

U.S. DEPARTMENT OF
ENERGY

Office of
**ENERGY EFFICIENCY &
RENEWABLE ENERGY**

OVERVIEW OF REQUIREMENTS RELATED TO FINANCING PROGRAMS SET UP USING AMERICAN REINVESTMENT AND RECOVERY ACT (ARRA) FUNDS

Pete Davis, SEP Branch Chief, Golden

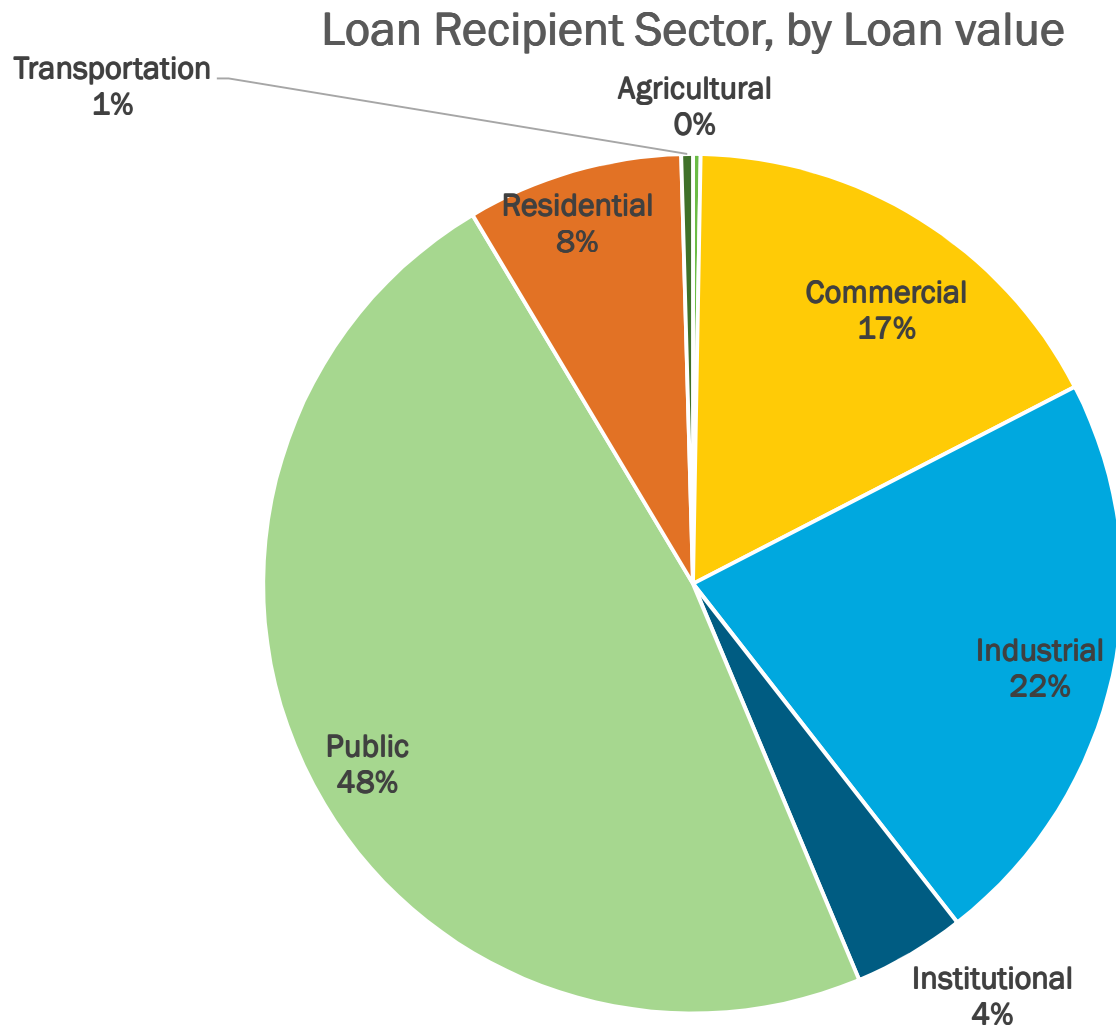
State Energy Program
October 4, 2017



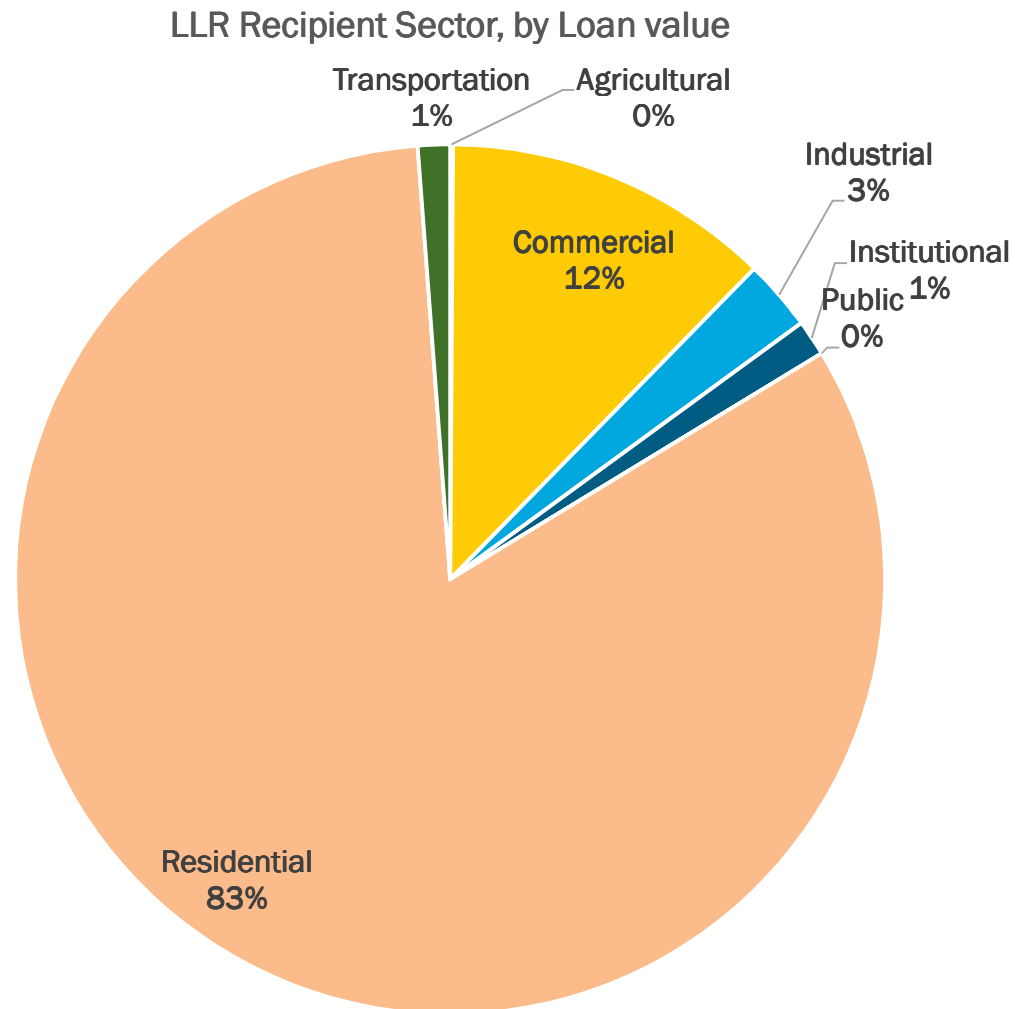
BACKGROUND

- **40 grantees capitalized financing programs using ARRA funds. Final ARRA funding for financing programs was \$690,432,834.**
- **37 grantees created Revolving Loan Funds.**
 - **Total capitalization was \$602,880,112.**
 - **4,997 loans totaling \$665,152,457 have been made.**
 - **Only 73 defaults and 72 write offs have been reported.**
- **9 grantees created Loan Loss Reserves.**

OVERVIEW – REVOLVING LOAN FUNDS



OVERVIEW – LOAN LOSS RESERVES



CONTINUING OVERSIGHT OF FEDERAL FUNDS

- **Federal funds used to capitalize a Revolving Loan Fund or a Loan Loss Reserve maintain their federal character in perpetuity.**
- **The federal character continues after expenditure and after the end of the period of performance for the award.**
- **Federal flow down requirements also continue in perpetuity including NEPA, Historical Preservation, Davis Bacon and Buy American provisions.**
 - For example, after a loan is repaid back into an RLF, if a state lends out the repaid funds to another borrower, the federal flow down requirements apply to that loan as well.

