

technological collection techniques or other forms of information technology. Comments may be sent to Cheryl Thompson, Regulations and Paperwork Management Branch, U.S. Department of Agriculture, Rural Development, 7th Floor, Room 701, 300 7th Street, SW., Washington, DC 20024. All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

Dated: January 18, 2008.

**Russell T. Davis,**

*Administrator, Rural Housing Service.*

**Ben Anderson,**

*Administrator, Rural Business-Cooperative Service.*

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## DEPARTMENT OF AGRICULTURE

### Rural Utilities Service

#### Announcement of Grant Application Deadlines and Funding Levels for the Assistance to High Energy Cost Rural Communities

**AGENCY:** Rural Utilities Service, USDA.

**ACTION:** Notice of funding availability (NOFA).

**SUMMARY:** The Rural Utilities Service, an agency delivering the United States Department of Agriculture's (USDA) Rural Development Utilities Programs, hereinafter referred to as Rural Development and/or the Agency, announces the availability of \$6.8 million in Fiscal Year 2008 for competitive grants to assist communities with extremely high energy costs. This grant program is authorized under section 19 of the Rural Electrification Act of 1936 (RE Act) (7 U.S.C. 918a) and program regulations at 7 CFR part 1709. The grant funds may be used to acquire, construct, extend, upgrade, or otherwise improve energy generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy exceeds 275 percent of the national average. Eligible applicants include persons, States, political subdivisions of States, and other entities organized under State law. Federally-recognized Indian tribes and tribal entities are eligible applicants. This notice describes the eligibility and application requirements, the criteria that will be used by the Agency to award funding, and information on how to obtain application materials. All grants awarded under this NOFA are contingent on the availability of

appropriated funds. The Catalog of Federal Domestic Assistance (CFDA) Number for this program is 10.859. You may obtain the application guide and materials for the Assistance to High Energy Cost Rural Communities Grant Program via the Internet at the following Web site: <http://www.usda.gov/rus/electric/>. You may also request the application guide and materials from USDA Rural Development by contacting the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this notice.

**DATES:** You may submit completed grant applications on paper or electronically according to the following deadlines:

- Paper applications must be postmarked and mailed, shipped, or sent overnight, *no later* than March 28, 2008 or hand delivered to the Agency by this deadline, to be eligible for under this NOFA. Late or incomplete applications will not be eligible for FY 2008 grant funding.

- Electronic applications must be submitted through *Grants.gov* *no later* than March 28, 2008 to be eligible under this NOFA for FY 2008 grant funding. Late or incomplete electronic applications will not be eligible.

- Applications will be accepted on publication of this notice.

**ADDRESSES:** You may submit completed applications for grants on paper or electronically to the following addresses:

- Paper applications are to be submitted to the United States Department of Agriculture, Rural Development Electric Program, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building, Washington, DC 20250-1560. Applications should be marked "Attention: High Energy Cost Community Grant Program."
- Applications may be submitted electronically through *Grants.gov*. Information on how to submit applications electronically is available on the *Grants.gov* Web site (<http://www.Grants.gov>). Applicants must successfully pre-register with *Grants.gov* to use the electronic applications option. Application information may be downloaded from *Grants.gov* without pre-registration.

**FOR FURTHER INFORMATION CONTACT:** Karen Larsen, Management Analyst, United States Department of Agriculture, Rural Development Electric Program, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building, Washington, DC 20250-1560. Telephone 202-720-9545, Fax 202-690-0717, e-mail [energy.grants@wdc.usda.gov](mailto:energy.grants@wdc.usda.gov).

## SUPPLEMENTARY INFORMATION:

### Overview Information

**Federal Agency Name:** United States Department of Agriculture, Rural Development Utilities Programs, Assistant Administrator, Electric Programs.

**Funding Opportunity Title:** Assistance to High Energy Cost Rural Communities.

**Announcement Type:** Initial announcement.

**Funding Opportunity Number:** USDA-RD-RUS-HECG07.

**Catalog of Federal Domestic Assistance (CFDA) Number:** 10.859. The CFDA title for this program is "Assistance to High Energy Cost Rural Communities."

**Dates:** Applications must be postmarked and mailed or shipped, or hand delivered to the Agency, or filed with *Grants.gov* by March 28, 2008.

### I. Funding Opportunity Description

Rural Development is making available \$6.8 million in competitive grants under section 19 of the Rural Electrification Act of 1936 (the "RE Act") (7 U.S.C. 918a). Under section 19, the Agency Administrator is authorized to make grants to "acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities" serving extremely high energy cost communities. Eligible communities are those in which the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy under one or more of the benchmarks published in this notice. Program regulations are codified at 7 CFR part 1709.

The purpose of this grant program is provide financial assistance for a broad range of energy facilities, equipment and related activities to offset the impacts of extremely high residential energy costs on eligible communities. Grant funds may be used to purchase, construct, extend, repair, upgrade and otherwise improve energy generation, transmission, or distribution facilities serving eligible communities. Eligible facilities include on-grid and off-grid renewable energy systems and implementation of cost-effective demand side management and energy conservation programs that benefit eligible communities. Grant funds may not be used to pay utility bills or to purchase fuel. Grant projects under this program must provide community benefits and not be for the sole benefit of an individual applicant, household, or business.

Eligible applicants include for-profit and non-profit businesses, cooperatives,

and associations, States, political subdivisions of States, and other entities organized under the laws of States, Indian tribes, tribal entities, and individuals. Eligible applicants also include entities located in U.S. Territories and other areas authorized by law to participate in the Agency's programs or programs under the RE Act.

No cost sharing or matching funds are required as a condition of eligibility under this grant program. However, the Agency will consider other financial resources available to the applicant and any voluntary commitment of matching funds or other contributions in assessing the applicant's capacity to carry out the grant program successfully. The Agency will award additional evaluation points to any proposals that include such contributions.

As a further condition of each grant, section 19(b)(2) of the RE Act requires that planning and administrative expenses of the grantee not directly related to the project may not exceed 4 percent of the grant funds.

This NOFA provides an overview of the grant program, and the eligibility and application requirements, and selection criteria for grant proposals. The Agency is also making available an Application Guide with more detailed information on application requirements and copies of all required forms and certifications. The Application Guide is available on the Internet from the Agency Web site at <http://www.usda.gov/rus/electric>. The application guide may also be requested from the Rural Development contact listed in the **FOR FURTHER INFORMATION CONTACT** section of this notice. For additional information, applicants should consult the program regulations at 7 CFR part 1709.

#### Definitions

Consult the program regulations at 7 CFR part 1709 and the Application Guide for additional definitions used in this program. As used in this NOFA:

*Application Guide* means the Application Guide prepared by the Agency for the High Energy Cost Grant program containing detailed instructions for determining eligibility and preparing grant applications, and copies of required forms, questionnaires, and model certifications.

*Extremely high energy costs* means community average residential energy costs that meet or exceed one or more home energy cost benchmarks established by the Agency at 275 percent of the national average residential energy expenditures as reported by the Energy Information

Administration (EIA) of the United States Department of Energy.

*Home energy* means any energy source or fuel used by a household for purposes other than transportation, including electricity, natural gas, fuel oil, kerosene, liquefied petroleum gas (propane), other petroleum products, wood and other biomass fuels, coal, wind, and solar energy. Fuels used for subsistence activities in remote rural areas are also included.

*High energy cost benchmarks* means the criteria established by the Agency for eligibility as an extremely high energy cost community. Home energy cost benchmarks are calculated for total annual household energy expenditures; total annual expenditures for individual fuels; annual average per unit energy costs for primary home energy sources and are set at 275 percent of the relevant national average household energy expenditures.

*Indian Tribe* means a Federally recognized tribe as defined under section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b) to include “\* \* \* any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act [43 U.S.C. 1601 *et seq.*], that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.”

*Person* means any natural person, firm, corporation, association, or other legal entity, and includes Indian Tribes and tribal entities.

*Primary home energy source* means the energy source that is used for space heating or cooling, water heating, cooking, and lighting. A household or community may have more than one primary home energy source.

*State rural development initiative* means a rural economic development program funded by or carried out in cooperation with a State agency.

*Target area* means the geographic area to be served by the grant.

*Target community* means the unit or units of local government in which the target area is located.

