



Department of Energy

Washington, DC 20585

SEP PROGRAM NOTICE 10-006A EFFECTIVE DATE: September 20, 2010

SUBJECT: DOE RECOVERY ACT REPORTING REQUIREMENTS FOR THE STATE ENERGY PROGRAM (SEP)

REFERENCES:

- (1) OMB Memorandum M-09-21 *Implementing Guidance for the Reports on the Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009*, June 22, 2009 (Reference 1)
- (2) OMB Memorandum M-10-08 *Updated Guidance on the American Recovery and Reinvestment Act – Data Quality, Non-Reporting Recipients, and Reporting of Job Estimates*, December 18, 2009 (Reference 2)

1.0 PURPOSE: Provides guidance to State Energy Program (SEP) recipients on the requirements of reporting under the American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act; Pub. L. No. 111-5). This guidance supersedes **SEP Program Notice 10-006** and reduces the monthly and quarterly reporting requirements for SEP recipients.

2.0 SCOPE: The provisions of this guidance apply to entities (i.e., States and Territories) named in a Notification of Grant Award as the recipients of financial assistance under SEP. **Note:** This guidance applies solely to those performance metrics associated with Recovery Act-supported SEP activities as reported to DOE via the Performance and Accountability for Grants in Energy (PAGE) system. This guidance is supplemental to the guidance issued by the Office of Management and Budget (OMB) in References 1 and 2. This guidance does not satisfy or replace the requirement to report to OMB in accordance with Section 1512 of the Recovery Act to [FederalReporting.gov](http://www.federalreporting.gov).

This guidance does not address the annual reporting requirement necessary for verification of compliance with Historic Preservation requirements nor does it address the closeout reporting requirement. Guidance from DOE on these topics is forthcoming.

The monthly reporting requirements outlined by this guidance are authorized under a 36-month approval by OMB of an Information Collection Request (ICR) which expires on September 30, 2013. In most cases, monthly data will be used internally for managerial purposes only, but where DOE does intend to publicize monthly data, it will clearly indicate it to be "preliminary/informal and subject to change."

3.0 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 all applicable authorities, including the implementing regulations at 10 CFR part 420.

4.0 DEFINITIONS

Cost sharing or matching means the value of the third-party, in-kind contributions (i.e., goods or services) and the portion of the costs of a federally assisted project or program not borne by the Federal Government. DOE does not require cost sharing as a precondition of awarding SEP Recovery Act formula funds. Any cost sharing volunteered by the recipient is indicated in Block 12 “Total Amount: Cost Share” of the assistance agreement with DOE and is subsequently required to be provided and reported by the recipient as a term of the grant award.

Leveraged funds means an estimate of the third-party, in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal Government, **but does not** include any cost sharing required as a term of the grant award as defined above. While this value is an estimate, these funds should be:

- Demonstrably applied to the Recovery Act project, not assumed or projected; and
- Additional to Recovery Act funds (i.e., they would not have been applied to the project in the absence of Recovery Act funds).

Obligations mean the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the prime recipient during the same or a future period. SEP Program Notice 10-008B details when funds used for financing programs are considered to be obligated. Funds to be expended by a department internal to the prime recipient (i.e., not expended to reimburse a vendor nor award a sub-recipient) and not used for a financing program are considered obligated when they have been committed to the internal department that will expend the funds.

Outlays (expenditures) mean charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred and the amount of cash advances and payments made to contractors and sub-recipients. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred and the net increase (or decrease) in the amounts owed by the prime recipient for goods and other property received, for services performed by employees, contractors, sub-recipients, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

Outlays should only capture the expenditure of federal funds and should not include cost sharing or leveraged funds.

Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award (see exclusions in 10 CFR 600.124 (e) and (h)). Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. As noted in SEP Program Notice 10-008B, interest earned on SEP funds used for financial programs (e.g., interest earned by a revolving loan fund or loan loss reserve) shall be either be expended on other eligible activities or shall be returned to the Federal Government.

Project Cost means Federal (i.e., SEP funds), cost sharing, and estimated leveraged funds dedicated to completion of a Recovery Act project. Other Federal funds (i.e., not SEP) applied to the project should not be counted under project cost.