CONTINUING OVERSIGHT OF FEDERAL FUNDS (continued)

- **Funds from SEP Annual Awards may be used to pay for administrative costs associated with the continued operation of financing programs.**

TERMINATION OF FINANCING PROGRAMS

- **Grantees may end a Revolving Loan Fund or a Loan Loss Reserve.**
- **If such programs are ended, remaining funds must be repurposed for an eligible SEP activity or returned to the federal government.**

REPURPOSING OF FINANCING PROGRAMS TO EXISTING PROGRAMS WITHIN THE FPR

- **Grantees may move ARRA financing program funds from one existing financing program to another existing financing program within the Financial Programs Report (FPR).**
- **Grantees should enter an Inter-Program Transfer in the FPR, provide an explanation in the FPR Remarks section, and notify their Project Officer of the transfer.**
- **Reporting metrics should be updated.**
- **Contracting Officer approval is not required for Inter-Program Transfers.**

REPURPOSING OF FINANCING PROGRAMS TO NEW PROGRAMS

- Grantees interested in repurposing funds to a grant program or a new financing program should submit a repurposing request to the email inbox at SEPFinancingPrograms@ee.doe.gov and cc their Project Officer.
- DOE accepts repurposing requests twice each year – from January 1-31 and July 1-31.
- Grantees may submit repurposing requests outside of these timeframes in emergency situations, but must include an explanation of the emergency.

REPURPOSING OF FINANCING PROGRAMS TO NEW PROGRAMS (continued)

- Repurposing requests must include a description of the eligible SEP activities to which the funds will be repurposed and the dollar amount to be repurposed.
- DOE will evaluate the request and once all requested information is received, provide a written notice of approval or rejection within 30 days.
- Written approval must be obtained from the Contracting Officer before any new programs can be implemented.

REPURPOSING OF FINANCING PROGRAMS TO NEW PROGRAMS (continued)

- Once approval is obtained, Grantees will complete the Description Section in the Financial Programs Summary of their PAGE Financial Programs Report (FPR), insert appropriate metrics into the “metrics section” of the FPR, and enter an Inter-Program Transfer in the FPR.
- Please consult pages 10-11 of SEP Program Notice 10-008E, Guidance for State Energy Program Grantees on Financing Programs, for additional information on submitting repurposing requests.
<http://www.energy.gov/sites/prod/files/2016/07/f33/SEP%20Program%20Notice%2010-008E.pdf>

REPORTING OF ARRA FINANCING PROGRAMS

- The Financial Programs Report (FPR) must be submitted quarterly.
- The FPR is housed in Grantees' most current Annual Award. That is the only connection between ARRA financing programs and the Annual Award.
- It is important that all applicable metrics be reported.
- For further guidance, see SEP Program Notice 10-006D "DOE Reporting Requirements for the State Energy Program". The guidance can be found at: <http://energy.gov/eere/wipo/downloads/state-energy-program-notice-10-006d-reporting-requirements>

DEFAULTS AND WRITE OFFS

- **Grantees are given wide latitude to define what constitutes a loan being in default, including the period of time needed to pass since a payment was made for a loan to be considered in default status.**
 - **Grantees must define what constitutes a loan being in default, including the period of time needed to pass since a payment was made for a loan to be considered in default status, in Box 12 of the Master File in the Annual Application. State or territorial law or regulations should be followed.**
- **Grantees must notify their Project Officer when a loan is determined to be in default, and may be asked to provide additional information.**

DEFAULTS AND WRITE OFFS (continued)

- **Grantees are expected to use their state or territorial policies and procedures to collect loan payments and pursue the collection of loans in default.**
- **Defaults and write offs are reported in PAGE.**

QUESTIONS

Questions?

Please contact Pete Davis if you have questions.

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720-356-1606

Thank You!