Program Year 2026
State Energy Program
Formula Grant Application Instructions
State Energy Program Notice 26-01
Effective Date: August 7, 2026

SUBJECT: PROGRAM YEAR 2026 STATE ENERGY PROGRAM GRANT APPLICATION

EFFECTIVE DATE

State Energy Program Notice 26-01, *Formula Grant Application Instructions and Administrative and Legal Requirements Document (ALRD)*, are exclusively intended for State Energy Program (SEP) Grantees in Program Year (PY) 2026.

INTENDED AUDIENCE

State Energy Program Grantees

INTENDED USE

The Department of Energy (DOE) issues Program Notices to establish the framework to administer congressionally appropriated funds to SEP Grantees. This document and attachments provide information for developing an annual SEP State Plan. Complete applications ensure funds are dispersed in a timely manner.

DOE issues the application package annually to provide instructions on completing State Plan applications. The annual document, issued as a Program Notice, addresses these subjects and provides resources for Grantees to include the information, as appropriate, to their circumstances in applying for SEP formula funds.

SEP Program Notice attachments serve as programmatic, financial, and legal resources with instructions through the Application Instructions that must be incorporated into the submitted Grantee State Plan.

Grantee Plans are submitted electronically through SEP's reporting system, Performance and Accountability for Grants in Energy (PAGE).

PAGE contains all Federal forms required for the application. Please follow the instructions in the Application Instructions and the ALRD attached to this Program Notice.

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PURPOSE

To establish Formula Grant Application Instructions and management information for the SEP Formula Grants for Program Year PY 2026, including:

- PY 2026 Allocations
- Administrative and Legal Requirements Document (ALRD)
- The Application Checklist

The PY 2026 SEP Formula Award Application Instructions and the attached Reference Materials apply to SEP grant funds received through regular Federal appropriations.

SEP emphasizes each State's role as the decision maker and administrator for program activities within the State, which are tailored to their unique resources, delivery capacity, and energy goals. Project Officers maintain a partnership with States[1] (the 50 U.S. states, U.S. territories, and the District of Columbia), resulting in a deep understanding of project performance and customer service. Through its collaborative work with the States, SEP provides financial and technical assistance (TA) to enhance energy security and reliability, promote economic growth and American energy abundance, improve environmental quality, and increase energy affordability and efficiency.

Scope

The provisions of this Program Notice apply to States applying for formula grant financial assistance under DOE's SEP. Much of the information in this Program Notice is summarized from the volumes of the Code of Federal Regulations (C.F.R.) that apply to SEP, namely 10 C.F.R. § 420 (covering SEP), and 2 C.F.R. § 200 as amended by 2 C.F.R. § 910 (the DOE Financial Assistance Rules).

These regulations are the official sources for program requirements.

Eligible Applicants

Eligibility for award is restricted to States applying for formula grant financial assistance under SEP (2 C.F.R. § 910.126 and DOE Program Rule 10 C.F.R. § 420).

Legal Authority

SEP is authorized under the Energy Policy and Conservation Act, as amended (42 U.S.C. § 6321 et seq.). All grant awards made under this program must comply with applicable laws, including but not limited to, the SEP statutory authority (42 U.S.C. § 6321 et seq.), 10 C.F.R. § 420, and 2 C.F.R. § 200 as amended by 2 C.F.R. § 910.

[1] Per 10 C.F.R. § 420.2, "State" means a state, the District of Columbia, Puerto Rico, or any territory or possession of the United States.

PROGRAM OVERVIEW AND GOALS

President Donald J. Trump ordered the U.S. Government to unleash America's affordable and reliable energy resources to restore American prosperity. The Administration's policy is to:

- Encourage energy exploration
- Establish our position as the leading producer of critical minerals
- Protect the United States by ensuring an abundant supply of reliable energy is readily accessible in every state and territory
- Ensure regulatory requirements are grounded in law
- Promote consumer choice
- Safeguard Americans' freedom to choose from a variety of goods and appliances
- Promote sound and efficient regulatory decision making

In line with this vision, SEP works with the States to significantly accelerate deployment of measures that catalyze local economic development, create jobs, reduce energy costs, and unburden energy access and abundance.

SEP provides an avenue for DOE to work in partnership with State energy officials and policymakers to advance key energy goals by providing annual funding through formula grants while maintaining States' flexibility to pursue activities tailored to their unique resources, delivery capacity, and energy goals. States are encouraged to consider other funding opportunities and resources provided by the U.S. Government when formulating their plans, as well as partnerships with local governments and other organizations relevant to those opportunities.

DOE exhorts States to:

- Reduce energy costs for the American people as well as industry
- Promote affordable, reliable, domestic, and secure energy sources and technology
- Coordinate with regulated utilities to implement energy security plans
- Strengthen local transmission and distribution systems with common sense energy solutions
- Increase investments to expand natural resource extraction
- Increase investments to expand the size and skill of the American energy workforce
- Support rural and tribal communities with their unique energy needs
- Support state, local, and tribal governments in reducing burdensome and unnecessary building codes and regulations
- Increase investments to streamline and modernize the building permitting process to reduce costs and spur growth and innovation
- Promote and expand industrial growth and job creation

TECHNICAL ASSISTANCE

DOE's SEP provides TA to the States to maximize the effectiveness and efficiency of State energy programming, as statutorily required.

Over decades of work, SEP and its stakeholders, including national labs, have developed institutional knowledge on how to help State governments achieve energy abundance, decrease energy costs, and strengthen energy security. SEP TA ensures knowledge sharing among States and subject matter experts; reduces redundancy across research, development, and deployment efforts; and maximizes limited Federal funding.

Based on State needs, DOE will continue to provide TA and guidance to States in PY 2026 to assist with advancing energy innovation and implementation of efficient and effective programs. For example, States share information with DOE and each other in peer-to-peer facilitated dialogues about the challenges they encounter and potential solutions. TA is available in many areas, including:

- Developing and implementing energy plans
- Identifying strategies to pay for energy initiatives
- Designing and implementing energy programs
- Accessing and using energy data

Requests for TA should be made through your DOE Project Officer. SEP leverages DOE libraries of TA resources to ensure existing TA from across DOE can be harnessed expediently and efficiently in response to State queries.