*Tribal entity* means a legal entity that is owned, controlled, sanctioned, or chartered by the recognized governing body of an Indian Tribe.

## II. Award Information

The total amount of funds available for grants in Fiscal Year 2008 under this notice is \$ \_\_ million. The maximum amount of grant assistance that will be

considered for funding in a grant application under this notice is \$5,000,000. The minimum amount of assistance for a grant application under this program is \$75,000. The number of grants awarded under this NOFA will depend on the number of applications submitted, the amount of grant funds requested, the quality and competitiveness of applications submitted, and the availability of appropriated funds.

The funding instrument available under this NOFA will be a grant agreement. Grants awarded under this notice must comply with all applicable USDA and Federal regulations concerning financial assistance, with the terms of this notice, and with the requirements of section 19 of the RE Act. Grants made under this NOFA will be administered under the Agency program regulations at 7 CFR part 1709 and USDA financial assistance regulations at 7 CFR parts 3015, 3016, 3017, 3018, 3019, and 3052, as applicable. The award period will generally be for 36 months, however, longer periods may be approved depending on the project involved.

Project proposals submitted in response to the NOFA published on August 17, 2007 (72 FR 46195) and that were accepted as complete and timely by the Agency, but that were not selected for funding may request reconsideration of their proposals under this NOFA. Prior applicants may submit additional information for consideration as described later in this notice.

All timely submitted and complete applications will be reviewed for eligibility and rated according to the criteria described in this NOFA. Applications will be ranked in order of their numerical scores on the rating criteria and forwarded to the Agency Administrator. The Administrator will review the rankings and the recommendations of the rating panel. The Administrator will then fund grant applications in rank order.

The Agency reserves the right not to award any or all the funds made available under this notice, if in the sole opinion of the Administrator, the grant proposals submitted are not deemed feasible. The Agency also reserves the right to partially fund grants if grant applications exceed the available funds. The Agency will advise applicants if it cannot fully fund a grant request.

## III. Eligibility Information

### 1. Eligible Applicants

Under Section 19 eligible applicants include “Persons, States, political subdivisions of States, and other entities

organized under the laws of States” (7 U.S.C. 918a). Under section 13 of the RE Act, the term “Person” means “any natural person, firm, corporation, or association” (7 U.S.C. 913). Examples of eligible business applicants include: For-profit and non-profit business entities, including but not limited to corporations, associations, partnerships, limited liability partnerships (LLPs), cooperatives, trusts, and sole proprietorships. Eligible government applicants include State and local governments, counties, cities, towns, boroughs, or other agencies or units of State or local governments; and other agencies and instrumentalities of States and local governments. Indian tribes, other tribal entities and Alaska Native Corporations are also eligible applicants.

An individual is an eligible applicant under this program; however, the proposed grant project must provide community benefits and not be for the sole benefit of an individual applicant or an individual household or business.

All applicants must demonstrate the legal capacity to enter into a binding grant agreement with the Federal Government at the time of the award and to carry out the proposed grant funded project according to its terms.

Effective October 1, 2003, the Office of Management and Budget requires that all applicants for Federal grants with the exception of individuals other than sole proprietorships must have a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number. Consistent with this Federal policy directive, any organization or sole proprietorship that applies for a high energy cost grant must use its DUNS number on the application and in the field provided on the revised Standard Form 424 (SF 424), “Application for Federal Assistance” to be eligible to apply.

DUNS numbers are available without charge to Federal Grant applicants. Information on this Federal requirement and how to obtain a DUNS number or how to verify if your organization already has a DUNS number is available at [http://www.whitehouse.gov/omb/grants/duns\\_num\\_guide.pdf](http://www.whitehouse.gov/omb/grants/duns_num_guide.pdf) and on the “Get Registered” page at [Grants.gov](http://Grants.gov). D&B has also established a special Web-based registration for Federal Grant Applicants and Contractors that can be accessed directly by following the “Customer Resources” links for obtaining a DUNS number at <http://www.dnb.com/us/>. You may also verify whether you have an organizational DUNS number or request a DUNS number over the telephone toll free through the D&B Government Customer

Response Center at 1-866-705-5711, Monday-Friday 7 a.m. to 8 p.m. C.S.T. If you already have obtained a DUNS number in connection with the Federal acquisition process or requested or had one assigned to you for another purpose, you should use that number on all of your applications. It is not necessary to request another DUNS number from D&B.

## 2. Cost Sharing and Matching

No cost sharing or matching funds are required as a condition of eligibility under this grant program. However, the Agency will consider other financial resources available to the grant applicant and any voluntary pledge of matching funds or other contributions in assessing the applicant’s commitment capacity to carry out the grant program successfully and will award additional evaluation points to proposals that include such contributions. If a successful applicant proposes to use matching funds or other cost contributions in its project to obtain additional evaluation points, the grant agreement will include conditions requiring documentation of the availability of the matching funds and actual expenditure of matching funds or cost contributions.

## 3. Other Eligibility Requirements

### A. Eligible Projects

Grantees must use grant funds for eligible grant purposes. Grant funds may be used to acquire, construct, extend, upgrade, or otherwise improve energy generation, transmission, or distribution facilities serving eligible communities. All energy generation, transmission, and distribution facilities and equipment, used to provide electricity, natural gas, home heating fuels, and other energy service to eligible communities are eligible. Projects providing or improving energy services to eligible communities through on-grid and off-grid renewable energy projects, energy efficiency, and energy conservation projects are eligible. A grant project is eligible if it improves, or maintains energy services, or reduces the costs of providing energy services to eligible communities. Grant funds may not be used to pay utility bills or to purchase fuels.

Grants may cover up to the full costs of any eligible projects subject to the statutory condition that no more than 4 percent of grant funds may be used for the planning and administrative expenses of the grantee. The program regulations at 7 CFR part 1709 provide more detail on allowable uses of grant funds, limitations on grant funds, and ineligible grant purposes.

The project must serve communities that meet the extremely high energy cost eligibility requirements described in this NOFA. The applicant must demonstrate that the proposed project will benefit the eligible communities. Projects that primarily benefit a single household or business are not eligible. Additional information and examples of eligible project activities are contained in the Application Guide.

Grant funds cannot be used for: preparation of the grant application, fuel purchases, routine maintenance or other operating costs, and purchase of equipment, structures, or real estate not directly associated with provision of residential energy services. In general, grant funds may not be used to support projects that primarily benefit areas outside of eligible target communities. However, grant funds may be used to finance an eligible target community’s proportionate share of a larger energy project.

Each grant applicant must demonstrate the economic and technical feasibility of its proposed project. Activities or equipment that would commonly be considered as research and development activities, or commercial demonstration projects for new energy technologies will not be considered as technologically feasible projects and would, thus, be ineligible grant purposes. However, grant funds may be used for projects that involve the innovative use or adaptation of energy-related technologies that have been commercially proven.

### B. Eligible Communities

The grant project must benefit communities with extremely high energy costs. The RE Act defines an extremely high energy cost community as one in which “the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy” 7 U.S.C. 918a. The benchmarks are set based on the latest available information from the Energy Information Administration (EIA) residential energy surveys.

The statutory requirement that community residential expenditures for home energy exceed 275 percent of national average establishes a very high threshold for eligibility under this program. The Agency has calculated high energy cost benchmarks based on the most recent EIA national average home energy expenditure data. The current benchmarks are shown in Table 1. Communities must meet one or more high energy cost benchmarks to qualify as an eligible beneficiary of a grant under this program. All applicants,

including those requesting reconsideration of prior applications must meet these current eligibility benchmarks. Based on available published information on residential energy costs, the Agency anticipates that only those communities with the highest energy costs across the country will qualify under this congressionally-mandated standard.