Prime recipients are non-Federal entities that receive Recovery Act funding as Federal awards in the form of grants, loans, or cooperative agreements directly from the Federal government. Federal agencies are not considered prime or sub-recipients.

Sub-recipient means a non-Federal entity that expends Federal awards received from another entity to carry out a Federal program but does not include an individual who is a beneficiary of such a program. Specifically, sub-recipients are non-Federal entities that are awarded Recovery Act funding through a legal instrument from the prime recipient to support the performance of any portion of the substantive project or program for which the prime recipient received the Recovery Act funding. Additionally, the terms and conditions of the Federal award are carried forward to the sub-recipient.

Unliquidated obligations for reports prepared on a cash basis mean the amount of obligations incurred by the prime recipient that has not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the prime recipient for which an outlay has not been recorded.

Vendor means a dealer, distributor, merchant, or other seller providing goods or services that are required to conduct a Federal program. Prime recipients or sub-recipients may purchase goods or services needed to carry out the project or program from vendors. Vendors are not awarded funds by the same means as sub-recipients and are not subject to the terms and conditions of the Federal financial assistance award, except as required by the prime recipient or sub-recipient.

The characteristics of a vendor that make it distinct from a sub-recipient are summarized below. A vendor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program.

5.0 BACKGROUND

The SEP funds provided through the Recovery Act represent an unprecedented Federal investment in energy efficiency and renewable energy activities designed and implemented by the States and Territories. Concomitant with this investment, the President has pledged that transparency and accountability will be central aims throughout the grant process. DOE will effectively monitor and report the return on investment of SEP funds in terms of jobs created and energy saved. Pursuant to these objectives, new reporting requirements are in place for all Federal Recovery Act programs. For all SEP recipients, these requirements are fulfilled through reporting via two distinct but similar processes:

1. Quarterly reporting of data to OMB via FederalReporting.gov and
2. Monthly and quarterly reporting of data to DOE via PAGE

6.0 GUIDANCE

The following sections detail how SEP recipients will:

1. Report Section 1512 data to OMB quarterly
2. Report required data to DOE monthly and quarterly via PAGE
3. Summarize the timing and process relationship between OMB and DOE reporting requirements.

6.1 QUARTERLY REPORTING TO OMB VIA FEDERALREPORTING.GOV

The Office of Management and Budget (OMB) requires the quarterly report of information in accordance with Section 1512 of the Recovery Act as outlined in Reference 1 & 2. The nominal reporting timeline (in days after the close of the reporting quarter), while always subject to change, is as follows:

- 10th: Prime recipients (and sub-recipients with delegated reporting responsibility) are required to submit their initial reports to FederalReporting.gov
- 11th-21st: Prime recipients can correct significant reporting errors or omissions
- 22nd-29th: Prime recipients are locked out from their reports and can only make corrections if their agency reviewer comments on the report
- 33rd-75th: Prime recipients can correct submitted reports during the continuous quality assurance (QA) period.

The DOE Recovery Act clearinghouse coordinates Section 1512 reporting for all DOE Recovery Act projects. Further information on the content and process of Section 1512 reporting is available here:

http://www.energy.gov/recovery/ARRA_Reporting_Requirements.htm

Please note: Submitting information to DOE does NOT fulfill the OMB Section 1512 reporting requirement. DOE cannot forward the information to OMB for SEP recipients.

6.2 MONTHLY AND QUARTERLY REPORTING TO DOE VIA PAGE

6.2.1 Who is Required to Report

Prime recipients are responsible for reporting on a monthly and quarterly basis. Prime recipients may, at their discretion, delegate the authority for reporting to sub-recipients through creation of user accounts in PAGE. However, regardless of how recipients decide to manage their reporting processes, prime recipients ultimately retain the responsibility to ensure that reports are submitted accurately and on time.

All prime recipients are required to report monthly and quarterly, even if no funds were expended or no progress was made during the reporting period.

