

DOE OFFICE OF INDIAN ENERGY

Cost Share Reduction Request Process for Financial Assistance Awards Issued Under The Energy Policy Act of 2005

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U.S. DEPARTMENT OF
ENERGY

Office of
Indian Energy

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Send Questions to

TribalGrants@hq.doe.gov

Cost Share Requirement

A **50% cost share of the total allowable costs of the project (i.e., the sum of the DOE share, and the Recipient share of allowable costs equals the total allowable cost of the project) is required.** All cost share must come from non-federal sources unless otherwise allowed by law (see Section III.B. for instances where additional federal funds can be used against the total project costs or as non-federal cost share, as allowed to by law).

Statutory Cost Share Requirements

Minimum cost share requirements for grants issued by the Office of Indian Energy are governed by Section 988 of the Energy Policy Act of 2005 (EPACT 2005, Pub. L. 109-58, 42 U.S.C. § 16352) and the Department's financial assistance regulations.

Specifically, Section 988 of EPACT 2005, Pub. L. 109-58, 42 U.S.C. 16352, "Cost Sharing," sets forth the statutory cost sharing requirements for research, development, demonstration, or commercial application programs or activities authorized by that Act and subsequent legislation. Under § 988(c)(1), the Secretary shall require not less than 50 percent of the cost of a demonstration or commercial application activity to be provided by a non-federal source.

Section 988(c)(2) authorizes the Secretary, or his designee, to reduce (not eliminate) the non-federal cost share requirement for a demonstration or commercial application activity if the Secretary determines that the reduction is necessary and appropriate, considering any technological risk relating to the activity.

Cost Share Reduction Request Process Announced

Department of Energy

Energy Department Releases Formalized Process for Determinations of Cost Share Reduction Requests for Office of Indian Energy Awards

OCTOBER 30, 2020

On October 30, the U.S. Department of Energy (DOE)'s Office of Indian Energy Policy and Programs (Office of Indian Energy) announced a formalized process for Indian tribes and eligible tribal entities to request cost share reductions under the Energy Policy Act of 2005 (EPACT 2005).

Cost Share Reduction Request Process

The screenshot shows the homepage of the Energy.gov Indian Energy website. At the top, there's a navigation bar with links for ENERGY.GOV, Office of INDIAN ENERGY POLICY AND PROGRAMS, About Us, TECHNICAL ASSISTANCE, EDUCATION & TRAINING, FUNDING, and PROJECTS. The PROJECTS link is circled in red. A sub-menu for PROJECTS is open, listing Projects Home, Projects Database, Tribal Energy Atlases, Project Successes, Funding History, Recipient Resources, Cost Share Reduction Request Process (which is also circled in red), and Program Review. Below the navigation, there's a large image of a man in a suit speaking at a podium with an American flag in the background. Overlaid on this image is text: "Formalized Process for Determinations of Cost Share Reduction Requests for Office of Indian Energy Awards". To the right of this image is a smaller box with the text "Apply for Technical Assistance" and a photo of solar panels.

Information on the process of how eligible entities can request a reduction in cost share is posted on the Office of Indian Energy website at www.energy.gov/indianenergy.

Cost Share Reduction Request Process

Process webpage

Includes:

- Statutory Cost Share Requirements
- Eligibility
- Basis for Cost Share Reduction Decision
- Deadline and Submittal Instructions



The screenshot shows a webpage titled "Cost Share Reduction Request Process" under the "PROJECTS" category. The page includes a breadcrumb navigation (Home > Projects > Cost Share Reduction Request Process), a summary of the process, a link to a letter from the Deputy Secretary, and a list of related links.

Cost Share Reduction Request Process

Home > Projects > Cost Share Reduction Request Process

On October 30, 2020, the U.S. Department of Energy (DOE) released a formalized process for Indian tribes and eligible tribal entities to request a cost share reduction for awards issued under the Energy Policy Act of 2005 (EPACT 2005) by DOE's Office of Indian Energy Policy and Programs (Office of Indian Energy).

See the [letter from Deputy Secretary Menezes to Tribal Leaders and Other Tribal Entities Eligible for Office of Indian Energy Financial Assistance](#).