SEP will routinely measure and share the outputs, benefits, and outcomes of TA. SEP recognizes that State needs may change as SEP funds are expended and as new programs are developed and put into place. This process will be iterative, and SEP will gather consistent feedback on what resources are most helpful to States. To measure the impact of TA to States, States should plan to include the results and outcomes of TA in their annual grant Quarterly Progress Reports submitted in DOE's Performance and Accountability for Grants in Energy (PAGE) reporting system. To amplify impact across the country, SEP will ask States to share lessons learned and best practices via peer exchange, webinars, cohorts, and other informative forums. SEP will measure progress of TA by tracking outputs, including TA requests, recipients, performers, and performance information from the time of grant application submission until after the engagement has ended. Annual SEP TA Reports will include outputs of TA requests and projects, qualitative and quantitative impacts, and high-level tracking expenditures for TA. SEP will also share the types of TA requested and provided to States on a regular basis.

Funding

Funding for all awards and future budget periods is contingent on the availability of funds appropriated by Congress for this program and the availability of future-year budget authority.

Formula Allocations

The PY 2026 allocations are included in the reference material attachments. States should develop their State Plans using PY 2026 SEP allocations. You can find information on the allocation process at 10 C.F.R. § 420.11.

Cost Match

Cost match is not required for PY 2026 Formula awards. **The 20% cost match requirement will return in Program Year 2027.**[1] If cost match is proposed, it must be included in the budget and budget justification.

States with Petroleum Violation Escrow (PVE) funds may, in some cases, use these funds as cost match. Stripper Well funds and Diamond Shamrock funds may be used as cost match. Chevron, Warner Amendment, and Exxon funds may not be used as cost match.

States **may not** use certain funding sources for cost match, including but not limited to:

- Revenues or royalties from the prospective operation of an activity beyond the project period
- Proceeds from the prospective sale of an asset of an activity
- Federal funding or property (e.g., Federal grants, equipment owned by the Federal government)
- Expenditures that were reimbursed under a separate Federal program
- Bank loans from financial institutions (funds borrowed from a financial institution that will later be paid back in full)

USE OF STRIPPER WELL FUNDS OUTSIDE OF SEP

States must ensure that all proposed uses of Stripper Well funds outside of SEP have prior review and approval by DOE. Proposals should be submitted to the following email address: sep-pve@doe.gov. Copy your Project Officer on the email request. This proposal should include a description of the work along with the timeframe and associated budget.

Program Income

DOE encourages States to earn income in connection with SEP activities to defray program costs. If the State Plan includes such activities, States should include an estimated amount of income earned in the budget portion of the Grant Application. Program income is defined in Federal regulations as gross income earned by the recipient directly generated by a supported activity or earned as a result of the award.

Program income includes but is not limited to:

- Income from fees for services performed
- The use or rental of real or personal property acquired with grant funds
- The sale of commodities or items fabricated under a grant agreement
- License fees and royalties on patents and copyrights
- Payments of principal and interest on loans made with grant funds

[1] The Infrastructure Investment and Jobs Act (Public Law 117-58) § 40109 (b) (f) stipulated that "for the period of fiscal years 2022 through 2026" SEP would "not be subject to the matching requirement described in […] 42 U.S.C. 6323a)," which requires that "each State will hereafter match in cash or in kind not less than 20 percent of the Federal contribution (Pub. L. 98–473, title I, § 101(c) [title II], Oct. 12, 1984, 98 Stat. 1837, 1861)."

Program income does not include interest on grant funds except as otherwise provided in this subpart, program regulations, or the terms and conditions of the award. Program income also does not include rebates, credits, discounts, refunds, etc., or interest earned on any of them (2 C.F.R. § 200.80 and 2 C.F.R. § 200.307).

Financing Programs

On November 10, 2020, DOE issued revised program guidance on using SEP funds for financing programs. The guidance outlines conditions that must be met to establish a financing program. You can find more information in SEP Program Notice 10-008F, "Guidance for State Energy Program Grantees on Financing Programs."

When a State establishes a financing program using SEP or PVE funds, the principal and interest collected may be used to fund additional financing options or to fund the operations of any program eligible and approved under SEP. When DOE approves funds for a financing program, the State assumes responsibility for the stewardship and ultimate recapture of any unused and returned funds, including principal and any interest at the end of the approved life of the program. A final accounting of these funds must occur and be submitted to DOE when the program is closed out. The accounting report should include all unused funds, including any principal remaining, and the amount of interest collected.

The State must apply the remaining funds to other eligible uses under SEP, including a reasonable timeframe for expenditure. Re-authorization of funds used in the financing program will be based on State proposals and program rules and regulations. Any interest earned would be considered program income when the program ends, and the final accounting report would reflect the balance of funds remaining after subtracting any operating expenses.

APPLICATION INSTRUCTIONS FOR SEP ANNUAL GRANTS

Overview

The application package for SEP grants consists of the State Plan and a number of required forms. The State Plan is the heart of the application package and is divided into three sections: the Master File, the Annual File, and Budget Files.

Applications must be submitted in accordance with the PY 2026 SEP ALRD. Application due dates are identified on the cover page of the ALRD.

As a reminder, application documents, forms, and data submitted to SEP may be made available to the public at DOE's discretion under applicable laws and regulations that protect confidential or proprietary information.

New Awards

All new awards will consist of a three-year Project Period with three one-year Budget Periods (a.k.a. Program Year), contingent on availability of funds. States must submit an application with a new grant number for the first year of the Project Period.

The new application should reflect the first year's Federal Allocation, the first year's optional Cost Match, and other first year contributions. In years two and three of the Project Period, a continuation application will be required reflecting that year's allocation and any carryover from the previous Budget Period. **The new application cannot include any carryover funds from prior awards.**

No Cost Time Extension

DOE expects States to spend out their entire DOE award by the end of the third year and to plan accordingly. The Terms and Conditions document incorporated in the grant award will include information about extensions and how to request one. DOE will consider extension requests only for extraordinary circumstances. Extraordinary circumstances include:

- The loss of personnel for an extended period of time
- Change in leadership or decision by leadership that results in a significant change in program plans that significantly delays or significantly alters spending
- Significant (more than three months) freeze on spending, significant delays in procurement, a natural disaster, or other extraordinary circumstance preventing a State from spending out its funds during its grant period

DOE reserves the right to alter the allowable circumstances for an extension for a given program year at its discretion. To be considered for an extension based on extraordinary circumstance, the State should submit a written extension request to DOE **at least 90 days** prior to an award's end date. Such requests must include the reason for the request and a detailed plan for expending the remaining funds within the requested extension period.