The EIA's Residential Energy Consumption and Expenditure Surveys (RECS) and reports provide the baseline national average household energy costs that were used by the Agency for establishing extremely high energy cost community eligibility criteria for this grant program. The RECS data base and reports provide national and regional information on residential energy use,

expenditures, and housing characteristics. EIA published its latest available RECS home energy expenditure survey results in 2004. These estimates of home energy usage and expenditures are based on national surveys conducted in 2001 survey data and are shown in Table 1 as follows:

**TABLE 1.—NATIONAL AVERAGE ANNUAL HOUSEHOLD ENERGY EXPENDITURES AND EXTREMELY HIGH ENERGY COST ELIGIBILITY BENCHMARKS**  
[Effective March 23, 2005]

	National annual average household expenditure \$ per year	Extremely high energy cost benchmark 275% of national average \$ per year
<b>AVERAGE ANNUAL HOUSEHOLD EXPENDITURE</b>		
<b>Fuel:</b>		
Electricity .....	938	2,509
Natural Gas .....	702	1,859
Fuel Oil .....	737	1,882
LPG/Propane .....	605	1,514
<b>Total Household Energy Use .....</b>	<b>1,493</b>	<b>4,013</b>
<b>ANNUAL AVERAGE PER UNIT RESIDENTIAL ENERGY COSTS</b>		
	National average unit cost \$ per unit	Extremely high-energy cost benchmark 275% of national average \$ per unit
<b>Fuel (units):</b>		
Electricity (kilowatt hours) .....	0.088	0.239
Natural Gas (thousand cubic feet) .....	9.98	26.85
Fuel Oil (gallons) .....	1.24	3.35
LPG/Propane (gallons) .....	1.36	3.61
<b>Total Household Energy (million Btus) .....</b>	<b>16.19</b>	<b>43.91</b>

Sources: United States Department of Energy, Energy Information Administration, *Residential Energy Consumption and Expenditure Surveys 2001*, available online at <http://www.eia.doe.gov/emeu/recs/contents.html>. The eligibility benchmarks are set at 275 percent of the national average and include adjustments to reflect the uncertainties inherent in EIA's statistical methodology for estimating home energy costs. The benchmarks are set based on the EIA's lower range estimates using the specified EIA methods.

Extremely high energy costs in rural and remote communities typically result from a combination of factors including high energy consumption, high per unit energy costs, limited availability of energy sources, extreme climate conditions, and housing characteristics. The relative impacts of these conditions exhibit regional and seasonal diversity. Market factors have created an additional complication in recent years as the prices of the major commercial residential energy sources—electricity, fuel oil, natural gas, and LPG/propane—have fluctuated dramatically in some areas.

The applicant must demonstrate that each community in the grant project's proposed target area exceeds one or more of these high energy cost

benchmarks to be eligible for assistance under this program.

**i. High Energy Cost Benchmarks**

The benchmarks measure extremely high energy costs for residential consumers. These benchmarks were calculated using EIA's estimates of national average residential energy expenditures per household and by primary home energy source. The benchmarks recognize the diverse factors that contribute to extremely high home energy costs in rural communities. The benchmarks allow extremely high energy cost communities several alternatives for demonstrating eligibility. Communities may qualify based on: total annual household energy expenditures; total annual expenditures

for commercially-supplied primary home energy sources, i.e., electricity, natural gas, oil, or propane; or average annual per unit home energy costs. By providing alternative measures for demonstrating eligibility, the benchmarks reduce the burden on potential applicants created by the limited public availability of comprehensive data on local community energy consumption and expenditures.

A target community or target area will qualify as an extremely high cost energy community if it meets one or more of the energy cost eligibility benchmarks described below.

**1. Extremely High Average Annual Household Expenditure for Home**

*Energy.* The target area or community exceeds one or more of the following:

- Average annual residential electricity expenditure of \$2,509 per household;
- Average annual residential natural gas expenditure of \$1,859 per household;
- Average annual residential expenditure on fuel oil of \$1,882 per household;
- Average annual residential expenditure on propane or liquefied petroleum gas (LPG) as a primary home energy source of \$1,514 per household; or
- Average annual residential energy expenditure (for all non-transportation uses) of \$4,013 per household.

2. *Extremely High Average Per Unit Energy Costs.* The average residential per unit cost for major commercial energy sources in the target area or community exceeds one or more of the following:

- Annual average revenues per kilowatt hour for residential electricity customers of \$0.239 per kilowatt hour (kWh);
- Annual average residential natural gas price of \$26.85 per thousand cubic feet;
- Annual average residential fuel oil price of \$3.35 per gallon;
- Annual average residential price of propane or LPG as a primary home energy source of \$3.61 per gallon; or
- Total annual average residential energy cost on a Btu basis of \$43.91 per million Btu.<sup>1</sup>

#### ii. Supporting Energy Cost Data

The applicant must include information that demonstrates its eligibility under the Agency's high energy cost benchmarks for the target communities and the target areas. The applicant must supply documentation or references for its sources for actual or estimated home energy expenditures or equivalent measures to support eligibility. Generally, the applicant will be expected to use historical residential energy cost or expenditure information for the local energy provider serving the target community or target area to determine eligibility. Other potential sources of home energy related information include Federal and State

<sup>1</sup> Note: Btu is the abbreviation for British Thermal Unit, a standard energy measure. A Btu is the quantity of heat needed to raise the temperature of one pound of water 1 degree Fahrenheit at or near 39.2 degrees Fahrenheit. In estimating average household per unit energy cost on a Btu basis, the costs of different home energy sources are converted to a standard Btu basis. The Application Guide contains additional information on calculating per unit costs on a Btu basis for major home energy sources.

agencies, local community energy providers such as electric and natural gas utilities and fuel dealers, and commercial publications. The Application Guide includes a list of EIA resources on residential energy consumption and costs that may be of assistance.

The grant applicant must establish eligibility for each community in the project's target area. To determine eligibility, the applicant must identify each community included in whole or in part within the target areas and provide supporting actual or estimated energy expenditure data for each community. The smallest area that may be designated as a target area is a 2000 Census block. This minimum size is necessary to enable a determination of population size.

Potential applicants can compare the benchmark criteria to available information about local energy use and costs to determine their eligibility. Applicants should demonstrate their eligibility using historical energy use and cost information. Where such information is unavailable or does not adequately reflect the actual costs of supporting average home energy use in a local community, the Agency will consider estimated commercial energy costs. The Application Guide includes examples of circumstances where estimated energy costs are used.

EIA does not collect or maintain data on home energy expenditures in sufficient detail to identify specific rural localities as extremely high energy cost communities. Therefore, grant applicants will have to provide information on local community energy costs from other sources to support their applications.

In many instances, historical community energy cost information can be obtained from a variety of public sources or from local utilities and other energy providers. For example, EIA publishes monthly and annual reports of residential prices by State and by service area for electric utilities and larger natural gas distribution companies. Average residential fuel oil and propane prices are reported regionally and for major cities by government and private publications. Many State agencies also compile and publish information on residential energy costs to support State programs.

#### iii. Use of Estimated Home Energy Costs

Where historical community energy cost data are incomplete or lacking or where community-wide data do not accurately reflect the costs of providing home energy services in the target area, the applicant may substitute estimates

based on engineering standards. The estimates should use available community, local, or regional data on energy expenditures, consumption, housing characteristics and population. Estimates are also appropriate where the target area does not presently have centralized commercial energy services at a level that is comparable to other residential customers in the State or region. For example, local commercial energy cost information may not be available where the target area is without local electric service because of the high costs of connection. Engineering cost estimates reflecting the incremental costs of extending service could reasonably be used to establish eligibility for areas without grid-connected electric service. Estimates also may be appropriate where historical energy costs do not reflect the costs of providing a necessary upgrade or replacement of energy infrastructure to maintain or extend service that would raise costs above one or more of benchmarks.

Information to support high energy cost eligibility is subject to independent review by the Agency. Applications that contain information that is not reasonably based on credible sources of information and sound estimates will be rejected. Where appropriate, the Agency may consult standard sources to confirm the reasonableness of information and estimates provided by applicants in determining eligibility, technical feasibility, and adequacy of proposed budget estimates.

#### C. Coordination With State Rural Development Initiatives

USDA encourages the coordination of grant projects under this program with State rural development initiatives. There is no requirement that the grant proposal receive the concurrence or approval of State officials as a condition of eligibility under this program. The Agency will, however, award additional points to proposals that are coordinated with and support rural development initiatives within a State. The applicant should describe how the proposed project will support State rural development initiatives and provide documentation evidencing any project relationship to State initiatives.

If an applicant is an entity directly involved in rural development efforts, such as a State, local, or tribal rural development agency, the applicant may qualify for additional points by describing how its proposed project supports its efforts.

