

VERMONT CLEAN ENERGY DEVELOPMENT FUND

LOAN PROGRAM *APPLICATION INSTRUCTIONS*

(Revised June 2010)



CEDF LOAN PROGRAM GUIDELINES

Eligibility

The CEDF Loan Program is available to fund a wide variety of clean and/or renewable energy projects. Eligible technologies include, but are not limited to: solar photovoltaic (PV); wind energy; farm, landfill, and sewer methane recovery; combined heat & power (CHP) systems; solar thermal, biomass thermal and geothermal generation systems; small hydroelectric systems; thermal energy efficiency; and emerging energy-efficient technologies. Eligible projects must be over 15 kW in AC rated capacity; over 1 million Btu per day for solar thermal and per hour for combustion; or over 15 tons of capacity (geothermal).

All electric-generation projects must be grid-connected. The CEDF will make loans to companies that meet the Fund's objectives and advance the overall goals of the Fund as more specifically set forth in 10 V.S.A § 6523 and the CEDF Strategic Plan in the section entitled "Potential Funding Areas." Eligible borrowing entities may include individuals, sole proprietorships, municipalities, partnerships (both general and limited), limited liability companies, nonprofit corporations, Subchapter S corporations, and foreign corporations with Vermont subsidiaries/affiliates.

Qualified Uses

Loan funds may be used to purchase fixed assets, including real property, machinery and equipment. Loan funds may not be used to fund feasibility studies, although certain research and development and engineering activities may qualify for funding. All loan funds must be used for activities or assets directly related to the project.

Loan Rates and Terms

The CEDF interest rate is set by CEDF Board. It is currently fixed at 2%. At least 10% of a project must be financed with equity. CEDF loans may fund no more than 90% of the cost of a project. Projects leveraging other funding sources such that the percentage of CEDF funding can be minimized will be given priority for funding. The CEDF's loans may not exceed \$750,000 per project; minimum loan amount is \$50,000.

The normal loan term is 10 years with a 15-year amortization for structure and real estate loans, and a maximum of a 10-year term and amortization for machinery/equipment loans. No working capital loans are available at this time although there may be funds for working capital in the future. In accordance with normal

lending practices, the CEDF collateralizes its loans with mortgages on real estate and/or security interests in machinery and equipment. Personal guarantees of principals may be required.

Application Process

- Applicant submits completed CEDF loan application, which is **due on the 2nd Wednesday of each month**. The review period for complete applications may last 45 days. If applications are not complete or unforeseen circumstances arise, the review period could last longer. Applicants are advised to discuss their proposed project with the CEDF Director prior to submitting an application.
- CEDF staff members evaluate the proposed project according to CEDF renewable energy and/or energy efficiency selection criteria (see *CEDF Loan Selection Criteria* at the end of this document).
- Applications that successfully meet CEDF selection criteria are forwarded to the Vermont Economic Development Authority (VEDA) for underwriting. At this point, the applicant's business plan and financials will be reviewed.
- Upon completion of the underwriting process, VEDA presents its financial recommendation to the CEDF Board at the regular CEDF monthly meeting. Principals of the applicant may be asked to be in attendance to answer questions when the CEDF Board considers the application. Meetings are open to the public, subject to certain exceptions.
- CEDF Board reviews staff and VEDA recommendations and makes a final determination. The CEDF Board must approve all loans.

Additional Requirements

A written commitment from all other lenders or guarantors involved in the project must be included in the application. A Processing Fee of 1% of the CEDF loan amount (capped at \$1,500) is payable when the CEDF's loan commitment letter is executed and returned by the applicant. Borrowers are responsible for all closing costs.

MAIL APPLICATIONS TO:

Andrew Perchlik
Clean Energy Development Fund Director
Vermont Dept of Public Service
112 State Street
Montpelier VT 05620-2601

For additional information, contact Andrew Perchlik at:
Tel: 802-828-4017
Fax: 802-828-2342
Email: andrew.perchlik@state.vt.us

Notice Regarding Federal Funds under ARRA

The primary source for funding in 2010 and 2011 will be the State Energy Program funded under the American Recovery and Reinvestment Act of 2009 (ARRA). Therefore, applicants must adhere to the unprecedented transparency and reporting requirements, including but not limited to: reporting, tracking and segregation of incurred costs; job creation and preservation reporting; access to records; and ensuring wage rates.