STATE APPLICATIONS

The State Application consists of:

- Standard Form 424 (Application form)
- Standard Form 424A (Budget summary)
- Budget Justification
- Master File
- Annual File
- A link to the State's latest single or program-specific audit as required by 2 C.F.R. § 200(f)
- Contact information for Principal Investigator/Business Officer
- USAspending.gov Project Description Template
- Statement of Work (SOW)
- An indirect rate agreement (if applicable)
- An environmental questionnaire (if applicable)

Program regulations govern all funds budgeted in the State Application, whatever their source. DOE funds, PVE funds, estimated program income, and the State match must all be listed in the budget portion of the State Application. All funds must be spent on the activities described in the State Application and addressed in the financial and performance reports required under the grant.

A. Standard Form 424

A completed and signed Standard Form 424 (SF-424) with current information must be submitted. Be sure all sections are updated to reflect any changes, including changes to the person to be contacted on matters involving the application and the authorized representative.

Section 2 of SF-424 asks States to select the type of application. A State entering year one of its three-year award should mark "New." A State entering year two or three of its three-year award should mark "Continuation."

- Section 18 of this form should reflect ***new funds only*** (not carryover).
- Please verify compliance with Intergovernmental Review (SPOC List).
- Grantees ***must*** check the box in Field 21 in PAGE (figure below) to comply with the certifications and assurances. The list of certifications and assurances are available at the DOE website through the U.S. Department of Justice Office of Justice Programs. Grantees are ***not required*** to submit hard copies of documents.

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☐ ** I AGREE

**The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Once the SF-424 is completed, you must attach the following documents:

- A document with the name, title, phone number, and email address for both the Principal Investigator and the Business Officer. This attachment should be updated every year.
- USASpending.gov Project Description Template that is less than 4,000 characters and provides a detailed and accurate award/project description[2] about the:
  - Purpose
  - Planned activities/objectives (including activities of subrecipients if known)
  - Expected deliverables and outcomes
  - Intended beneficiaries of the funded award/project
- A document containing a link to the State's latest single or program-specific audit as required by 2 C.F.R. § 200(f)
- Environmental Review
- SOW
- Indirect Rate Agreement, if applicable

[2] Please note, this information will be public so PII and sensitive information should not be included.

B. Standard Form 424 (Budget)

The budget includes Standard Form 424A Summary, which includes a Budget Justification. Each of these forms must be completed following the guidelines set out below.

B.1 Standard Form 424A

Applications must include a budget for all funds including DOE, PVE, and State match, if applicable, as follows:

- Section A: Budget Summary Lines 1-4, Columns (a) through (g)
  - On line 1, enter new and unexpended DOE funds
  - Estimated carryover funds should be listed in the unobligated columns
  - Use a separate line for each funding source, e.g., Federal funds, PVE funds, match, etc.
- Section B: Budget Categories
  - Use separate column headings (with the same name as the rows in Section A) for each funding source
  - The total in column g, Section A, must equal the total of all columns in Section B

B.2 Budget Justification

The Budget Justification is a detailed explanation of the object class categories in line 6, Section B, of Standard Form 424A. In preparing the Budget Justification, States should address the following for each budget category:

Personnel

Identify all positions to be supported by the award by:

- Title
- The amounts of time (e.g., % of time) to be expended on SEP
- Base pay rate
- Total direct personnel compensation

Personnel must be direct costs to the project and not duplicate personnel costs included in the indirect pool that is the basis of any indirect rate applied for this project. No person should exceed 100% of time combined across all Federal grant programs.

Fringe Benefits

If fringe cost rates are approved by a Federal agency, identify the agency and date of the latest rate agreement and include a copy of the rate agreement with the application. If fringe cost rates are not approved by a Federal agency, explain how total fringe benefit costs were calculated.

Calculations should identify all rates used along with the base they were applied to (and how the base was derived) and a total for each (along with the grand total). If you have an established computation methodology approved for State-wide use, provide a copy with the SF-424 Application.

Travel

All listed travel must be necessary or beneficial to the performance of SEP. All foreign travel must be identified and requires pre-approval. The budget must:

- Provide the purpose of travel, such as professional conferences, DOE-sponsored meetings, project monitoring, etc.
- Identify the number of trips
- Identify the destination, if known
- Provide the basis for the travel estimate such as past trips, current quotations, Federal or State travel regulations, etc.

Equipment

Equipment is defined as an item with an acquisition cost greater than $10,000 per unit and a useful life expectancy of more than one year. The budget must:

- List all proposed equipment
- Briefly justify its need as it applies to the objectives of this award
- Provide a basis of cost, such as vendor quotes, catalog prices, prior invoices, etc.
- Provide the value of its contribution to the project and a rationale for the estimated value shown if you are proposing the equipment as cost match and it was previously acquired
- Provide a rationale for the estimated value shown if the equipment is new and will retain a useful life on completion of the project
- Indicate whether the equipment is being used for other projects or is 100% dedicated to this project

Supplies

Supplies are defined as items with an acquisition cost of $10,000 or less or a useful life expectancy of less than one year. Supplies are generally consumed during the project performance. The budget must:

- List all proposed supplies
- List the estimated cost
- Briefly justify the need for the supplies as they apply to the objectives of this award
- Provide a basis of cost for each item listed (e.g., vendor quotes, prior purchases of similar or like items, published price list, etc.)

Supply items must be direct costs to the project and not duplicate supply costs included in the indirect pool that is the basis of any indirect rate applied for this project.

Contractual

The budget must:

- Identify all subrecipients, vendors, contractors, and consultants, and their estimated costs (use “TBD” if the entity is unknown)
- Provide a brief description of the work to be performed or the service to be provided and reference the individual activity the work or service falls under
- Include the basis of cost for each item listed (competitive, historical, quote, catalog, etc.)