#### D. Limitations on Grant Awards

1. Statutory limitation on planning and administrative expenses.

Section 19 of the RE Act provides that no more than 4 percent of the grant funds for any project may be used for the planning and administrative expenses of the grantee that are not directly related to the grant project.

#### 2. Ineligible Grant Purposes.

Grant funds cannot be used for: preparation of the grant application, fuel purchases, routine maintenance or other operating costs, and purchase of equipment, structures, or real estate not directly associated with provision of residential energy services. In general, grant funds may not be used to support projects that primarily benefit areas outside of eligible target communities.

However, grant funds may be used to finance an eligible target community's proportionate share of a larger energy project.

Consistent with USDA policy and program regulations, grant funds awarded under this program generally cannot be used to replace other USDA assistance or to refinance or repay outstanding loans under the RE Act. Grant funds may, however, be used in combination with other USDA assistance programs including electric loans. Grants may be applied toward grantee contributions under other USDA programs depending on the terms of those programs. For example, an applicant may propose to use grant funds to offset the costs of electric system improvements in extremely high cost areas by increasing the utility's contribution for line extensions or system expansions to its distribution system financed in whole or part by an electric loan under the RE Act. An applicant may propose to finance a portion of an energy project for an extremely high energy cost community through this grant program and secure the remaining project costs through a loan or loan guarantee or grant from the Agency or other sources.

#### 3. Maximum and minimum awards.

The maximum amount of grant assistance that will be considered for funding per grant application under this notice is \$5,000,000. The minimum amount of assistance for a competitive grant application under this program is \$75,000.

#### IV. Application and Submission Information

All applications must be prepared and submitted in compliance with this NOFA and the Application Guide. The Application Guide contains additional information on the grant program,

sources of information for use in preparing applications, examples of eligible projects, and copies of the required application forms.

#### 1. Address to Request an Application Package

Applications materials and the Application Guide are available for download through <http://www.Grants.gov> (under CFDA No. 10.859) and on the Electric Programs Web site at <http://www.usda.gov/rus/electric>.

Application packages, including required forms, may be also be requested from: Karen Larsen, Management Analyst, United States Department of Agriculture, Rural Development Utilities Programs, Electric Program, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building, Washington, DC 20250-1560. Telephone 202-720-9545, Fax 202-690-0717, e-mail [energy.grants@wdc.usda.gov](mailto:energy.grants@wdc.usda.gov).

#### 2. Content and Form of Application Submission

There are different application requirements for first time applicants and for prior applicants requesting reconsideration. First time applicants are those that did not submit a timely application in response to the August 17, 2007 (72 FR 46195) NOFA. Prior applicants are those that: (1) Submitted timely and complete applications under the August 17, 2007 NOFA; (2) were not selected for a grant award; and (3) would like to request consideration of their proposal under this notice. First time applicants should follow the directions in this notice and the Application Guide in preparing their applications and narrative proposals. The completed application package should be assembled in the order specified with all pages numbered sequentially or by section. If you submitted an application in 2003, 2004, or 2005 but did not submit a request for reconsideration in 2007, you must submit a complete new application package meeting current eligibility and content requirements. Prior applicants should follow the special instructions for reconsideration and submit a revised Standard Form 424 (SF-424), a letter requesting reconsideration, and any supplemental material by the deadline.

#### A. Application Contents for First Time Applicants

First time applicants must submit the following information for the application to be complete and considered for funding:

*Part A. A Completed SF 424, "Application for Federal Assistance."* This form must be signed by a person authorized to submit the proposal on behalf of the applicant.

**Note:** SF 424 has recently been revised to include new required data elements, including a DUNS number. You must submit the revised form. Copies of this form are available in the application package available on line through the Agency website or through Grants.gov, or by request from the Agency contact listed above.

*Part B. Grant Proposal.* The grant proposal is a narrative description prepared by the applicant that establishes the applicant's eligibility, identifies the eligible extremely high energy cost communities to be served by the grant, and describes the proposed grant project, the potential benefits of the project, and a proposed budget. The grant proposal should contain the following sections in the order indicated.

1. *Executive Summary.* The Executive Summary is a one to two page narrative summary that: (a) Identifies the applicant, project title, and the key contact person with telephone and fax numbers, mailing address and email address; (b) specifies the amount of grant funds requested; (c) provides a brief description of the proposed project including the eligible rural communities and residents to be served, activities and facilities to be financed, and how the grant project will offset or reduce the target community's extremely high energy costs; and (d) identifies the associated state rural development initiative, if any, that the project supports. The Executive Summary should also indicate whether the applicant is claiming additional points under any of the criteria designated as USDA priorities under this NOFA.

2. *Table of Contents.* The application package must include a table of contents immediately after the Executive Summary with page numbers for all required sections, forms, and appendices.

3. *Applicant Eligibility.* This section includes a narrative statement that identifies the applicant and supporting evidence establishing that the applicant has or will have the legal authority to enter into a financial assistance relationship with the Federal Government. Examples of supporting evidence of applicant's legal existence and eligibility include: a reference to or copy of the relevant statute, regulation, executive order, or legal opinion authorizing a State, local, or tribal government program, articles of incorporation or certificates of incorporation for corporate applicants,

partnership or trust agreements, board resolutions. Applicants must also be free of any debarment or other restriction on their ability to contract with the Federal Government.

**4. Community Eligibility.** This section provides a narrative description of the community or communities to be served by the grant and supporting information to establish eligibility. The narrative must show that the proposed grant project's target area or areas are located in one or more communities where the average residential energy costs exceed one or more of the benchmark criteria for extremely high energy costs as described in this NOFA. The narrative should clearly identify the location and population of the areas to be aided by the grant project and their energy costs and the population of the local government division in which they are located. Local energy providers and sources of high energy cost data and estimates should be clearly identified. Neither the applicant nor the project must be physically located in the extremely high energy cost community, but the funded project must serve an eligible community.

The population estimates should be based on the results of the 2000 Census available from the U.S. Census Bureau. Additional information and exhibits supporting eligibility may include maps, summary tables, and references to statistical information from the U.S. Census, the Energy Information Administration, other Federal and State agencies, or private sources. The Application Guide includes additional information and sources that the applicant may find useful in establishing community eligibility.

**5. Coordination with State Rural Development Initiatives.** In this section the applicant must describe how the proposed grant is coordinated with and supports any rural development efforts. The applicant should provide supporting references or documentation of any relationship or contribution to State rural development initiatives.

**6. Project Overview.** This section includes the applicant's narrative overview of its proposed project. The narrative must address the following:

**a. Project Design:** This section must provide a narrative description of the project including a proposed scope of work identifying major tasks and proposed schedules for task completion, a detailed description of the equipment, facilities and associated activities to be financed with grant funds, the location of the eligible extremely high energy cost communities to be served, and an estimate of the overall duration of the project. The Project Design description

should be sufficiently detailed to support a finding of technical feasibility. Proposed projects involving construction, repair, replacement, or improvement of electric generation, transmission, and distribution facilities must generally be consistent with the standards and requirements for projects financed with loans and loan guarantees under the RE Act as set forth in the Agency's Electric Programs Regulations and Bulletins and may reference these requirements.

**b. Project Management:** This section must provide a narrative describing the applicant's capabilities and project management plans. The description should address the applicant's organizational structure, method of funding, legal authority, key personnel, project management experience, financial management systems, staff resources, the goals and objectives of the program or business, and any related services provided to the project beneficiaries. A current financial statement and other supporting documentation may be referenced here and included under the Supplementary Material section. If the applicant proposes to use affiliated entities, contractors, or subcontractors to provide services funded under the grant, the applicant must describe the identities, relationship, qualifications, and experience of these affiliated entities. The experience and capabilities of these entities will be reviewed by the rating panel. If the applicant proposes to secure equipment, design, construction, or other services from non-affiliated entities, the applicant must briefly describe how it plans to procure and/or contract for such equipment or services. The applicant should provide information that will support a finding that the combination of management team's experience, financial management capabilities, resources and project structure will enable successful completion of the project. Applicants are encouraged to review the financial management requirements for Federal grantees in 7 CFR part 1709 and USDA financial assistance regulations at 7 CFR parts 3015, 3016, 3017, 3018, 3019, and 3052, as applicable, and to address their ability to comply with these requirements in their applications.