6.2.2 Reporting tool

PAGE (www.page.energy.gov) is the online system that provides all SEP recipients with the ability to electronically submit and manage grant performance and financial information. A host of training tools to familiarize users with PAGE are readily accessible from within the site, including help screens, FAQs, and a number of training videos. These are available to guide recipients through each of the necessary reporting steps.

6.2.3 Reporting Timeline

All monthly and quarterly reports are required to be submitted to DOE via PAGE no later than the 30th day of the month following the end of the reporting period (i.e., month or quarter).

6.2.4 Required Reports

DOE requires the submission of two major reports from prime recipients:

1. Federal Financial Report (SF-425): submitted quarterly at the level of the prime recipient
2. Performance Report: submitted monthly and quarterly and at the level of the market title.

6.2.4.1 The Federal Financial Report (SF-425)

The SF-425 reports the aggregate (i.e., at the level of the prime recipient, not the market title) status of financial activity on a quarterly basis. This report is accessed through the “Financial Reporting” link in PAGE.

In several instances, the information requested by the SF-425 either matches or corresponds to financial information provided for OMB Section 1512 reporting or DOE Performance reporting. Each of the fields below corresponds to a line on the SF-425.

Federal Cash:

a. Cash Receipts: Automatically determined in PAGE from Federal funds drawn down from ASAP during the reporting period (e.g., January 1 – March 31, 2011).

b. Cash Disbursements: Enter the amount of Federal fund disbursements (such as cash or checks) as of the reporting period end date. Disbursements are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the award, and the amount of cash advances and payments made to sub-recipients and contractors.

c. Cash on Hand: Automatically calculated in PAGE by subtracting Cash Disbursements (Line b) from Cash Receipts (Line a).

Federal Expenditures and Unobligated Balance:

d. Total Federal Funds Authorized: Automatically determined in PAGE from SEP grant award and subsequent amendments.

e. Federal Share of Expenditures: Enter the amount of Federal fund expenditures. For reports prepared on a cash basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense charged; and the amount of cash advance payments and payments made to sub-recipients. For reports prepared on an accrual basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense incurred; and the net increase or decrease in the amounts owed by the recipient for (1) goods and other property received; (2) services performed by employees, contractors, sub-recipients, and other payees; and (3) programs for which no current services or performance are required. Do not include program income expended in accordance with the deduction alternative, rebates, refunds, or other credits. (Program income expended in accordance with the deduction alternative should be reported separately on Line o.)

f. Federal Share of Unliquidated Obligations: Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an expenditure has not yet been recorded. Enter the Federal portion of unliquidated obligations. Those obligations include direct and indirect expenses incurred but not yet paid or charged to the award, including amounts due to sub-recipients and contractors. On the final report, this line should be zero. **Note:** Do not include any amount in Line f that has been reported in Line e.

Do not include any amount in Line f for a future commitment of funds (such as a long-term contract) for which an obligation or expense has not been incurred. If an obligation has been incurred (e.g., contract executed, order placed), it should be included in Line f regardless of the term of the contract.

g. Total Federal Share: Automatically calculated in PAGE by summing Federal Share of Expenditures (Line e) and Federal Share of Unliquidated Obligations (Line f).

h. Unobligated Balance of Federal Funds: Automatically calculated in PAGE by subtracting Total Federal Share (Line g) from Total Federal Funds Authorized (Line d).

Recipient Share:

Note: DOE does not require cost sharing as precondition of awarding SEP funds. However, if SEP prime recipients elected to provide voluntary cost sharing, they are required to provide that cost sharing as part of the terms of the grant agreement and report the expenditure of cost sharing in the “Recipient Share of Expenditures” field noted below. The total required recipient share is identified in Block 12 “Total Amount: Cost Share” of the assistance agreement with DOE. If an SEP prime recipient believes that cost sharing was included in its assistance agreement in error, the recipient should contact their contract specialist for resolution. A majority of SEP prime recipients is not required to provide cost sharing (i.e., Block 12 of the assistance agreement reads “Cost Share: \$0.00”) and will not report any information under the Recipient Share section of the SF-425.