Other Direct Costs

Direct costs for the project that do not fit clearly into other categories must be entered as *other direct costs*. These direct costs must not be included in the indirect costs (if indirect costs are proposed for this project). Examples include membership fees, meetings within the scope of work, subscription costs, printing costs, etc., that can be directly charged to the project and are not duplicated in indirect (overhead) costs. For each direct-cost item you must provide:

- A general description
- The cost
- A justification of need for each item
- A basis of cost (e.g., vendor quotes, prior purchases of similar or like items, published price list, etc.)

Indirect Costs

If the indirect cost rate has been approved by a Federal agency, identify the agency and the date of the latest rate agreement and submit a copy of the agreement with the application.

If the indirect cost rate has not been approved by a Federal agency, provide the basis for computation of rates, including the types of benefits to be provided, the rates used, and the cost basis for each rate.

If a State does not have a current Federal negotiated indirect cost rate (including provisional rate) it may elect to charge a *de minimis* rate of up to 15% of modified total direct costs (MTDC). For more information, contact the assigned DOE Project Officer.

C. Master File

The Master File should include, where possible, information on the State's overall strategic energy plan, its key elements, strategic goals and objectives, and how its SEP activities fit into that overall plan. The Master File should be updated annually as appropriate, and:

- Explain how implementing the plan will conserve energy
- Explain how the State will measure progress toward attaining its goals
- Explain how the plan satisfies the minimum criteria for the required (mandatory) activities
- Provide a plan for State monitoring that describes how the State conducts the administrative and programmatic oversight for:
    - Programs implemented by other agencies within the State
    - Contractors employed by the State
    - Subrecipients of financial assistance from the State

In 2021, a seventh mandatory measure was added that States **must also address** in the Master File. Identify the mandatory conduct of activities to support transmission and distribution planning, including:

- Support for local governments and Indian Tribes
- Feasibility studies for transmission line routes and alternatives
- Preparation of necessary project design and permits
- Outreach to affected stakeholders

C.1 Ongoing American Recovery and Reinvestment Act (ARRA) Financing Programs

The following template language should be included in Box 12, *Monitoring Approach*, of the Master File for any States continuing an ARRA Financing Program:

> Following the end of [State Energy Office's Name]'s SEP ARRA grant [ARRA Grant Number], [State Energy Office's Name] chose to continue financing program(s) established under our SEP ARRA Grant per SEP guidance series 10-008. This guidance series outlines the continuing administration and reporting required. No dollars have been transferred from the ARRA award to the Annual award as the dollars were expended during the period of performance of the ARRA award. Monitoring information on the programs, including the scope and quarterly financial information, can be found in the Financial Programs Report, submitted quarterly as part of [State Energy Office's Name]'s SEP Annual grant quarterly reporting requirements.

States with active ARRA-funded revolving loan funds (RLF), either self- or third-party administered, must address the following items in Box 12, *Monitoring Approach*, of the Master File:

- Provide citations to any applicable State regulations or legislation regarding defaults or write-offs
- Define what constitutes a loan being in default, including the length of time since a payment was made for a loan to be considered in default status
- Describe the policies and procedures used to collect loan payments and reclaim defaulted loans (in order of occurrence)
- Describe the policies and procedures to determine when a loan in default is written off
- Include any other pertinent information that applies to the loan default and write-off process

If a State is interested in repurposing funds within an ARRA-funded financing program to a grant program or a new financing program, the State must send a repurposing request to its Project Officer and to sepfinancingprograms@doe.gov. The repurposing request should:

- Explain how the State would reword the *description* section of its PAGE Financial Programs Report (FPR)
- Outline the additional metrics that would be added to the *metrics* section of the FPR
- Detail the revised dollar amounts and associated budget

A State must have written approval from the Grants Officer before it can implement the new program. Pages 7–8 of SEP Program Notice 10-008F, "Guidance for State Energy Program Grantees on Financing Programs" have additional information on submitting repurposing requests. However, SEP no longer requires submittals to come within the two timeframes listed in SEP Program Notice 10-008F. A State may submit a repurposing request at any time. SEP is updating Program Notice 10-008F to reflect this change.

If a State is interested in moving ARRA financing program funds from an existing financing program to another existing financing program within the FPR, the State should:

- Enter an Inter-Program Transfer in the FPR
- Provide an explanation in the FPR Remarks section
- Notify its Project Officer of the transfer

Grants Officer approval is not required for Inter-Program Transfers.

States must submit an FPR quarterly, which is available in PAGE. Quarterly Progress and SF-425 reports are **not required** for ARRA Financing Program activities. States must report metrics for each program detailed in the FPR. States must also report on FPR activities in the Semi Annual Davis Bacon report as well as the Annual Historic Preservation report.

You can find additional information in SEP Program Notice 10-006E, "DOE Reporting Requirements for the State Energy Program." DOE Project Officers can provide this guidance on request.

D. Annual File

The Annual File section of the State Plan describes each activity the State requests financial assistance for in a given year, including budget information and milestones for each activity, and the intended scope and goals to be attained either qualitatively or quantitatively.

The Annual File must account for all funds budgeted within the program year, including funds for administrative activities. This requirement includes match and PVE funds. The Annual File must include at least one metric for each activity. States are encouraged to include more than one metric per activity if appropriate (e.g., activities that result in energy generation and energy savings). Activities that are *administrative only* are exempt from this requirement.

Metrics are an important element of formula grant reporting. How to best use metrics is described in detail in SEP Program Notice 10-006E, "DOE Reporting Requirements for the State Energy Program." *Unpaired* metrics should be avoided. For example, if a State reports the number of buildings retrofitted, the square footage retrofitted must be included as well.

States are encouraged to consult their Project Officers to identify metrics that best capture the work they will be performing. SEP activities that do not fit well into the metrics section should be reported in the *milestone* section. States should list planned milestones in the Program Year Milestones section in their applications. For each activity, States should identify all funding sources, and the dollar amounts allocated. The sum of the budgets of each activity must equal the totals in Section A of the SF-424A. You can find more specific requirements on State Plans at 10 C.F.R. § 420.13.