**c. Regulatory and other approvals:** The applicant must identify any other regulatory or other approvals required by other Federal, State, local, or tribal agencies, or by private entities as a condition of financing that are necessary to carry out the proposed grant project and its estimated schedule for obtaining the necessary approvals.

**d. Benefits of the proposed project.** The applicant should describe how the proposed project would benefit the target area and eligible communities. The description must specifically address how the project will improve energy generation, transmission, or distribution facilities serving the target area. The applicant should clearly identify how the project addresses the energy needs of the community and include appropriate measures of project success such as, for example, expected reductions in household or community energy costs, avoided cost increases, enhanced reliability, or economic or social benefits from improvements in energy services available to the target community. The applicant should include quantitative estimates of cost or energy savings and other benefits. The applicant should provide documentation or references to support its statements about cost-effectiveness savings and improved services. The applicant should also describe how it plans to measure and monitor the effectiveness of the program in delivering its projected benefits.

**7. Proposed Project Budget.** The applicant must submit a proposed budget for the grant program on SF 424A, "Budget Information—Non-Construction Programs" or SF-424C, "Standard Form for Budget Information—Construction Programs," as applicable. All applicants that submit applications through *Grants.gov* must use SF-424A. The applicant should supplement the budget summary form with more detailed information describing the basis for cost estimates. The detailed budget estimate should itemize and explain major proposed project cost components such as, but not limited to, the expected costs of design and engineering and other professional services, personnel costs (salaries/wages and fringe benefits), equipment, materials, property acquisition, travel (if any), and other direct costs, and indirect costs, if any. The budget must document that planned administrative and other expenses of the project sponsor that are not directly related to performance of the grant will not total more than 4 percent of grant funds. The applicant must also identify the source and amount of any other Federal or non-Federal contributions of funds or services that will be used to support the proposed project. This program does not require supplemental or matching funds for eligibility; however, the Agency will award additional rating points for programs that include a match of other funds or like-kind contributions to support the project.

8. *Supplementary Material.* The applicant may append any additional information relevant to the proposal or which may qualify the application for extra points under the evaluation criteria described in this NOFA.

*Part C. Additional Required Forms and Certifications.* In order to establish compliance with other Federal requirements for financial assistance, the applicant must execute and submit with the initial application the following forms and certifications:

- SF 424B, "Assurances—Non-Construction Programs" or SF 424D, "Assurances—Construction Programs" (as applicable). All applicants applying through *Grants.gov* must use form SF 424B.

- SF LLL, "Disclosure of Lobbying Activities."

- "Certification Regarding Debarment, Suspension and Other Responsibility Matter—Primary Covered Transactions" as required under 7 CFR part 3017, Appendix A. Certifications for individuals, corporations, nonprofit entities, Indian tribes, partnerships.

- Environmental Profile. The Agency environmental profile template included in the Application Guide solicits information about project characteristics and site-specific conditions that may involve environmental, historic preservation, and other resources. The profile will be used by the Agency's environmental staff to identify selected projects that may require additional environmental reviews, assessments, or environmental impact statements before a final grant award may be approved. A copy of the environmental profile and instructions for completion are included in the Application Guide and may be downloaded from the Agency Web site or *Grants.gov*.

#### B. Special Requirements for Applicants Requesting Reconsideration of an Application Submitted in 2007

Applicants that wish to request reconsideration of their application packages submitted in response to the NOFA published on August 17, 2007 in this round of competitive funding must submit an updated original SF 424, including new mandatory data elements (DUNS number, fax number, and email address) along with a brief signed letter request for reconsideration identifying any additional information that they wish to be considered by the rating panel in reviewing their application along with supporting documentation. Applicants must confirm that their community continues to meet the eligibility benchmarks in Table 1 and may submit additional information to

support their continued eligibility. The required application package will consist of the original signed SF 424, the request for reconsideration, and any additional supporting documents, plus the original application package submitted to the Agency in 2007. The Agency has maintained these prior applications on file and will add the newly submitted material to the existing application package for review by the rating panel. You do not need to send a copy of the 2007 application package. Because this abbreviated application package differs from the general application package for first time applicants available through *Grants.gov*, applicants requesting reconsideration should submit their requests directly to the Agency by the application deadline and not through *Grants.gov*. Applicants that submitted an application in 2007 also have the option of submitting an entirely new complete application package for their project in response to this NOFA.

#### 3. Additional Information Requests

In addition to the information required to be submitted in the application package, the Agency may request that successful grant applicants provide additional information, analyses, forms and certifications as a condition of pre-award clearance, including any environmental reviews or other reviews or certifications required under USDA and Government-wide assistance regulations. The Agency will advise the applicant in writing of any additional information required.

#### 4. Submitting the Application

Applicants that are submitting paper application packages must submit one original application package that includes original signatures on all required forms and certifications and two copies. Applications should be submitted on 8½ by 11 inch white paper. Supplemental materials, such as maps, charts, plans, and photographs may exceed this size requirement.

A completed paper application package must contain all required parts in the order indicated in the above section on "Content and Form of Application Submission." The application package should be paginated either sequentially or by section. Applicants are requested to provide the application package in single-sided format for ease of copying.

Applicants that are submitting application packages electronically through the federal grants portal *Grants.gov* (<http://www.Grants.gov>) must follow the application requirements and procedures and use

the forms provided there. The *Grants.gov* Web site contains full instructions on all required registration, passwords, credentialing and software required to submit applications electronically. *Grants.gov* has streamlined the registration and credentialing process and now requires separate application processes for individuals and organizations. Individual applicants, including individuals applying on behalf of an organization, should follow the special directions for individuals on the *Grants.gov* Web site. Organizational applicants and sole proprietorships should follow the instructions for organizations.

Organizational applicants are advised that completion of the requirements for registration with *Grants.gov*, with the Central Contractor Registry, and e-Authentication required under *Grants.gov* may take a week or more and may be delayed. Accordingly, the Agency strongly recommends that you complete your organization's registration with *Grants.gov* well in advance of the deadline for submitting applications.

USDA encourages both individual and organizational applicants who wish to apply through *Grants.gov* to submit their applications in advance of the deadlines. Early submittal will give you time to resolve any system problems or technical difficulties with an electronic application through the customer support resources available at the *Grants.gov* Web site while preserving the option of submitting a timely paper application if any difficulties cannot be resolved.

#### 5. Disclosure of Information

All material submitted by the applicant may be made available to the public in accordance with the Freedom of Information Act (5 U.S.C. 552) and USDA's implementing regulations at 7 CFR part 1.

#### 6. Submission Dates and Times

Applications must be postmarked or hand delivered to the Agency or posted to *Grants.gov* by March 28, 2008. The Agency will begin accepting applications on the date of publication of this NOFA. The Agency will accept for review all applications postmarked or delivered to us by this deadline. Late applications will not be considered and will be returned to the applicant.

For the purposes of determining the timeliness of an application the Agency will accept the following as valid postmarks: The date stamped by the United States Postal Service on the outside of the package containing the



application delivered by U.S. Mail; the date the package was received by a commercial delivery service as evidenced by the delivery label; the date received via hand delivery to the Agency headquarters; and the date an electronic application was posted for submission to *Grants.gov*.

#### 7. Intergovernmental Review

This program is not subject to the requirements of Executive Order 12372, "Intergovernmental Review of Federal Programs," as implemented under USDA's regulations at 7 CFR part 3015.

#### 8. Funding Restrictions

Section 19 of the RE Act provides that no more than 4 percent of the grant funds may be used for the planning and administrative expenses of the grantee not directly related to the grant project.

#### 9. Other Submission Requirements

Applicants that are submitting paper applications must submit one original application package that includes original signatures on all required forms and certifications and two copies. Applications should be single-sided and submitted on 8½ by 11 inch white paper. Supplemental materials, such as maps, charts, plans, and photographs may exceed this size requirement.

A completed application for first time applicants must contain all required parts in the order indicated in the above section on "Content and Form of Application Submission." The application package should be paginated either sequentially or by section. Applicants seeking reconsideration should follow the special instructions above.

The completed paper application package and two copies must be delivered to the Agency headquarters in Washington, DC using United States Mail, overnight delivery service, or by hand to the following address: United States Department of Agriculture, Rural Development Electric Programs, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building, Washington, DC 20250-1560.