i. Total Recipient Share Required: The amount of cost share is identified in Block 12 of the assistance agreement and should be reflected in the “Cumulative” field. If the value in the “Cumulative” field is different from that amount in Block 12 of the assistance agreement, the recipient should enter the difference into the “This Period” field in order to make the “Cumulative” field reflect Block 12. This amount should not include cost sharing and match amounts in excess of the amount required by the Federal agency (for example, cost overruns for which the recipient incurs additional expenses and, therefore, contributes a greater level of cost). For the purposes of SEP reporting, any cost sharing or match amounts in excess of the amount required are classified as “leveraged funds” and should be considered when reporting percentage of leveraged funds in the Performance Report.

j. Recipient Share of Expenditures: Enter the recipient share of outlays including payments to sub-recipients and contractors. This amount may include the value of allowable third-party, in-kind contributions and recipient share of program income used to finance the non-Federal share of the project or program.

Note: On the final report, this line should be equal to or greater than the amount of Line i. Any amount reported in excess of that required in Line i meets the definition of “leveraged funds” and should be considered when reporting percentage of leveraged funds in the Performance Report.

k. Remaining Recipient Share to be Provided: Automatically calculated in PAGE by subtracting Recipient Share of Expenditures (Line j) from Total Recipient Share Required (Line i).

Program Income:

l. Total Federal Program Income Earned: Enter the amount of Federal program income earned. Do not report any program income here that is allocated as part of the recipient's cost sharing amount included in Line j. **Note:** Program income is defined in Section 4.0 of this guidance. With the exception of interest accrued by revolving loan funds and loan loss reserve funds, it is unlikely program income is being earned by SEP recipients as they are not generally engaging in revenue-generating activities.

m. Program Income Expended in Accordance With the Deduction Alternative: This field should generally not be used by SEP recipients. Any program income earned by SEP recipients should be expended in accordance with the addition alternative and put towards the completion of eligible activities.

n. Program Income Expended in Accordance With the Addition Alternative: Enter the amount of program income that was added to funds committed to the total project costs and expended to further eligible project or program activities. This field will generally only include interest accrued by revolving loan funds and loan loss reserve funds.

o. Unexpended Program Income: Automatically calculated in PAGE by subtracting either Program Income Expended in Accordance With the Deduction Alternative (Line m) or Program Income Expended in Accordance With the Addition Alternative (Line n) from Total Federal Program Income Earned (Line l).

Indirect expenses:

Not included unless indirect costs have been approved by DOE and included in the grant award Budget Information, SF-424A form.

6.2.4.2 Performance Report

The Performance Report (i.e., the Progress Report noted in the recipient's Federal Assistance Reporting Checklist) requires the following information, except outlays, to be reported at the level of the market title on a quarterly basis. Outlays are required to be reported at the level of the market title on a monthly basis.

a. Market Title Status

This section is required to help DOE understand the progress made on each activity by providing general information about the status of the activity including the status of the project (e.g., active, completed, dropped), the estimated percent of work complete, the planned start and end dates as well as the actual start and end dates.

Note: the project description comes directly from the description listed on the activity worksheets.

b. Activity Milestones

The activity milestones are optional but highly encouraged to offer more detailed insights into the progress made on a specific market title. The fields include planned start and completion dates, planned amount, actual amount, actual start and completion dates and description box. The description box should include a detailed description of a project milestone which should include specific steps in the market title progress. Examples of detailed steps in a building retrofit project are "RFP advertised," "contractor selected," "equipment purchased," "equipment installed and verified," "invoice received for equipment purchase," or "final payment draw down."

c. Job metrics

This category of metrics allows DOE to capture the impact of SEP funds on the domestic labor market. To ensure the number of jobs is being reported consistently, SEP Program Notice 10-007 provides detailed instruction on how to calculate and report job creation and retention. SEP recipients are only required to report job creation and retention on a quarterly basis. Recipients should use the methodology in SEP Program Notice 10-007 to calculate job creation for quarterly reporting to DOE and quarterly reporting to OMB. Through adherence to this standard methodology, consistency between the jobs figures reported to both DOE and OMB can be maintained.

d. Financial metrics

In addition to the information reported on the SF-425, DOE requires the report of outlays (i.e., funds expended), obligations (i.e., commitment of funds incurred), and percentage of leveraged funds:

1. Outlays: Reported monthly at the level of the market title (i.e., those outlays occurring during the month by market title). PAGE will automatically sum each of the monthly reports to pre-populate the relevant fields in the Quarterly Performance Report (QPR). In order to ensure the QPR reflects the most accurate data, the monthly reports associated with the current reporting quarter will remain freely editable by the recipient until the QPR is submitted to DOE for review.