- [Statutory Cost Share Requirements](#)
- [Eligibility](#)
- [Basis for Cost Share Reduction Decision](#)
- [Deadline and Submittal Instructions](#)

<https://www.energy.gov/indianenergy/projects/cost-share-reduction-request-process>

Cost Share Reduction Eligibility

Requests to reduce (not eliminate) the non-federal cost share requirement may be submitted for

- (1) eligible open obligations (active financial assistance agreements),
- (2) obligations made for applications previously selected for negotiation of award under Office of Indian Energy Funding Opportunity Announcement (FOA) DE-FOA-0002168, and
- (3) obligations made for awards resulting from the currently open FOA DE-FOA-0002317, and those requests will be expedited through this formalized process.

Cost Share Reduction Eligibility

For eligible open obligations, only remaining costs not invoiced for reimbursement as of March 1, 2020, the effective date the [President declared a national emergency due to COVID-19](#), will be considered for a reduction in non-federal cost share.

For eligible open obligations (active financial assistance agreements) where the remaining cost share amount (not invoiced for, by the effective date of March 1, 2020) is less than \$10,000 will not be considered for a cost share reduction due to the amount of resources needed to process and execute a cost share reduction, and because those open obligations are nearing completion.

Cost share reductions for any open obligations selected under any FOA with a closing date prior to September 30, 2015, will not be considered.

Deadline and Submittal Instructions

Cost share reduction requests will be accepted at any time within the next 30 days (due **no later than December 3, 2020**) and reviewed in the order received.

Recipients of eligible open obligations (active financial assistance agreements) and those with applications previously selected for negotiation of award under Office of Indian Energy FOA DE-FOA-0002168 will receive a letter with instructions for requesting a reduction in cost share.

For those considering applying, or have already submitted an application, to the currently open FOA DE-FOA-0002317 and are interested in requesting a cost share reduction, complete the [Cost Share Reduction Request Template](#) (instructions included) and submit to TribalGrants@hq.doe.gov and include the following in the subject line: Cost Share Reduction Request for DE-FOA-0002317– [Applicant Name].

Cost Sharing (The Term)

The terms “cost sharing” and “cost matching” are often used synonymously. Even the DOE Financial Assistance Regulations, 2 CFR 910.130, use both of the terms in the titles specific to regulations applicable to cost sharing.

DOE almost always uses the term “cost sharing,” as it conveys the concept that non-federal share is calculated as a percentage of the Total Project Cost.

Calculating Cost Share

Example using a 50% minimum cost share:

Calculating cost share (\$):

$$\text{Cost Share}(\$) = \text{Cost Share } (\%) * \text{Total Project Costs } (\$)$$

$$\$250,000 = 0.5 * \$500,000$$

Calculating cost share (%):

$$\text{Cost Share } (\%) = \frac{\text{Cost Share } (\$)}{\text{Total Project Costs } (\$)}$$

$$0.5 \text{ or } 50\% = \frac{\$250,000}{\$500,000}$$

Calculating Cost Share – Pending or Potential Awards

Example using a 50% minimum cost share:

Calculating cost share (\$):

$$\text{Cost Share}(\$) = \text{Cost Share (\%)} * \text{Total Project Costs} (\$)$$

$$\$1,000,000 = 0.5 * \$2,000,000$$

Example for a requested cost share reduction to 30%:

Calculating cost share (\$):

$$\text{Cost Share}(\$) = \text{Cost Share (\%)} * \text{Total Project Costs} (\$)$$

$$\$600,000 = 0.30 * \$2,000,000$$

If a cost share reduction from 50% to 30% was approved, cost share would be reduced by \$400,000 to \$600,000.

Calculating Cost Share – Eligible Open Obligations

For eligible open obligations, only remaining costs not invoiced for reimbursement as of March 1, 2020, the effective date the President declared a national emergency due to COVID-19, will be considered for a reduction in non-federal cost share.

Step 1: Determine the amount of costs and specifically the amount of cost share that had not been invoiced for reimbursement as of March 1, 2020.

Step 2: Determine the amount of those remaining cost share funds you'd like to request be reduced, or in certain instances eliminated.