Applications should be marked "Attention: High Energy Cost Community Grant Program."

Applicants are advised that regular mail deliveries to Federal Agencies, especially of oversized packages and envelopes, continue to be delayed because of increased security screening requirements. Applicants may wish to consider using Express Mail or a commercial overnight delivery service instead of regular mail. Applicants wishing to hand deliver or use courier services for delivery should contact the

Agency representative in advance to arrange for building access. The Agency advises applicants that because of intensified security procedures at government facilities that any electronic media included in an application package may be damaged during security screening. If an applicant wishes to submit such materials, they should contact the Agency representative for additional information.

The Agency will accept electronic applications through the Federal Web portal at <http://www.Grants.gov>. Applicants wishing to submit electronic applications through *Grants.gov* must follow the application procedures and submission requirements detailed on that Web site at <http://www.Grants.gov>. Applicants that file through *Grants.gov* should receive electronic confirmation from *Grants.gov* that their applications have been received within 48 hours of submitting the application. *Grants.gov* will send a second electronic message that the application has either been successfully accepted by the system for transmission to the grantor agency OR has been rejected due to errors. After the grant application deadline has passed, USDA will send an electronic confirmation acknowledging that the application has been received by the Agency from *Grants.gov*. *Grants.gov* will not accept applications for filing after the deadline has passed. The Agency will not accept applications directly over the Internet, by e-mail, or fax.

Applicants should be aware that *Grants.gov* requires that applicants complete several preliminary registrations and e-authentication requirements before being allowed to submit applications electronically. Applicants should consult the *Grants.gov* Web site and allow ample time to complete the steps required for registration before submitting their applications. Applicants may download application materials and complete forms online through *Grants.gov* without completing the registration requirements. Application materials prepared online may be printed and submitted in paper to the Agency as detailed above.

#### 10. Multiple Applications

Eligible applicants may submit only one application per project. Multiple tasks and localities may be included in a single proposed grant project. No more than \$5 million in grant funds will be awarded per project application. Applicants may, however, submit applications for more than one project.

#### V. Application Review Information

All applications for grants must be delivered to the Agency at the address listed above or postmarked no later than March 28, 2008 to be eligible. After the deadline has passed, the Agency will review each timely-submitted application to determine whether it is complete and meets all of the eligibility requirements described in this NOFA.

After the application closing date, the Agency will not consider any unsolicited information from the applicant. The Agency may contact the applicant for additional information or to clarify statements in the application required to establish applicant or community eligibility and completeness. Only applications that are complete and meet the eligibility criteria will be considered. The Agency will not accept or solicit any additional information relating to the technical merits and/or economic feasibility of the grant proposal after the application closing date.

If the Agency determines that an application package was not delivered to the Agency, or postmarked on or before the deadline of March 28, 2008, the application will be rejected as untimely and returned to the applicant.

After review, the Agency will reject any application package that it determines is incomplete or that does not demonstrate that the applicant, community or project is eligible under the requirements of this NOFA and program regulations. The Assistant Administrator, Electric Programs will notify the applicant of the rejection in writing and provide a brief explanation of the reasons for rejection.

Applicants may appeal the rejection pursuant to program regulations on appeals at 7 CFR 1709.6. The appeal must be made, in writing to the Agency Administrator, within 10 days after the applicant is notified of the determination to reject the application. The appeal must state the basis for the appeal. Under 7 CFR 1709.6 appeals must be directed to the Administrator, Rural Utilities Service, Rural Development Utilities Programs, United States Department of Agriculture, 1400 Independence Ave., SW., STOP 1500, Washington, DC 20250-1500. The Administrator will review the appeal to determine whether to sustain, reverse, or modify the original determination by the Assistant Administrator. The Administrator's decision shall be final. A written copy of the Administrator's decision will be furnished promptly to the applicant.

The Agency may establish one or more rating panels to review and rate

the eligible grant applications. These panels may include persons not currently employed by USDA.

The panel will evaluate and rate all complete applications that meet the eligibility requirements using the selection criteria and weights described in this NOFA. As part of the proposal review and ranking process, panel members may make comments and recommendations for appropriate conditions on grant awards to promote successful performance of the grant or to assure compliance with other Federal requirements. The decision to include panel recommendations on grant conditions in any grant award will be at the sole discretion of the Administrator.

All applications will be scored and ranked according to the evaluation criteria and weightings described in this Notice. The evaluation criteria and weights in this NOFA differ from those used in prior NOFAs. For this reason, the ratings panel will review and revise scores of any prior applications that are being reconsidered according to the new criteria. The rating panel may revise the score upward based on any updated information submitted by the applicant.

The Agency will use the ratings and recommendations of the panel to rank applicants against other applicants. All applicants will be ranked according to their scores in this round. The rankings and recommendations will then be forwarded to the Administrator for final review and selection.

Decisions on grant awards will be made by the Agency Administrator based on the application, and the rankings and recommendations of the rating panel. The Administrator will fund grant requests in rank order to the extent of available funds. If sufficient funds are not available to fund the next ranked project, the Administrator may in his sole discretion, offer a partial award to the next project, or skip over that project to the next ranking project that can be supported with available funding. Should additional funds become available, the Administrator may in his sole discretion, make additional awards to unfunded applications submitted under this NOFA in rank order.

#### 1. Criteria

The Agency will use the selection criteria described in this NOFA to evaluate and rate applications and will award points up to the maximum number indicated under each criterion. Applicants should carefully read the information on the rating criteria in this NOFA and the Application Guide and address all criteria. The maximum number of points that can be awarded

is 100 points. The Agency will award up to 65 points for project design and technical merit criteria and up to 35 points based on priority criteria for project or community characteristics that support USDA Rural Development and Agency program priorities.

#### A. Project Design and Technical Merit Criteria

Reviewers will consider the soundness of applicant's approach, the technical feasibility of the project, the adequacy of financial and other resources, the competence and experience of the applicant and its team, the project goals and objectives, and community needs and benefits. A total of 65 points may be awarded under these criteria.

*1. Comprehensiveness and feasibility of approach. (Up to 30 points).* Raters will assess the technical and economic feasibility of the project and how well its goals and objectives address the challenges of the extremely high energy cost community. The panel will review the proposed design, construction, equipment, and materials for the community energy facilities in establishing technical feasibility. Reviewers may propose additional conditions on the grant award to assure that the project is technically sound. Reviewers will consider the adequacy of the applicant's budget and resources to carry out the project as proposed and how the applicant proposes to manage available resources such as other grants, program income, and any other financing sources to maintain and operate a financially viable project once the grant period has ended.

*2. Demonstrated experience. (Up to 10 points).* Reviewers will consider whether the applicant and its project team have demonstrated experience in successfully administering and carrying out projects that are comparable to that proposed in the grant application. The Agency supports and encourages emerging organizations that desire to develop the internal capacity to improve energy services in rural communities. In evaluating the capabilities of entities without extensive experience in carrying out such projects, the Agency will consider the experience of the project team and the effectiveness of the program design in compensating for lack of extensive experience.

*3. Community Needs. (Up to 15 points).* Reviewers will consider the applicant's identification and documentation of eligible communities, their populations, and assessment of community energy needs to be addressed by the grant project. Information on the severity of physical

and economic challenges affecting eligible communities will be considered. Reviewers will weigh: (1) The applicant's analysis of community energy challenges and (2) why the applicant's proposal presents a greater need for Federal assistance than other competing applications. In assessing the applicant's demonstration of community needs, the rating panel will consider information in the narrative proposal addressing:

(a) The burden placed on the community and individual households by extremely high energy costs as evidenced by such quantitative measures as, for example, total energy expenditures, per unit energy costs, energy cost intensity for occupied space, or energy costs as a share of average household income, and persistence of extremely high energy costs compared to national or statewide averages.

(b) The hardships created by limited access to reliable and affordable energy services; and

(c) The availability of other resources to support or supplement the proposed grant funding.

*4. Project Evaluation Methods. (Up to 5 points).* Reviewers will consider the applicant's plan to evaluate and report on the success and cost-effectiveness of financed activities and whether the results obtained will contribute to program improvements for the applicant or for other entities interested in similar programs.

