

performance bonds where available. Vendors must offer competitive warranties on products and services. The applicant shall commit to keep the energy efficiency improvement project in good repair and operating order for the design life for the energy efficiency improvement project. Describe how information will be collected and reported to meet the reporting requirements of the Renewable Energy/Energy Efficiency Grant Agreement.

(11) A qualified professional engineer or architect must certify to numbers 1–8 of the technical requirements for an energy efficiency improvement project exceeding \$100,000 in total project cost. Vendors may prepare numbers 9 and 10 of the technical requirements. Qualifications of any preparer or certifier must be submitted with the application.

#### 19. Energy Audit for Efficiency Improvements Projects:

Each application for an energy efficiency grant must include an energy audit. An energy audit is a written report by an independent, qualified entity that documents current energy usage, recommended potential improvements and their costs, energy savings from these improvements, dollars saved per year, and weighted-average payback period in years (total costs divided by total dollars of energy savings).

The methodology of the energy audit should meet professional and industry standards. RBS review and evaluation of the assessment is for grant purposes only and should not be considered a validation or guarantee of any technology, proposed project, cost estimate, energy savings value, or future energy costs.

The energy audit should cover the following:

A. Situation report. Give a narrative description of the facility or process, its energy system(s) and usage, and activity profile. Also include price per unit of energy (electricity, natural gas, propane, fuel oil, renewable energy, etc.) paid by the customer on the date of the audit. Any energy conversion should be based on use rather than source.

B. Potential improvements. List specific information on all potential energy-saving opportunities and their costs.

C. Technical analysis. Give consideration to the interactions among the potential improvements and other energy systems:

(1) Estimate the annual energy and energy costs savings expected from each improvement identified in the potential project.

(2) Calculate all direct and attendant indirect costs of each improvement.

(3) Rank potential improvements measures by cost-effectiveness (item 2 divided by item 1 above).

D. Potential improvement description. Give a narrative summary of the potential improvement and its ability to provide needed benefits, including a discussion of project reliability and durability.

(1) Provide primary specifications for critical components.

(2) Provide preliminary drawings of project layout, including any related structural changes.

(3) Document baseline data compared to projected consumption, together with any explanatory notes. When appropriate, show before-and-after data in terms of consumption per unit of production, time or area. Include at least 1 year's bills for those energy sources/fuel types affected by this project. Also submit utility rate schedules, if appropriate.

(4) Identify significant changes in future related operations and maintenance costs.

(5) Identify zoning and building code issues and required permits and licenses.

(6) Describe explicitly how outcomes will be measured.

20. Evaluation Criteria. Evaluation of the proposals will be based on the following criteria. These criteria should be individually addressed in narrative form on a separate sheet of paper. Failure to address any one of the criteria may disqualify the application.

A. Criteria for applications for renewable energy systems are:

(1) Quantity of Energy Produced. Points may only be awarded for either energy replacement or energy generation.

a. Energy replacement. If the proposed renewable energy system is intended primarily for self use by the farm, ranch, or small business and will provide energy replacement of greater than 75 percent, 20 points will be awarded; greater than 50 percent, but less than 75 percent, 15 points will be awarded; or greater than 25 percent, but less than 50 percent, 10 points will be awarded. The energy replacement should be determined by dividing the estimated quantity of energy to be generated by at least the past 12 months energy profile of the applicant. The estimated quantity of energy may be described in Btu's, kilowatts, or similar energy equivalents. Energy profiles can be obtained from the utility company.

b. Energy generation. If the proposed renewable energy system is intended

primarily for production of energy for sale, 20 points will be awarded.

(2) Environmental Benefits. If the proposed renewable energy system is to upgrade an existing facility or construct a new facility required to meet applicable health or sanitary standards, 10 points will be awarded. Documentation will be obtained from the appropriate regulatory agency with jurisdiction to establish the standard, to verify that a bona fide standard exists, what that standard is, and that the proposed project is needed and required to meet the standard.

(3) Commercial Availability. If the renewable energy system is currently commercially available and replicable, an additional 10 points will be awarded. Commercial availability must be discussed in the technical requirements.

(4) Cost Effectiveness. If the proposed renewable energy system will return the cost of the investment in 5 years or less, 25 points will be awarded; 6–10 years, 20 points will be awarded; 11–15 years, 15 points will be awarded; or 16–20 years, 10 points will be awarded. The estimated return on investment should be determined by dividing the total cost of the project by the estimated projected net annual income and/or energy savings of the renewable energy system.

(5) Amount Requested. If the amount of the grant request is less than \$100,000, 15 points will be awarded; \$100,000–\$200,000, 10 points will be awarded; or \$200,001–\$300,000, 5 points will be awarded.

(6) Leveraged Funds. If the applicant has provided eligible leveraged funds of over 90 percent, 15 points will be awarded; 85 percent–90 percent, 10 points will be awarded; or 80 percent–84 percent, 5 points will be awarded.

(7) Management. If the renewable energy system will be monitored and managed by a qualified third-party operator, such as pursuant to a service contract, maintenance contract, or remote telemetry, an additional 10 points will be awarded. Aspects of management must be discussed in the technical requirements.

B. Criteria for applications for energy efficiency improvements are:

(1) Energy savings. If the estimated energy expected to be saved by the installation of the energy efficiency improvements will be 35 percent or greater, 20 points will be awarded; 30 percent–34 percent, 15 points will be awarded; 25 percent–29 percent, 10 points will be awarded; or 20 percent–24 percent, 5 points will be awarded. This will be determined by the projections in an energy audit.

(2) Cost Effectiveness. If the proposed energy efficiency improvements will