Note: Where a prime recipient implementing a "Loans and Grants" activity has sub-granted funds to another entity for the issuance of loans, the value of loans issued in any reporting quarter is to be reported as outlays for that quarter. Refer to SEP Program Notice 10-008B for further clarification.

2. Obligations: Reported at the market title level by period of performance (i.e., those obligations incurred during the quarter) on a quarterly basis. In order to ensure the QPR provides an accurate reflection of cumulative obligations, all recipients were required to report on obligations cumulative thru December 31, 2009 in the Q1 quarterly report due April 30, 2010. This metric should have reflected the sum of all obligations of SEP funds incurred

in support of the relevant activity through December 31, 2009, regardless of whether or not those obligations were subsequently liquidated. If this metric (Obligations cumulative through 12/31) was either not reported or reported incorrectly, recipients should work with their Project Officer to amend the Q1 report.

3. Percentage of Leveraged Funds: Reported at the market title level when the recipient is able to accurately estimate the amount of leveraged funds to be applied to the Recovery Act project. The appropriate time for this metric to be reported is likely when the federal funds allocated to that market title are fully obligated (i.e., cumulative market title obligations = planned federal funds by market title) and the recipient has secured the leveraged funds that will be applied to the project. In any case, this metric is to be reported prior to (or concurrent with) the recipient reporting the market title as “Completed.” While this metric is intended to be reported one time, recipients will be able to revise this metric in subsequent reports if necessary. This metric is to be expressed as a percentage:

$$\text{Percentage of Leveraged Funds (\%)} = \frac{\text{Leveraged Funds}}{\text{Project Cost}}$$

e. Primary process metric

Process metrics are individual sets of programmatic outcomes that allow DOE to monitor progress on the scope of work identified by recipients in each market title. Recipients are required to report on one primary process metric per market title on a quarterly basis. The full list of possible process metrics has been expanded to accommodate a broader array of project activities and is listed in Attachment 1. The primary process metric to be reported in the QPR is driven by the recipient’s selection of a metric area on the annual file.

How to choose a primary process metric: The recipient should choose a primary process metric that best defines the market title they are implementing.

For example, a market title allocating \$50,000 to update a building code and allocating \$5,000 to offer workshops to the building inspection department, select the metric area of “Building Codes and Standards”. This selection of metric area will allow the recipient to report the correct primary process metrics (e.g., name of new code adopted, name of old code adopted, number of new and existing buildings covered by new code).

In order to report on a primary process metric, recipients must have selected the metric area associated with that primary process metric on their annual file. The relationship between metric areas and process metrics is outlined in Attachment 1.

What to report: Recipients are required to report on the progress completed in the primary process metric during the reporting quarter. If no progress was made in any individual quarter, a recipient should enter zero.

Note: Where a prime recipient is implementing a loan activity (e.g., revolving loan fund) classified under the “Loans and Grants” metric area, and has subcontracted with a third party to administer the loans, the primary process metric should reflect the number and dollar value of the loans issued by the third party to beneficiaries of the loans and not the amount of the subcontract between the prime recipient and the third party.

For example, a prime recipient has subcontracted with a third-party to administer a \$3M revolving loan fund. The entire revolving loan fund is capitalized in Q2 2010. The third-party entity issues 20 loans for the amount of \$2M in Q3 2010. The prime recipient should report both the 20 loans issued and the \$2M for the monetary value of the loans as the primary process metrics on the Q3 2010 reporting.

Additionally, certain process metric areas require reporting of process metrics by sector. These sectors include:

- Agricultural
- Commercial
- Industrial
- Institutional (e.g., hospital, educational, correctional)
- Other
- Public
- Residential
- Transportation
- All sectors

For example, if a building retrofit is occurring in the public sector and the commercial sector, the recipient will need to report the required primary process metric (e.g., number of buildings retrofitted and square feet of buildings retrofitted) by both the public sector and the commercial sector.

