	**$1,601**	**$1,601**	**$1,601**	**$1,601**	**$8,005**
EQUIPMENT	2 Building Thermal Imagers @ $9,000 each	$18,000	$0	$0	$0	$0	$0
	TOTAL EQUIPMENT	**$18,000**	**$0**	**$0**	**$0**	**$0**	**$0**

Industrial Decarbonization GHG measure							
Categories	**Line Item & Itemized Costs**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Total EPA Fundi ng**
SUPPLIES							
	1 Laptop Computer @ $2,500	$2,500	$0	$0	$0	$0	$2,500
	TOTAL SUPPLIES	**$2,500**	**$0**	**$0**	**$0**	**$0**	**$2,500**
CONTRACTUAL							$0
	Contractor to perform 30 energy assessments per year at industrial facilities. Assumes 740 hours per assessment (pre-visit analysis, site visit, post-visit analysis, report with recommendations) @ $46/hr	$1,021,200	$1,021,200	$1,021,200	$1,021,200	$1,021,200	$5,106,000
	Contract for 10 small or medium-scale projects per year at industrial facilities (renewable energy, energy storage, energy efficiency, electrification, or energy planning). Assumes average cost $450,000/project	$4,500,000	$4,500,000	$4,500,000	$4,500,000	$4,500,000	$22,500,000

	Contract for 5 large-scale energy efficiency or decarbonization demonstration projects per year at industrial facilities (e.g., industrial heat pumps). Assumes average cost $3 million/project	$15,000,000	$15,000,000	$15,000,000	$15,000,000	$15,000,000	$75,000,000
	TOTAL CONTRACTUL	**$20,521,200**	**$20,521,200**	**$20,521,200**	**$20,521,200**	**$20,521,200**	**$102,606,000**
OTHER							$0
	Participant Support Costs- 2 Environmental Interns @ $4,000 summer stipend	$8,000	$8,000	$8,000	$8,000	$8,000	$40,000

Industrial Decarbonization GHG measure							
Categories	**Line Item & Itemized Costs**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Total EPA Funding**
	Participant Support Cost- Industrial Retrofit Rebates 50 facilities/yr @ $200,000 each	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$50,000,000
	TOTAL OTHER	**$10,008,000**	**$10,008,000**	**$10,008,000**	**$10,008,000**	**$10,008,000**	**$50,040,000**
INDIRECT COSTS							
	Indirects Costs (23% of personnel costs)	$16,100.00	$17,250.00	$18,400.00	$19,550.00	$20,700.00	$92,000.00
	Total Indirect Costs	**$16,100.00**	**$17,250.00**	**$18,400.00**	**$19,550.00**	**$20,700.00**	**$92,000.00**
	TOTAL FUNDING FOR INDUSTRIAL PROGRAM	**$30,649,301**	**$30,635,81**	**$30,642,801**	**$30,649,801**	**$30,656,801**	**$193,216,505**

Note on Management Fees: When formulating budgets for applications, applicants must not include management fees or similar charges in excess of the direct costs and indirect costs at the

rate approved by the applicant's cognizant federal audit agency, or at the rate provided for by the terms of the agreement negotiated with EPA. The term "management fees or similar charges" refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs that are not allowable under EPA assistance agreements. Management fees or similar charges cannot be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the workplan.

b. Expenditure of Awarded Funds (15 possible points)

Applicants should provide a detailed written description of the applicant's approach, procedures, and controls for ensuring that awarded grant funds will be expended in a timely and efficient manner within the grant period.

c. Reasonableness of Costs (10 possible points)

Applications should demonstrate the reasonableness of the budget for each GHG reduction measure in the narrative description of the budget and detailed breakout of requested funding for each work component or task. Applicants should provide a detailed description of every itemized budget item/cost, including how every budget item/cost relates to the project narrative and specific emission reduction activities. Instructions for what to include in the Budget Detail are described in Section 7.a above.

Applicants must itemize the cost categories as listed above and in the SF-424A: personnel, fringe benefits, contractual costs, travel, equipment, supplies, other direct costs (subawards, participant support costs), indirect costs, and total costs. Round up to the nearest dollar and do not use any cents.

Recipients may issue subawards, contracts, or participant support costs to implement projects. Please refer to Appendix A for detailed guidance on these funding options and how to correctly categorize these costs in the workplan budget.