*5. Coordination with State Rural Development Initiatives. (Up to 5 points).* Raters will assess how effectively the proposed project is coordinated with State rural development initiatives, if any, and is consistent with and supports these efforts. The Agency will consider the documentation submitted for coordination efforts, community support, and State or local government recommendations. Applicants should identify the extent to which the project is dependent on or tied to other rural development initiatives, funding, and approvals. Applicants are advised that they should address this criterion explicitly even if only to report that the project is not coordinated with or supporting a State rural development initiative. Failure to address this criterion will result in zero points awarded.

#### B. Priority Criteria

In addition to the points awarded for project design and technical merit, all proposals will be reviewed and awarded additional points based on certain characteristics of the project or the target community. USDA Rural

Development policies generally encourage agencies to give priority in their programs to rural areas of greatest need and to support other Federal policy initiatives. In furtherance of these policies, the Agency will award additional points for the priorities identified in this notice. The priority criteria and point scores used in this NOFA are consistent with the program regulations in 7 CFR part 1709. The Agency will give priority consideration to smaller communities, areas suffering significant economic hardship, areas with inadequate community energy services, and areas where the condition of community energy facilities (or absence thereof) presents an imminent hazard to public health or safety. Priority points will also be awarded for proposals that include cost sharing. A maximum of 35 total points may be awarded under these priority criteria.

**1. Economic Hardship. (Up to 15 points).** The community experiences one or more economic hardship conditions that impair the ability of the community and/or its residents to provide basic energy services or to reduce or limit the costs of these services. Economic hardship will be assessed using either the objective measure of county median income under Option A below or subjectively under Option B based on the applicant's description of the community's economic hardships and supporting materials. Applicants may elect either measure, but not both.

**Option A. Economically Distressed Communities. (Up to 15 points).** The target community is an economically distressed county or Indian reservation where the median household income is significantly below the State average. Points will be awarded based on the county percentage of State median household income (or reservation percentage of State median household income in the case of Federally recognized Indian reservations) according to the following:

- (1) Less than 70 percent of the State median household income, 15 points;
- (2) 70 to 80 percent of the State median household income, 12 points;
- (3) 80 to 90 percent of the State median household income, 10 points;
- (4) 90 to 95 percent of the State median household income, 5 points; or
- (5) over 95 percent of the State median household income, 0 points.

Information on State and county median income is available online from the USDA Economic Research Service at <http://www.ers.usda.gov/data/unemployment/>. Information on Indian reservations is available through the U.S. Census at <http://www.census.gov>.

**Option B. Other Economic Hardship. (Up to 15 points).** The community suffers from other conditions creating a severe economic hardship that is adequately described and documented by the applicant. Examples include but are not limited to natural disasters, financially distressed local industry, and loss of major local employer, persistent poverty, outmigration, or other conditions adversely affecting the local economy, or contributing to unserved or underserved energy infrastructure needs that affect the economic health of the community. The rating panel may assign points under this criterion, in lieu of awarding points based on the percentage of median household income.

**2. Rurality. (Up to 14 points).** Consistent with the Rural Development policy to target resources to rural communities with significant needs and recognizing that smaller communities are often comparatively disadvantaged in seeking assistance, reviewers will award additional points based on the rurality (as measured by population) of the target communities to be served with grant funds. Applications will be scored based on the population of the largest incorporated cities, towns, or villages, or census designated places included within the grant's proposed target area. Points will be awarded on the population of the largest target community within the proposed target area as follows:

- (A) 2,500 or less, 14 points;
- (B) Between 2,501 and 5,000, inclusive, 12 points;
- (C) Between 5,001 and 10,000, inclusive, 8 points;
- (D) Between 10,001 and 15,000, inclusive, 5 points;
- (E) Between 15,001 and 20,000, inclusive, 2 points; and
- (F) Above 20,000, 0 points.

Applicants must use the latest available population figures from Census 2000 available at <http://www.census.gov/main/www/cen2000.html> for every incorporated city, town, or village, or Census designated place included in the target area.

**3. Unserved Energy Needs. (2 points).** Consistent with the purposes of the RE Act, projects that meet unserved or underserved energy needs will be eligible for 2 points. Examples of proposals that may qualify under this priority include projects that extend or improve electric or other energy services to communities and customers that do not have reliable centralized or commercial service or where many homes remain without such service because the costs are unaffordable.

**4. Imminent hazard. (2 points).** If the grant proposal involves a project to correct a condition posing an imminent hazard to public safety, welfare, the environment, or to a critical community or residential energy facility, raters may award 2 points. Examples include community energy facilities in immediate danger of failure because of deteriorated condition, capacity limitations, damage from natural disasters or accidents, or other conditions where impending failure of existing facilities or absence of energy facilities creates a substantial threat to public health or safety, or to the environment.

**5. Cost Sharing. (2 points).** This grant program does not require any cost contribution. In addition to their assessment of the economic feasibility and sustainability of the project under the project evaluation factors above, raters may award 2 points for cost sharing. These points will be awarded when the proposal documents supplemental contributions of funds, property, equipment, services, or other in kind contributions for the project evidencing the applicant's and/or community's commitment to the project that taken together exceed 10 percent of the total project costs. The applicant must specifically request additional points for cost sharing.

## 2. Review and Selection Process

### A. Scoring and Ranking of Applications

Following the evaluation and rating of individual applications under the above criteria, the rating panel will rank the applications in numerical order according to their total scores. The scored and ranked applications and the raters' comments will then be forwarded to the Administrator for review and selection of grant awards.

### B. Selection of Grant Awards and Notification of Applicants

The Agency Administrator will review the rankings and recommendations of the applications provided by the rating panel for consistency with the requirements of this NOFA. The Administrator may return any application to the rating panel with written instruction for reconsideration if, in his sole discretion, he finds that the scoring of an application is inconsistent with this NOFA and the directions provided to the rating panel.

Following any adjustments to the project rankings as a result of reconsideration, the Administrator will select projects for funding in rank order. If funds remain after funding the highest

ranking application, the Agency may fund all or part of the next highest ranking application. The Agency will advise an applicant if it cannot fully fund a grant request and ask whether the applicant will accept a reduced award.

The Administrator may decide based on the recommendations of the rating panel or in his sole discretion that a grant award may be made fully or partially contingent upon the applicant satisfying certain conditions or providing additional information and analyses. For example, the Agency may defer approving a final award to a selected project—such as projects requiring more extensive environmental review and mitigation, preparation of detailed site specific engineering studies and designs, or requiring local permitting, or availability of supplemental financing—until any additional conditions are satisfied. In the event that a selected applicant fails to comply with the additional conditions within the time set by the Agency, the selection will be vacated and the next ranking project will be considered.

If a selected applicant turns down a grant award offer, or fails to conclude a grant agreement acceptable to the Agency, or to provide required information requested by the Agency within the time period established in the notification of selection for grant award, the Agency Administrator may select for funding the next highest ranking application submitted in response to this NOFA. If sufficient funds are not available to fund the next ranked project, the Administrator may in his sole discretion, offer a partial award to the next project, or skip over that project to the next ranking project that can be supported with available funding. Should additional funds become available in Fiscal Year 2007 or in a subsequent Fiscal Year prior to the next solicitation of competitive grant applications, the Administrator may in his sole discretion, make additional awards to unfunded applications submitted under this NOFA in rank order.

The Agency will notify each applicant in writing whether or not it has been selected for an award. The Agency's written notice to a successful applicant of the amount of the grant award based on the approved application will constitute the Agency's preliminary acceptance of a project for an award, subject to compliance with all post-selection requirements including but not limited to completion of any environmental reviews and negotiation and execution of a grant agreement

satisfactory to the Agency. This preliminary acceptance does not bind the Government to making a final grant award. Only a final grant award and agreement executed by the Administrator will constitute a binding obligation and commitment of Federal funds. Funds will not be awarded or disbursed until all requirements have been satisfied and are contingent on the continued availability of appropriated funds at the time of the award. The Agency will advise selected applicants of additional requirements or conditions.

#### C. Adjustments to Funding

The Agency reserves the right to fund less than the full amount requested in a grant application to ensure the fair distribution of the funds and to ensure that the purposes of a specific program are met. The Agency will not fund any portion of a grant request that is not eligible for funding under Federal statutory or regulatory requirements; that does not meet the requirements of this NOFA, or that may duplicate other Agency-funded activities, including electric loans. Only the eligible portions of a successful grant application will be funded.