When to report: To avoid “double counting,” the primary process metrics associated with any portion of project completion should be reported once for the reporting quarter in which that discrete portion was completed and once only. What constitutes a “discrete portion” of the project is left to the discretion of the recipient, but DOE prefers process metrics resulting from a portion of project completion be reported as soon after completion as possible.

For example, a recipient implementing a market title to retrofit 20 buildings should choose the metric area “Building Retrofits.” If the 20 buildings are completed in sets of five buildings (i.e., “discrete portions”) over the course of four quarters,

DOE prefers that the recipient report the primary process metrics (i.e., number and square feet of building retrofitted) associated with the buildings completed in each of the four respective quarterly reports.

f. Impact metrics

This category of metrics allows DOE to gauge the impact of the projects implemented by recipients on energy savings, energy cost savings, renewable energy generation, and emissions reductions as applicable. The list of available impact metrics is as shown below:

Impact Metrics		
Metric Area	Metric	Impact Metric Item To Report On
1. Energy Savings	1a. Reduction in natural gas consumption, by sector	Reduction in natural gas consumption (MMcf/year)
	1b. Reduction in electricity consumption, by sector	Reduction in electricity consumption (MWh/year)
	1c. Reduction in electricity demand, by sector	Reduction in electricity demand (MW/year)
	1d. Reduction in fuel oil consumption, by sector	Reduction in fuel oil consumption (gallons/year)
	1e. Reduction in propane consumption, by sector	Reduction in propane consumption (gallons/year)
	1f. Reduction in gasoline and diesel fuel consumption, by sector	Reduction in gasoline and diesel fuel consumption (gallons/year)
2. Energy Cost Savings	2a. Dollars Saved	Dollars Saved (\$/year)
3. Renewable Energy Capacity and Generation	3a. Amount of electricity generated from wind systems	Amount of electricity generated from wind systems (MWh/year)
	3b. Amount of electricity generated from photovoltaic systems	Amount of electricity generated from photovoltaic systems (MWh/year)
	3c. Amount of electricity generated from other renewable sources	Amount of electricity generated from other renewable sources (MWh/year)
4. Emissions Reductions	4a. Greenhouse gases reduced	Amount of greenhouse gases reduced (metric tons CO ₂ equivalent/year) ¹
	4b. Criteria air pollutants reduced	Amount of criteria air pollutants reduced (tons/year) ²

What to report: Recipients are required to report an annual estimate of how the discrete portion of the market title completed during the quarter contributes to any of the impact metrics listed above.

For example, if a recipient completes the retrofit of 20 buildings in January 2011 that is estimated to save 415 MWh of electricity annually, 215.2 Mt of CO₂eq. reduced annually, and 1.94 tons of criteria pollutants annually, the recipient will

¹ In addition to CO₂, DOE requires reporting of the following greenhouse gases (with associated global warming potentials over a 100-yr timeframe): CH₄ (25), N₂O (298). All GHG should be converted into CO₂ equivalents and reported as an aggregate number.

² DOE requires reporting of the following Criteria Pollutants: SO_x, NO_x, CO.

report those metrics in the first quarter QPR (due April 30, 2011) for the market title associated with the retrofits.

The estimate of each impact metric should be based on the project cost and not just the portion supported by SEP Recovery Act formula funds or cost sharing. However, recipients should not report the estimated impact of any other federal funds (e.g., EPA or HUD funds).

For example, if the recipient completing the building retrofits in the example above used SEP funds to provide for 80% of the project cost and leveraged funds for the other 20% of the project cost, the recipient would report the full estimated impact (415 MWh of electricity saved annually, 215.2 Mt of CO₂eq. reduced annually, and 1.94 tons of criteria pollutants reduced annually) of the 20 building retrofits and not a pro-rata share based on funding source.

On the final QPR, the cumulative energy savings should reflect the full annual energy savings estimated to accrue from the market title implementation.