Mandatory Requirements as Stated in 10 C.F.R. § 420.15

The following mandatory requirements must be addressed in a State Plan:

- Mandatory lighting efficiency standards for public buildings
- Program activities to promote the availability and use of carpools, vanpools, and public transportation
- Mandatory standards and policies affecting the procurement practices of the state and its political subdivisions to improve energy efficiency shall (a) With respect to all state procurement and with respect to procurement of political subdivisions to the extent determined feasible by the state, be under implementation; and (b) Contain the elements deemed appropriate by the state to improve energy efficiency through the procurement practices of the state and its political subdivisions. Mandatory thermal efficiency standards for new and renovated buildings.
- A traffic law or regulation which permits the operator of a motor vehicle to make a turn at a red light after stopping shall: (a) Be in a state's motor vehicle code and under implementation throughout all political subdivisions of the state; (2) Permit the operator of a motor vehicle to make a right turn (left turn with respect to the Virgin Islands) at a red traffic light after stopping except where specifically prohibited by a traffic sign for reasons of safety or except where generally prohibited in an urban enclave for reasons of safety; and (3) Permit the operator of a motor vehicle to make a left turn from a one-way street to a one-way street (right turn with respect to the Virgin Islands) at a red traffic light after stopping except where specifically prohibited by a traffic sign for reasons of safety or except where generally prohibited in an urban enclave for reasons of safety.
- Procedures must exist for ensuring effective coordination among various local, state, and Federal energy efficiency, renewable energy and alternative transportation fuel programs within the state, including any program administered within the Office of Building Technology, State and Community Programs of the Department of Energy and the Low-Income Home Energy Assistance Program administered by the Department of Health and Human Services.
- The mandatory conduct of activities to support transmission and distribution (T&D) planning, including:
    - Support for local governments and Indian Tribes
    - Feasibility studies for transmission line routes and alternatives
    - Preparation of necessary project design and permits
    - Outreach to affected stakeholders

Optional Program Activities as Stated in 10 C.F.R. § 420.17

Optional program activities may include:

- Program activities of public education to promote energy efficiency, renewable energy, and alternative transportation fuels
- Program activities to increase transportation energy efficiency, including programs to accelerate the use of alternative transportation fuels for government vehicles, fleet vehicles, taxis, mass transit, and privately owned vehicles
- Program activities for financing energy efficiency measures and renewable energy measures, which may include loan programs and performance contracting programs for leveraging of additional public and private sector funds and program activities that allow

rebates, grants, or other incentives for the purchase of energy efficiency measures and renewable energy measures

- Program activities for encouraging and for carrying out energy audits with respect to buildings and industrial facilities (including industrial processes) within the state
- Program activities to promote the adoption of integrated energy plans that provide for (a) periodic evaluation of a state's energy needs, available energy resources (including greater energy efficiency), and energy costs; and (b) utilization of adequate and reliable energy supplies, including greater energy efficiency, that meet applicable safety, environmental, and policy requirements at the lowest cost
- Program activities to promote energy efficiency in residential housing, such as: (a) Program activities for development and promotion of energy efficiency rating systems for newly constructed housing and existing housing so that consumers can compare the energy efficiency of different housing; and (b) Program activities for the adoption of incentives for builders, utilities, and mortgage lenders to build, service, or finance energy efficient housing
- Program activities to identify unfair or deceptive acts or practices that relate to the implementation of energy efficiency measures and renewable energy measures and to educate consumers concerning such acts or practices
- Program activities to modify patterns of energy consumption so as to reduce peak demands for energy and improve the efficiency of energy supply systems, including electricity supply systems
- Program activities to promote energy efficiency as an integral component of economic development planning conducted by state, local, or other governmental entities or by energy utilities
- Program activities (enlisting appropriate trade and professional organizations in the development and financing of such programs) to provide training and education (including, if appropriate, training workshops, practice manuals, and testing for each area of energy efficiency technology) to building designers and contractors involved in building design and construction or in the sale, installation, and maintenance of energy systems and equipment to promote building energy efficiency
- Program activities for the development of building retrofit standards and regulations, including retrofit ordinances enforced at the time of the sale of a building
- Program activities to provide support for prefeasibility and feasibility studies for projects that utilize renewable energy and energy efficiency resource technologies in order to facilitate access to capital and credit for such projects
- Program activities to facilitate and encourage the voluntary use of renewable energy technologies for eligible participants in Federal agency programs, including the Rural Electrification Administration and the Farmers Home Administration
- In accordance with paragraph (b) of 10 C.F.R. § 420.17, program activities to implement the Energy Technology Commercialization Services Program

State Energy Security Plans

The Infrastructure Investment and Job Act (IIJA) of 2021 required States to submit State Energy Security Plans (SESPs) that met certain criteria to continue receiving financial assistance from SEP. All States submitted compliant SESPs before the requirement expired on October 31, 2025.

States may use SEP formula funds to support energy security initiatives, consistent with the broader goals of enhancing energy security and reliability, including those that:

- Address all energy sources and regulated and unregulated energy providers
- Provide a State energy profile, including an assessment of energy production, transmission, distribution, and end-use
- Address potential hazards to each energy sector or system, including physical and cybersecurity threats, and vulnerabilities
- Provide a risk assessment of energy infrastructure and cross-sector interdependencies
- Provide a risk mitigation approach to enhance reliability
- Address multi-state and regional coordination, planning, and response; coordination with Indian Tribes with respect to planning and response; and to the extent practicable, encourage mutual assistance in cyber and physical response plans

E. Expenditure Prohibitions and Limitations

States are prohibited from using SEP financial assistance to:

- Fund construction, such as construction of mass transit systems and exclusive bus lanes, or for the construction or repair of buildings or structures
- Purchase land, a building or structure, or any interest therein
- Subsidize fares for public transportation
- Subsidize utility rate demonstrations or state tax credits for energy conservation or firm renewable energy measures
- Conduct or purchase equipment to conduct research, development, or demonstration of energy efficiency or firm renewable energy technologies not commercially available

Limitations

- No more than 20 percent of the financial assistance awarded to the state for this program shall be used to purchase office supplies, library materials, or other equipment whose purchase is not otherwise prohibited
- Demonstrations of commercially available energy efficiency or energy techniques and technologies are permitted and are not subject to the construction prohibition or the 20 percent on equipment and direct purchase limitations
- A state may use regular or revolving loan mechanisms to fund SEP activities that are consistent with SEP rules and that are included in the approved State Plan. Loan repayments and interest on loan funds may be used only for activities that are consistent with the rules and are included in the state's approved plan.
- A state may use funds for the purchase and installation of equipment and materials for energy efficiency measures and renewable energy measures, subject to the following:
  - Such use must be included in the state's approved plan (and if PVE funds are used, the use must be consistent with any judicial or administrative terms and conditions imposed upon state use of such funds)
  - Such use is limited to no more than 50 percent of all funds allocated by the state to SEP in any given year, regardless of source, except that this limitation shall not include regular and revolving loan programs funded with PVE funds. States may request a waiver of the 50 percent limit from DOE for good cause.