Remember, cost share can not be eliminated in its entirety. However, if you have already contributed a portion of cost share, you might be able to request the amount of cost share remaining to be contributed as of March 1, 2020, be reduced to \$0.

Calculating Cost Share – Eligible Open Obligations

For eligible open obligations, only remaining costs not invoiced for reimbursement as of March 1, 2020, the effective date the President declared a national emergency due to COVID-19, will be considered for a reduction in non-federal cost share.

Step 3: Calculate the Total Amount of Cost Share being requested

Step 4: Calculate the Revised Cost Share percentage being requested (percent of Total Project Costs)

Calculating Cost Share – Eligible Open Obligations

Example for eligible open obligations who have costs reimbursed as of March 1, 2020:

Total Project Costs are \$2,000,000 with an approved 50% cost share or \$1,000,000.

Step 1: Determine the amount of cost share that had not been invoiced for reimbursement as of March 1, 2020.

Total costs invoiced as of March 1, 2020 are \$500,000 (DOE \$250,000; Cost share \$250,000)

Remaining Cost Share = Approved Cost Share – Cost Share Invoiced

$$\$750,000 = \$1,000,000 - \$250,000$$

Calculating Cost Share – Eligible Open Obligations

Example for eligible open obligations who have costs reimbursed as of March 1, 2020:

Total Project Costs are \$2,000,000 and the approved cost share is 50% or \$1,000,000. \$250,000 in cost share has been invoiced for as of March 1, 2020. Therefore, only \$750,000 of the currently approved cost share remains, and can be considered for a cost share reduction.

Step 2: Determine the amount of those remaining cost share funds you'd like to request be reduced, or in certain instances eliminated.

$$\begin{aligned} \textit{Remaining Cost Share if cost share reduction approved} \\ = & \textit{Remaining Approved Cost Share} \\ - & \textit{Cost Share Reduction being requested} \end{aligned}$$

$$\$350,000 = \$750,000 - \$400,000$$

Calculating Cost Share – Eligible Open Obligations

Example for eligible open obligations who have costs reimbursed as of March 1, 2020:

Total Project Costs are \$2,000,000 and the approved cost share is 50% or \$1,000,000, \$250,000 in cost share has been invoiced for as of March 1, 2020. The remaining cost share to be contributed if a cost share reduction is approved is \$350,000.

Step 3: Calculate the Total Amount of Cost Share being requested

*Total Amount of Cost Share being requested
= Cost Share Invoiced*

+ Remaining Cost Share if cost share reduction approved

$$\$600,000 = \$250,000 + 350,000$$

Calculating Cost Share – Eligible Open Obligations

Example for eligible open obligations who have costs reimbursement for as of March 1 2020:

Total Project Costs are \$2,000,000 and the approved cost share is 50% or \$1,000,000, \$250,000 has been invoiced for as of March 1, 2020. The Recipient is requesting the remaining cost share of \$750,000 be reduced by \$400,000, so the Remaining Cost Share to be committed, if the requested cost share reduction is approved, \$350,000. Therefore, the Total Amount of Cost Share being requested is \$600,000.

Step 4: Calculate the Revised Cost Share percentage being requested (percent of Total Project Costs)

$$\text{Revised Cost Share percentage being requested} = \frac{\text{Total Amount of Cost Share being requested}}{\text{Total Project Costs}}$$

$$0.3 (30\%) = \$600,000/\$2,000,000$$

Cost Share Reduction Request Form



COST SHARE REDUCTION REQUEST FORM FOR APPLICANTS FOR FINANCIAL ASSISTANCE OPPORTUNITY ANNOUNCEMENT DE-FOA-0002317

In accordance with the Secretary's and Deputy Secretary's authority under the Energy Policy and Programs (Office of Indian Energy) has been directed to provide any assistance within the Department of Energy's statutory authority to address the impacts of COVID-19. At the direction of the Deputy Secretary, the Office of Indian Energy is now implementing a formalized process to consider cost-share requests from tribes and other eligible tribal entities who have received financial assistance from the Office of Indian Energy. This document outlines the instructions for how to request a reduction in the federal cost share for the remainder of your award.