Grant assistance cannot exceed the lower of:

- (a) The qualifying percentage of eligible project costs requested by the applicant; or
- (b) The minimum amount sufficient to provide for the economic feasibility of the project as determined by the Agency.

### VI. Award Administration Information

#### 1. Award Notices.

The Agency will notify all applicants in writing whether they have been selected for an award. Successful applicants will be advised in writing of their selection as award finalists. Successful applicants will be required to negotiate a grant agreement acceptable to the Agency and complete additional grant forms and certifications required by USDA as part of the pre-award process.

Depending on the nature of the activities proposed by the application, the grantee may be asked to provide information and certifications necessary for compliance with The Agency's environmental policy regulations and procedures for Electric Programs at 7 CFR part 1794. Following completion of the environmental review, selected applicants will receive a letter of conditions establishing any project-specific conditions to be included in the grant agreement and asked to execute a

letter of intent to meet the grant conditions or to detail why such conditions can't be met and to propose alternatives. Grant funds will not be advanced unless and until the applicant has executed a grant agreement acceptable to the Agency.

The Agency will require each successful applicant to agree to the specific terms of each grant agreement, a project budget, and other program requirements. In cases where the Agency cannot successfully conclude negotiations with a selected applicant or a selected applicant fails to provide requested information within the time specified, an award will not be made to that applicant. The selection will be revoked and the Agency may offer an award to the next highest ranking applicant, and proceed with negotiations with the next highest ranking applicant, subject to the availability of funds.

#### 2. Administrative and National Policy Requirements

##### A. Environmental Review and Restriction on Certain Activities

Grant awards are required to comply with 7 CFR part 1794, which sets forth Agency regulations implementing the National Environmental Policy Act (NEPA). Grantees must also agree to comply with any other Federal or State environmental laws and regulations applicable to the grant project.

If the proposed grant project involves physical development activities or property acquisition, the applicant is generally prohibited from acquiring, rehabilitating, converting, leasing, repairing or constructing property or facilities, or committing or expending Agency or non-Agency funds for proposed grant activities until the Agency has completed any environmental review in accordance with 7 CFR part 1794 or determined that no environmental review is required. Successful applicants will be advised whether additional environmental review and requirements apply to their proposals.

##### B. Other Federal Requirements

Other Federal statutes and regulations apply to grant applications and to grant awards. These include, but are not limited to, requirements under 7 CFR part 15, subpart A—Nondiscrimination in Federally Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964.

Certain Office of Management and Budget (OMB) circulars also apply to USDA grant programs and must be

followed by a grantee under this program. The policies, guidance, and requirements of the following, or their successors, may apply to the award, acceptance and use of assistance under this program and to the remedies for noncompliance, except when inconsistent with the provisions of the Agriculture, Rural Development and Related Agencies Appropriations Acts, other Federal statutes or the provisions of this NOFA:

- OMB Circular No. A-87 (Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments);
- OMB Circular A-21 (Cost Principles for Education Institutions);
- OMB Circular No. A-122 (Cost Principles for Nonprofit Organizations);
- OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations);
- 7 CFR part 3015 (Uniform Federal Assistance Regulations);
- 7 CFR part 3016 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally recognized Indian tribal governments);
- 7 CFR part 3017 (Government-wide debarment and suspension (non-procurement) and
- Government-wide requirements for drug-free workplace (grants));
- 7 CFR part 3018 (New restrictions on Lobbying);
- 7 CFR part 3019 (Uniform administrative requirements for grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations); and
- 7 CFR part 3052 (Audits of States, local governments, and non-profit organizations).

Compliance with additional OMB Circulars or government-wide regulations may be specified in the grant agreement.

### 3. Reporting

The grantee will be required to provide periodic financial and performance reports under USDA grant regulations and program rules and to submit a final project performance report. The nature and frequency of required reports are established in USDA grant regulations and the project-specific grant agreements.

### VII. Agency Contact

The Agency Contact for this grant announcement is Karen Larsen, Management Analyst, United States Department of Agriculture, Rural Development Electric Program, 1400 Independence Avenue, SW., STOP 1560, Room 5165 South Building,

Washington, DC 20250-1560.  
Telephone 202-720-9545, Fax 202-690-0717, e-mail  
[Karen.Larsen@usda.gov](mailto:Karen.Larsen@usda.gov).

Dated: January 11, 2008.

**James M. Andrew,**

*Administrator, Rural Utilities Service.*

[FR Doc. E8-1381 Filed 1-25-08; 8:45 am]

**BILLING CODE 3410-15-P**

## DEPARTMENT OF AGRICULTURE

### Rural Utilities Service

#### Announcement of Funding Availability and Solicitation of Applications

**AGENCY:** Rural Utilities Service, USDA.

**ACTION:** Notice of Funding Availability and Solicitation of Applications.

**SUMMARY:** The Rural Utilities Service, an agency delivering the United States Department of Agriculture's (USDA) Rural Development Utilities Programs, hereinafter referred to as Rural Development and/or Agency, announces its Distance Learning and Telemedicine (DLT) grant, combination loan-grant and loan program application windows for Fiscal Year (FY) 2008.

In addition to announcing the application windows, the Agency announces the available funding and the minimum and maximum amounts for DLT grants, combination loan-grants and loans applicable for the fiscal year.

The Distance Learning and Telemedicine Grant Program was authorized by the 1990 Farm Bill to provide grants to rural schools and health care providers. The 1996 Farm Bill reauthorized the Distance Learning and Telemedicine Grant Program and established a new loan component. The Distance Learning and Telemedicine (DLT) Program is specifically designed to meet the educational and health care needs of rural America through the use of advanced telecommunications technologies.

**DATES:** You may submit completed applications for grants on paper or electronically according to the following deadlines:

- Paper copies must be postmarked and mailed, shipped, or sent overnight *no later than* April 14, 2008 to be eligible for FY 2008 grant funding. Late or incomplete applications will not be eligible for FY 2008 grant funding.
- Electronic copies must be received by April 14, 2008 to be eligible for FY 2008 grant funding. Late or incomplete applications will not be eligible for FY 2008 grant funding.

**ADDRESSES:** You may obtain copies of the FY 2008 application guides and

materials for the DLT grant program may be obtained at the following sources:

- The DLT Web site: <http://www.usda.gov/rus/telecom/dlt/dlt.htm>,
- Contacting the DLT Program at (202) 720-0413.
- Paper applications are to be submitted to Rural Development Utilities Programs, United States Department of Agriculture, 1400 Independence Ave., SW., Room 2845, STOP 1550, Washington, DC 20250-1550. Applications should be marked "Attention: Director, Advanced Services Division, Telecommunications Program."

Electronic applications may be submitted through Grants.gov. Information on how to submit applications electronically is available on the Grants.gov Web site (<http://www.grants.gov>). Applicants must successfully pre-register with Grants.gov to use the electronic applications option. Application information may be downloaded from Grants.gov without preregistration.

#### FOR FURTHER INFORMATION CONTACT:

Director, Advanced Services Division, Telecommunications Program, Rural Development Utilities Programs, United States Department of Agriculture, telephone: (202) 720-0413, fax: (202) 720-1051.

#### SUPPLEMENTARY INFORMATION:

##### Overview

*Federal Agency:* Rural Utilities Service (RUS).

*Funding Opportunity Title:* Distance Learning and Telemedicine Grants, Combination Loan-grants, and Loans.

*Announcement Type:* Initial announcement.

*Catalog of Federal Domestic Assistance (CFDA) Number:* 10.855.

**DATES:** You may submit completed applications for grants on paper or electronically according to the following deadlines:

- Paper copies must be postmarked and mailed, shipped, or sent overnight no later than April 14, 2008 to be eligible for FY 2008 grant funding. Late or incomplete applications are not eligible for FY 2008 grant funding.
- Electronic copies must be received by April 14, 2008 to be eligible for FY 2008 grant funding. Late or incomplete applications are not eligible for FY 2008 grant funding.

#### Items in Supplementary Information

*I. Funding Opportunity:* Brief introduction to the DLT program.

*II. Minimum and Maximum Application Amounts:* Projected Available Funding.