DOE requires only the report of impact estimates that accrue directly from the implementation of Recovery Act projects, not estimates that attempt to quantify the secondary or indirect impacts of project implementation. As such, it is likely that certain project activities, particularly those associated with the metric area of “Clean Energy Policy,” will report no energy savings from project implementation. However, project activities falling under the metric activities of “Loans and Grants” and “Financial Incentives for Energy Efficiency and Other Covered Investments” should report impact estimates for the underlying activity financed through the market title (e.g., building retrofits completed by municipal grants).

How to report: Under the assumption that recipients are readily able to accurately estimate impact metrics, DOE prefers recipients utilize their own methodology for estimating impact metrics. In these instances, recipients should take care to account for other determinant factors (e.g., weather variation) when making impact estimates.

For those instances where recipients find determination of impact metrics difficult, DOE developed the Recovery Act Benefits Calculator to help recipients create an estimate of impact metrics (with the exception of energy demand reduction and energy cost savings) from a list of user-defined inputs. The Benefits Calculator is available as both a web-based tool and in an Excel spreadsheet format:

Web-based Tool

<http://www1.eere.energy.gov/wip/solutioncenter/calculator/default.aspx>

Excel Spreadsheet

http://www1.eere.energy.gov/wip/docs/arra_benefits_reporting_calculator.xls

In order to facilitate the determination of the energy demand reduction and energy cost savings impact metrics, DOE developed another Excel spreadsheet calculator to translate energy savings into the necessary metrics:

http://www1.eere.energy.gov/wip/docs/owip_energy_calculator.xls

These tools are also available in both the Reference Library section of PAGE and as a link from the Metrics Wizard functionality within PAGE. Recipients are not required to utilize these tools to determine critical metrics.

Please note: The Recovery Act Benefits Calculator supersedes all previous editions of benefit calculators provided by DOE.

In addition to these resources, recipients can also submit a technical assistance request to the DOE Solution Center if they encounter difficulty developing an estimate of impact metrics. Technical assistance requests can be submitted here:

<http://www1.eere.energy.gov/wip/solutioncenter/>

When to report: To avoid “double counting,” the impact metrics associated with any portion of project completion should be reported once for the reporting quarter in which that discrete portion was completed and once only. What constitutes a “discrete portion” of the project is left to the discretion of the recipient, but DOE prefers impact metrics resulting from a portion of project completion be reported as soon after completion as possible.

For example, if a recipient retrofits the 20 buildings in sets of five buildings (i.e., “discrete portions”) over the course of four quarters, DOE prefers that the recipient report the impact of each set of five buildings in each of the four respective quarterly reports.

However, in the instance that recipients are using methodologies that utilize “pre” (to establish a baseline of energy consumption) and “post” utility data to refine their energy savings estimates, they will have to allow a few months to pass in order to measure the “post” energy consumption. In this case, the best practice is to leave the “Activity Status” block in the associated QPR as “Active” until such time as the estimate can be properly completed. On the subsequent QPR, the recipient can report the energy savings and note the “Activity Status” as “Completed.” Recipients are reminded to take care to account for other determinant factors (e.g., weather variation) when making impact estimates.

g. Optional process metrics

While only one primary process metric is required per market title, recipients may (at their discretion) choose to report additional process metrics to more comprehensively capture the scope of work. This is often useful when a market title is accomplishing multiple goals under a single initiative.

Example 1: A recipient managing a market title that is both implementing a new building code and training building code inspectors may choose “Building Codes and Standards” as the primary process metric area. In order to fully capture the market title’s scope of work, the recipient should select “Workshops, Training, and Education” as an optional process metric area.

Example 2: A recipient providing grants for residential building retrofits would be required to report “Loans and Grants” as their primary process metric area but could choose to report “Building Retrofits” as an optional process metric area.

A recipient cannot choose to report optional process metrics under the metric area associated with the primary process metric but is otherwise unconstrained in the number of optional process metrics on which they may report. Recipients can both commence and conclude reporting on optional process metrics at their own discretion.