As potential applicant for financial assistance through the Office of Indian Energy, you may request a reduction to the minimum non-federal cost share required by the terms and conditions of agreements awarded under the Energy Policy Act 2005. However, the requested reduction to be necessary and appropriate, all relevant factors must contribute to the currently approved non-federal cost share per your application. **Only reductions to the non-federal cost share can be considered, not the federal cost share in its entirety.**

Consistent with the Secretary's and Deputy Secretary's direction to provide assistance within the Department of Energy's (DOE) statutory authority to address the impacts of COVID-19, considerations for determining a reduction to the minimum non-federal cost share, if appropriate, may include the requesting Indian tribe or eligible tribal entity's current residential electricity price, the requested cost share reduction, and also the implications if a requested reduction is granted. Other considerations may also include:

- Energy costs defined as the current price of electricity for the requesting Indian tribe or eligible tribal entity using the best currently available tribal data.

Send any questions to TribalGrants@hq.doe.gov.
Include "Cost Share Reduction Request - Entity Name" in subject line.



Instructions for Determining Factors

Use the instructions below to determine the criteria to be considered and any other factors to be considered in completing the Cost Share Reduction Request Form below. Once finished, remove pages 1 and 2 and these instructions and only submit the completed Cost Share Reduction Request Form itself.

The time required to complete the Cost Share Reduction Request Form is estimated to take between 60 to 120 minutes, depending on how many factors are used, excluding the required certification, and may take longer if other factors and a supplemental letter are being submitted for consideration.

Step 1: Price of Electricity

Provide the tribal community's current residential price of electricity in cents per kilowatt-hour (e.g., \$0.135 equals 13.5 cents per kilowatt-hour) using the best currently available tribal data. Record this residential price of electricity under **Question #1** of the Cost Share Reduction Request Form.

If your proposed project includes sites in multiple tribal communities (i.e., Reservations, Alaska Native Villages, Tribal Jurisdictional Areas), you will need to provide a separate electricity price for each tribal community and record the data for each community on the Cost Share Reduction Request Form.

Step 2: Unemployment Rate

Provide the tribal community's unemployment rate (percentage) using the best currently available tribal data. Record this percentage under **Question #2** of the Cost Share Reduction Request Form.

If your proposed project includes sites in multiple tribal communities (i.e., Reservations, Alaska Native Villages, Tribal Jurisdictional Areas), you will need to provide the unemployment rate for each tribal community and record the data for each community on the Cost Share Reduction Request Form.

Send any questions to TribalGrants@hq.doe.gov.
Include "Cost Share Reduction Request - Entity Name" in subject line.



COST SHARE REDUCTION REQUEST FORM

Please complete the questions below using the instructions in blue. Once complete, please print and sign.

Requesting entity name and application identifier.

Requesting entity name and provide an application identifier (Exchange Control Number), if available, here.

Non-federal cost share percentage being requested.

Non-federal minimum cost share percentage being requested here.

Note, only reductions to the non-federal cost share can be considered, not the reduction of the total cost share in its entirety.

Provide the location of the tribal community or communities where the proposed project is located.

Provide the tribal community or communities where the proposed project is located. If applicable, provide the following:

Name:	State the name of the tribal community (e.g., Reservation, Alaska Native Village, Tribal Jurisdictional Area, or other identifier) here.
Address:	Include the address here.
City, County, State:	Include the City, County, and State here.
Zip Code:	Include the Zip Code here.

If there are multiple communities, copy the table above, paste here and provide the information for the second tribal community. Repeat as needed.

Send any questions to TribalGrants@hq.doe.gov.
Include "Cost Share Reduction Request - Entity Name" in subject line.