- For regular and revolving loan funds, loan documents shall ensure repayment of principal and interest within a reasonable period of time and shall not include provisions for loan forgiveness
- Funds may be used to supplement, and no funds may be used to supplant weatherization activities under the Weatherization Assistance Program for Low-Income Persons. States must document their section 106 reviews and submit an annual historic preservation report.

See 10 C.F.R. § 420.18 for more detailed expenditure prohibitions and limitations.

F. Other Forms

The following items should be submitted as attachments with the SEP application if applicable:

- Indirect Rate Agreement or Rate Proposal
- A document containing a link to the State's latest single or program-specific audit as required by 2 C.F.R. § 200(F)
- A document providing the name, phone number, and email address of the Principal Investigator and Business Officer
- USASpending.gov Project Description Template
- SOW

G. Environmental Review Information

Before authorizing the use of Federal funds, DOE must comply with environmental regulations, including but not limited to:

- The National Environmental Policy Act (NEPA)
- The National Historic Preservation Act (NHPA)
- The Endangered Species Act (ESA)
- 10 C.F.R. § 1022, *Compliance with Floodplain and Wetland Environmental Review Requirements*

DOE's current NEPA Implementing Procedures (June 2025) do not apply to the funding DOE provides to States under SEP. Importantly, although DOE's NEPA Implementing Procedures do not apply to funding provided through SEP, they do not alter or reduce our separate and ongoing responsibilities under other environmental statutes and regulations that include but are not limited to NHPA, ESA, and DOE's floodplains and wetlands review requirements. DOE will conduct environmental reviews and ensure compliance with applicable environmental statutes and regulations.

To offer added flexibility to States, we are providing SOWs, which are included with the reference materials attached to the Application Instructions. The SOWs are structured to apply to States with or without a historic preservation programmatic agreement and include either ground disturbing activities or nonground disturbing activities. States **must** select one of the three SOWs to be completed and uploaded in PAGE with their Application:

- PY 2026 States with a Historic Preservation Programmatic Agreement (PA) for Projects with Ground Disturbing Activities
- PY 2026 States with a Historic Preservation PA for Projects with No Ground Disturbing Activities
- PY 2025 SEP Applicant Guam — without a Historic Preservation Programmatic Agreement (PA) for Projects with No Ground Disturbing Activities

If a State proposes project activities that are not in their SOW or that involve ground disturbance or tree removal and tree trimming, additional environmental review may be required. In these cases, States should discuss the activities with the Project Officer before starting work. If DOE determines that additional environmental review is required, the State must submit an Environmental Questionnaire (EQ1) through the Project Management Center (PMC). Before starting the project or activity, States must receive notification from DOE that the environmental review is complete and approved by the Grants Officer. If activities are completed without an environmental review, those activities will be deemed unallowable, and the grantee will be required to repay any unallowable funds to DOE.

H. Build America, Buy America for Infrastructure Projects

Signed into law via the passage of the Infrastructure Investment and Jobs Act (P.L. 117-58), the Build America, Buy America Act ("BABA") mandates that all iron, steel, manufactured products, and construction materials used in federally funded projects meet certain domestic assembly and domestic content requirements.

<u>Applicants are strongly encouraged to read this section carefully, as this requirement may impact project budget and/or timeline; it is crucial that applicants properly understand the requirements of BABA as they scope out their projects.</u>

A. Definitions

There are several terms of art that are given specific definitions with respect to the application and execution of BABA. Any additional context not present in the C.F.R. definition for a given term is provided below.

a. *Buy America Preference* (Sometimes also referred to as the **Buy America Requirement** or **Domestic Content Procurement Preference**). Note that, despite the use of the word "Preference," this is very much a mandatory compliance requirement. The statute, implementing regulations, and OMB guidance characterize this requirement as the "Buy America Preference," and so that terminology is reflected here to ensure consistency with the statute and existing guidance.
b. *Component*
c. *Construction Materials*
d. *Infrastructure Project*
e. *Iron or steel products*
f. *Manufactured Products*
g. *Manufacturer*

h. *Predominantly of iron or steel or a combination of both*
i. *Produced in the United States* (Sometimes also referred to as the "Domestic Production requirement")
j. Section 70917(c) *Materials* (i.e., certain materials used in construction that are specifically excluded from being categorized as "construction materials;" as such, the Buy America Preference is not applied to these materials)

Additionally, the following terms are not defined in 2 C.F.R. § 184.3, but are important for a proper understanding of BABA and its application:

k. *Project* — means the construction, alteration, maintenance, or repair of public infrastructure in the United States
l. *Infrastructure* — Infrastructure includes, at a minimum: the structures, facilities, and equipment for roads, highways and bridges; public transportation; dams, ports, harbors, and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; buildings and real property; and structures, facilities, and equipment that generate, transport, and distribute energy, including electric vehicle (EV) charging.
m. *Public infrastructure* — The Buy America Preference does not apply to non-public (private) infrastructure. For purposes of compliance with BABA, infrastructure should be considered "public" if it is:
    - o Publicly owned (owned, operated, funded and managed, in whole or in part, by any unit or authority of a Federal, state, or local government-including U.S. Territories and Indian Tribes); or
    - o Privately owned but utilized primarily for a public purpose. Infrastructure should be considered to be "utilized primarily for a public purpose", and therefore "public", if it is privately owned but operated on behalf of the public or is a place of public accommodation

As is detailed more thoroughly below, BABA applies to any project that is receiving Federal financial assistance where the prime recipient is a state, local, or tribal government, nonprofit organization, or institution of higher education. It does <u>not</u> apply to projects that have a for-profit organization serving as the prime recipient.

B. The Buy America Preference Generally

Absent an approved waiver, none of the funds provided under a Federal award (i.e., whether paid for with Federal share or recipient cost-share) may be used for a project for infrastructure unless all iron, steel, manufactured products, and/or construction materials are "produced in the United States."