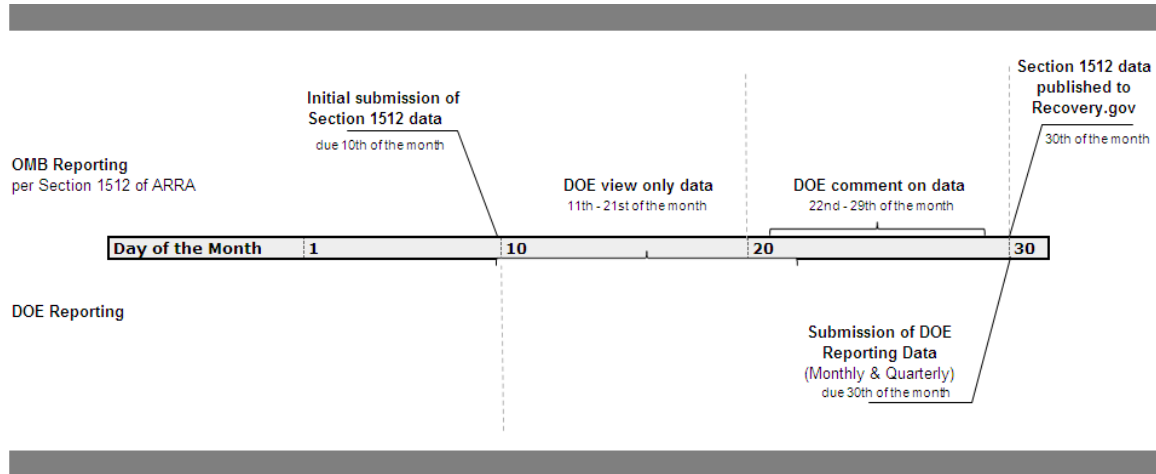
f. Qualitative descriptions

This section includes a set of narrative fields meant to accomplish three tasks:

1. Identify the market title as infrastructure investment and explain the purpose and rationale behind the selection of this infrastructure project.
Note: There is no standard federal or DOE definition of infrastructure. Recipients should use their own discretion in determining if an individual market title qualifies as infrastructure investment.
2. Provide qualitative information to DOE (particularly Project Officers) on the status of market title implementation. Which of these narrative fields are necessary to fill out and on what frequency is left to the discretion of the Project Officer.
3. Provide qualitative information to DOE on actions taken to comply with Section 410 of the Recovery Act.

6.3 TIMELINE AND PROCESS FOR REPORTING TO OMB AND DOE

The respective OMB³ and DOE reporting timelines are illustrated below:



The OMB Section 1512 reporting requires the report of two fields, “*Total Federal Amount of ARRA Expenditure*” and “*Total Federal Amount ARRA Funds Received/Invoiced,*” that match financial information provided to DOE for financial reporting or performance reporting. Recipients should minimize any discrepancy between the reports of these metrics made to DOE and OMB. It is understood that as time passes from the close of the reporting period, recipients are able to obtain an increasingly accurate picture of grant performance during the reporting period.

If information regarding either of these fields is updated after the 21st of the month, the recipient should contact its Project Officer to coordinate correction of the report submitted to FederalReporting.gov and ensure consistency with the information to be submitted to DOE. In cases where prime recipients have delegated the ability to report via FederalReporting.gov to a different authority (e.g., State Recovery Act office) and receive updated information on these two fields, they should coordinate with the other authority to make the necessary changes to the report in FederalReporting.gov.

In any situation, recipients should prioritize the accuracy of data submitted to DOE over the consistency of data submitted to various sources.

7.0 CONCLUSION

Recovery Act funding supports State Energy Office initiatives as part of an unprecedented opportunity to deploy energy efficiency and renewable energy projects across the country. On a quarterly and monthly (where applicable) basis, it is required

³ The nominal OMB reporting timeline is shown. The actual OMB reporting timeline is subject to change and will vary quarter to quarter.

that SEP recipients report jobs, financial information, process and impact metrics. This is an important component to demonstrating the impact and success of the SEP program.

A handwritten signature in black ink that reads "Tobias Russell". The signature is written in a cursive style with a large, stylized 'R'.

Tobias Russell
Acting Program Manager
Office of Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

Attachment 1: EECEBG & SEP – Process Metrics List