Submit to TribalGrants@hq.doe.gov



Office of
Indian Energy

Cost Share Reduction Request Form

Basis for Cost Share Reduction Decision

Consistent with the Secretary's and Deputy Secretary's direction to find ways to provide assistance within our statutory authority to alleviate the financial impacts of COVID-19, considerations for determining a reduction to be necessary and appropriate may include the requestor's need for a cost share reduction based on factors, including, but not limited to:

1. **Energy costs** defined as the current price of electricity for the requesting Indian tribe or eligible tribal entity using the best currently available tribal data, as compared to average price of electricity in your state using the DOE's Energy Information Administration's (EIA) Table 5.6.A, Average Price of Electricity, Residential Rates as of July 2020.
2. Current **unemployment rate** of requesting Indian tribe or eligible tribal entity using the best currently available tribal data, as compared to the unemployment rate in your state using the U.S. Bureau of Labor Statistics (BLS) State Unemployment Summary, Table B., Rate as of July 2020.
3. **Loss of revenue** due to COVID-19 as compared to the same quarter the previous year, based on the best available tribal data.
4. **Other factors** as outlined by the Requestor and accompanied by appropriate supporting documentation and evidence that demonstrates a reduction would be necessary and appropriate, including the implications if a requested reduction is not received.

Submit completed form to TribalGrants@hq.doe.gov

Cost Share Reduction Request Form

Basis for Cost Share Reduction Decision

Energy costs defined as the current price of electricity for the requesting Indian tribe or eligible tribal entity using the best currently available tribal data, as compared to average price of electricity in your state using the DOE's Energy Information Administration's (EIA) Table 5.6.A, Average Price of Electricity, Residential Rates as of July 2020.

Step 1: Price of Electricity

Provide the tribal community's **current residential price of electricity** in cents per kilowatt-hour (e.g., \$0.135 equals 13.5 cents per kilowatt-hour) using the best currently available tribal data. Record this residential price of electricity under **Question #1** of the Cost Share Reduction Request Form.

Submit completed form to TribalGrants@hq.doe.gov

Cost Share Reduction Request Form

Basis for Cost Share Reduction Decision

Current **unemployment rate** of requesting Indian tribe or eligible tribal entity using the best currently available tribal data, as compared to the unemployment rate in your state using the U.S. Bureau of Labor Statistics (BLS) State Unemployment Summary, Table B., Rate as of July 2020

Step 2: Unemployment Rate

Provide the tribal community's **unemployment rate (percentage)** using the best currently available tribal data. Record this percentage under **Question #2** of the Cost Share Reduction Request Form.

Submit completed form to TribalGrants@hq.doe.gov

Cost Share Reduction Request Form

Basis for Cost Share Reduction Decision

Loss of revenue due to COVID-19 as compared to the same quarter the previous year, based on the best available tribal data.

Step 3: Loss of Revenue Due to COVID-19

The **loss of revenue due to COVID-19** as compared to the same quarter the previous year is an estimate of the amount funds lost due to COVID-19 from revenue generating operations. That dollar amount should be included under **Question #3** below. If the requesting tribe does not have any revenue generating operations, provide a statement to that effect under Question #3 below.

Note that you will be asked to describe the source of the data and the requesting tribe or tribal entity's authorized representative must certify to the loss of revenue due to COVID-19 as compared to the same quarter the previous year, attesting to the accuracy of the information on the Cost Share Reduction Request Form.

Submit completed form to TribalGrants@hq.doe.gov

Cost Share Reduction Request Form

Basis for Cost Share Reduction Decision

Other factors as outlined by the Requestor and accompanied by appropriate supporting documentation and evidence that demonstrates a reduction would be necessary and appropriate, including the implications if a requested reduction is not received.

Step 4: Other Factors for Consideration

Identify any **other factors** you would like DOE to consider in determining whether the requested cost share reduction is necessary and appropriate, including the implications if a requested reduction is not received.

List those factors under **Question #4** below and include rationale for considering those other factors in a supplemental letter (see Step 4 below and instructions on the Request Form).

Step 5: Rationale for Other Factors for Consideration

Attach a supplemental letter to the completed Cost Share Reduction Request Form below that includes rationale for the other factors identified under Step 4.

Submit completed form to TribalGrants@hq.doe.gov

Cost Share Reduction Request Form

Basis for Cost Share Reduction Decision

Step 6: Certification

To complete the Cost Share Reduction Request Form, have an authorized representative certify to the information by signing the completed Cost Share Reduction Request Form below, attach the supplemental letter from Step 5, if applicable, and submit to TribalGrants@hq.doe.gov.

Submit completed form to TribalGrants@hq.doe.gov

■ Questions?



Send questions TribalGrants@hq.doe.gov

*Thank
You*