In general, applicants should ask the following questions to determine BABA applicability to their award:

1. Is the recipient a state, local, or tribal government; nonprofit organization; or institution of higher education? (If the prime is a for-profit organization, BABA <u>does not</u> apply. Otherwise, move on to question 2);

2. Does the project include the construction, alteration, maintenance, and/or repair of infrastructure in the United States? " is defined in the BABA statute and regulations and is quite broad; although the definition provides several specific items that are considered infrastructure, it also includes broad categories such as "buildings and real property," which casts a wide net. If the project does not include work on infrastructure, then BABA does not apply. Otherwise, move to question 3);
3. Is the infrastructure in question publicly owned or privately owned but utilized primarily for a public purpose? (Anything owned by a public entity is publicly owned, by definition, "privately owned but utilized primarily for a public purpose" generally means privately owned infrastructure that is operated on behalf of the public, or that serves as a place of public accommodation. DOE has the final say on this determination, so applicants who do not think their infrastructure is "privately owned but utilized primarily for a public purpose" should have justifications prepared supporting their determination.) If the answers to all the above questions are "yes," then BABA applies to this project.

If a determination is made that BABA will apply to a project, recipients must then ensure that all iron, steel, manufactured products, and construction materials used in the project are "produced in the United States." Standards to satisfy this requirement differ based on the category a given material falls under:

- All iron and steel used in the project is produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;
- All manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation. (**Note:** 2 C.F.R. § 184.5 provides specific guidance for determining the cost of components for manufactured products); and
- All construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States. (**Note:** 2 C.F.R. § 184.6 provides additional standards that must be satisfied for some specified construction materials in order for those materials to be considered "produced in the United States")

Recipients are responsible for administering their award in accordance with the terms and conditions, including the Buy America Preference. The recipient must ensure that the Buy America Preference flows down to all sub-awards and that the sub-awardees and sub-recipients comply with the Buy America Preference. The Buy America Preference term and condition must be included all sub-awards, contracts, sub-contracts, and purchase orders for work performed under the infrastructure project.

C. Specific Application of the Preference

The Domestic Production requirement only applies to the iron or steel products, manufactured products, and construction materials used for the construction, alteration, maintenance, or repair of public infrastructure in the United States. Only items that are consumed in, incorporated into, or permanently affixed to the infrastructure in the project are required to meet the "produced in the United States" requirements. As such, this requirement does not apply to tools, equipment, and supplies - such as temporary scaffolding - brought into the construction site and removed at or before the completion of the infrastructure project. This is likewise applicable to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

D. Section 70917(c) Materials

The BABA Statute at section 70917(c) provides a list of materials which are specifically excluded from categorization as "construction materials," and therefore may be used without meeting the relevant "produced in the United States" standard.

Generally referred to as "section 70917(c) materials," these are:

- cement and cementitious materials;
- aggregates such as stone, sand, or gravel; or
- aggregate binding agents or additives as provided in section 70917(c) of BABA

Asphalt concrete pavement mixes are typically composed of asphalt cement (a binding agent) and aggregates such as stone, sand, and gravel. Accordingly, asphalt is also excluded from the definition of construction materials.

Section 70917(c) materials, on their own, are not manufactured products. Furthermore, section 70917(c) materials should not be considered manufactured products when they are used at or combined proximate to the work site—such as is the case with wet concrete or hot mix asphalt brought to the work site for incorporation. However, certain section 70917(c) materials (such as stone, sand, and gravel) may be used to produce a manufactured product, such as is precast concrete. Precast concrete is made of components, is processed into a specific shape or form, and is in such state when brought to the work site. Furthermore, wet concrete should not be considered a manufactured product if not dried or set prior to reaching the work site.

Further clarification is provided in 2 C.F.R. § 184 on the circumstances under which a determination is made that section 70917(c) materials should be treated as components of a manufactured product. That determination is based on consideration of: (i) the revised definition of the "manufactured products" at 2 C.F.R. § 184.3; (ii) a new definition of "section 70917(c) materials" at 2 C.F.R. § 184.3; (iii) new instructions at 2 C.F.R. § 184.4(e) on how and when to categorize articles, materials, and supplies; and (iv) new instructions at 2 C.F.R. § 184.4(f) on how to apply the Buy America preference by category.

Certification of Compliance

Recipients must request a certification from a product manufacturer that the iron, steel, manufactured product or construction material they are acquiring from the manufacturer were "produced in the United States" (i.e., that they meet the requisite standards outlined at the beginning of Section 3, above). DOE will not provide any sort of "certification template" for this purpose; recipients are responsible for ensuring that a certification contains enough information that it properly validates the BABA compliance of the item(s) listed within the certification.

Although DOE does not require a specific format for the certification, the following elements must be present:

- A listing of all products covered by the certification, including their category (e.g., iron, steel, manufactured product, or construction material);
- A recitation of the relevant "produced in the United States" standard for any categories (iron, steel, manufactured product, or construction material) provided in the above list, to ensure the manufacturer properly understands the standards to be met;
- A clear statement that the products listed meet the relevant "produced in the United States" standard(s);
- A signature from an authorized representative of the manufacturer certifying the contents of the compliance statement; and
- Any other information the recipient deems necessary for the certification to demonstrate compliance with the BABA requirements

Recipients must also maintain certifications or equivalent documentation for proof of compliance that those articles, materials, and supplies that are consumed in, incorporated into, affixed to, or otherwise used in the infrastructure project, not covered by a waiver or exemption, are produced in the United States. The certification or proof of compliance must be provided by the suppliers or manufacturers of the iron, steel, manufactured products and construction materials and flow up from all subrecipients, contractors and vendors to the recipient. Recipients must keep these certifications with the award/project files and be able to produce them upon request from DOE, auditors, or Office of Inspector General.

Waivers

When necessary, recipients may apply for, and DOE may grant, a waiver from the Buy America Preference. In general, DOE will not review or consider waiver requests from applicants. Waiver requests are subject to review by DOE and the Office of Management and Budget, as well as a public comment period of no less than 15 calendar days.

Waivers must be based on one of the following justifications:

a. Public Interest — Applying the Buy America Preference would be inconsistent with the public interest;
b. Non-Availability — The types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
c. Unreasonable Cost — The inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent

Additional information on the submission and processing of a waiver request will be provided to applicants whose applications are selected for award negotiations. Alternatively, applicants can find more information about the process on DOE's Build America, Buy America home page.

For-Profit Entity Applicability and Related Requirements

BABA is not applicable to projects whose prime recipients are for-profit entities. However, as a matter of Agency policy, all for-profit entities who receive an award via this Notice of Funding Opportunity (NOFO) must ensure that all supplies and equipment used in the funded effort are manufactured in the United States.

Expenditures Within a Grant Period

States should expend all obligated funds within the annual budget period. If a State has unobligated carryover balances from one budget period to another, the State should include an estimate of carry-over funds in its continuation application. States must spend all funds before the end of the performance period of the grant. Any remaining unobligated funds must be returned to DOE and will not be transferred to a subsequent award.

Requests to modify awards must be submitted at least 90 days before the award's end date. This timeline will help provide enough time to process the request before the award expires. Notwithstanding, DOE cannot guarantee that all requests submitted at least 90 days before the award end date will be approved in time.

Application Format and Changes

Content and Form of Application

The State Plan application must be submitted via the PAGE online system. The PAGE Help System has detailed instructions for creating and submitting an annual application. You can access the Help instructions in PAGE by:

- On the homepage, select "Help" from the main menu bar
- From the Help page, select "SEP" from the icons on the right siderail
- From the dropdown menu, select "New Grant Application"

You can also email the PAGE hotline for assistance.

To create a new application, from the homepage, select "Create New Application" then select "Add New Application Package." After creating the new application, be sure to use the "copy" icons on the checklist screen to copy information from 2025 application documents. The copy icon is in the status column next to each document listed on the checklist screen. Once the plan has been completed, be sure to validate and submit the plan.

Other Submission and Registration Requirements

Submission of application documents and award documents, including modifications, through electronic systems used by the DOE, including PAGE and FedConnect, constitutes the authorized representative's approval and acceptance of the terms and conditions of the award. Award acknowledgement via FedConnect constitutes the authorized representative's electronic signature.

Questions/Agency Contacts

Questions relating to the registration process, system requirements, how an application form works, or the submittal process must be emailed to the PAGE hotline. States should contact their respective Project Officer on state-specific questions. The current DOE Project Officers assigned to each State are listed below.

State	Project Officer	E-mail
Alabama	Garlington, Sequoia	sequoia.garlington@doe.gov
Alaska	Nguyen, Jason	jason.nguyen@doe.gov
American Samoa	Choe, Dong	dong.choe@doe.gov
Arizona	Nguyen, Jason	jason.nguyen@doe.gov
Arkansas	Nguyen, Jason	jason.nguyen@doe.gov
California	Joselus, Darlley	darlley.joselus@doe.gov
Colorado	Slusser, Emily	emily.slusser@doe.gov
Connecticut	Okiemen, Jassmine	jassmine.okiemen@doe.gov
Delaware	Okiemen, Jassmine	jassmine.okiemen@doe.gov
District of Columbia	Rogers, Myles	myles.rogers@doe.gov
Florida	Garlington, Sequoia	sequoia.garlington@doe.gov
Georgia	Garlington, Sequoia	sequoia.garlington@doe.gov
Guam	Choe, Dong	dong.choe@doe.gov
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Illinois	Busse, Courtney	courtney.busse@doe.gov
Indiana	Busse, Courtney	courtney.busse@doe.gov
Iowa	Busse, Courtney	courtney.busse@doe.gov
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New Jersey	Okiemen, Jassmine	jassmine.okiemen@doe.gov
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North Carolina	Garlington, Sequoia	sequoia.garlington@doe.gov
North Dakota	Garlington, Sequoia	sequoia.garlington@doe.gov

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Oklahoma	Rogers, Myles	myles.rogers@doe.gov
Oregon	Nguyen, Jason	jason.nguyen@doe.gov
Pennsylvania	Rogers, Myles	myles.rogers@doe.gov
Puerto Rico	Choe, Dong	dong.choe@doe.gov
Rhode Island	Busse, Courtney	courtney.busse@doe.gov
South Carolina	Garlington, Sequoia	sequoia.garlington@doe.gov
South Dakota	Garlington, Sequoia	sequoia.garlington@doe.gov
Tennessee	Rogers, Myles	myles.rogers@doe.gov
Texas	Rogers, Myles	myles.rogers@doe.gov
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Wisconsin	Busse, Courtney	courtney.busse@doe.gov
Wyoming	Nguyen, Jason	jason.nguyen@doe.gov

Reporting Requirements

SEP Program Notice 10-006E, "DOE Reporting Requirements for the State Energy Program," provides the scope and purpose of reporting for SEP formula grants.

Reporting requirements are identified on the Financial Assistance Reporting Checklist (FARC), which will be attached to the award agreement. Your DOE Project Officer will provide additional program guidance on request.

The awards initiated since October, 1, 2010, are subject to the requirement of sam.gov/fsrs. You can also find information at Part V.C. of the ALRD.

Award Closeout

At the end of the period of performance, States have 120 days to submit required and accurate final closeout documents in accordance with the FARC. Documents include:

- The final Quarterly Performance Report
- The final Federal Financial Report (SF-425)
- Property Report (SF-428, SF-428-B, SF-428-S [if acquired equipment])
- Any other requested documents

DOE staff will review final closeout documents and contact the State for missing documents, revisions, or additional information. Once the review is complete, DOE's Financial Assistance team will authorize the award to be closed. The State will receive notification from FedConnect when the modification to close out the award is ready for them to acknowledge.

The State is required to retain award records for three years following acceptance of final deliverables. For administrative purposes, the modification date to close out the award can be used as the start date of the three-year record retention period. Any award beyond the 120-day performance period that has not submitted all required and accurate deliverables will be classified as delinquent.

Conclusion

As SEP and its partners continue to draw both on regular Federal appropriations and the valuable lessons and benefits learned throughout the years, DOE looks forward to continuing to work with its State partners to implement effective SEP programs.

MICHAEL LI Digitally signed by MICHAEL LI Date: 2026.08.06 22:19:45 -04'00'

Michael Li, Director, State and Community Energy Programs
Office of Critical Minerals and Energy Innovation
U.S. Department of Energy

Reference Material

2026 ALRD
PY 2026 SEP Formula Allocations
USASpending.gov Project Description Template
Three (3) Environmental Review Statements of Work (SOWs)