Information on the State Energy Program for the Recovery Act may be found at:
http://apps1.eere.energy.gov/state_energy_program.

Applicants may be required to comply with:

- The National Environmental Policy Act (NEPA). A checklist may be viewed at <https://www.eere-pmc.energy.gov/NEPA.asp> and http://www1.eere.energy.gov/wip/nepa_guidance.html
- Buy American Act. For more information, see: http://www1.eere.energy.gov/recovery/buy_american_provision.html
- Davis Bacon Act regarding prevailing wage requirements. For more information, see: http://apps1.eere.energy.gov/state_energy_program/pdfs/sep_dba_program_notice_10-003.pdf and http://www1.eere.energy.gov/wip/davis-bacon_act.html
- Reporting Requirements - A list of potential reporting requirements may be found at http://www1.eere.energy.gov/wip/recovery_act_guidance.html

The federal rules and regulations for ARRA may be found at the Federal Register (2 CFR Part 176; 74 CFR 18449): <http://edocket.access.gpo.gov/2009/pdf/E9-9073.pdf>. See

the ARRA award terms located in *Attachment 1: ARRA Funding Information*, and at: http://management.energy.gov/business_doe/business_for_ms.htm. Consult the DOE website (www.energy.gov), the OMB website (www.whitehouse.gov/omb) and the Recovery website (www.recovery.gov) regularly to keep abreast of guidance and information as it evolves.

CEDF LOAN APPLICATION

The CEDF Loan application consists of two parts: 1) *project information* and 2) *business/financial information*. Sections 1-4 of Part One must be submitted electronically, as Word or pdf documents via email or on a CD-ROM, as well as with the hard copy of the completed application.

Information in the applicant's proposal that should be held confidential must be clearly marked as confidential and comply with an exemption from public inspection as per 1 V.S.A. § 317(c) (available online at: <http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=01&Chapter=005&Section=00317>). It is not acceptable to mark the entire proposal as confidential.

PART ONE: PROJECT INFORMATION

The following section describes the *project information* required to evaluate the loan request.

1. COVER PAGE

Applicants must complete the Cover Page (Attachment 2) of this document, and attach it to the front of the application. This Cover Page is available as a separate document with form fields at: www.publicservice.vermont.gov/energy/ee_cleanenergyfund.html, or can be obtained from the CEDF. The following section explains the information required for the Cover Page.

1a. Project Title

Provide a descriptive title for the project.

1b. Applicant's Employer Identification Number (EIN)

Provide applicant's federal ID number.

1c. Applicant's Vermont Business Account Number

Provide applicant's state ID number.

2a. Project Category

State the project category under which you are applying (Research & Development/Engineering, Small-Scale System, Large-Scale System, Community-Scale System, Special Demonstration Project).

2b. Type of clean or renewable energy technology

State what kind of technology will be deployed (e.g., solar PV, biomass farm methane recovery, geothermal).

3. Project Summary

Provide a short paragraph describing the essential elements of your project.

4. Identification of Applicant Organization

State the full name and address of the organization. Also list the principals and/or officers and their contact information. At least one of these persons should also be listed as an Authorized Negotiator below. Include phone, email address and website (if applicable).

5. Identification of Subcontractors

If applicable, list any subcontractors that will perform, or assist in performing the work, including their name, address, and contact information.

6. Authorized Negotiator(s)

Include the name, phone number, and email address for individuals authorized to negotiate any and all aspects of the proposed loan with the State and/or Clean Energy Development Fund. One original hard copy of the application must be signed by a duly authorized representative of the party (or parties) submitting the proposal.

7a. Electrical Output

- Maximum installed generator capacity (kW; for solar, use the DC rating)
- Expected actual maximum capacity (kW; for solar, use the AC rating)
- Projected annual kWh
- Capacity factor
- Fuel type

7b. Thermal Output for CHP and Thermal-Only Projects

- Fuel type
- Maximum heat delivery rate (MMBtu/hour)
- Expected heat delivery rate (MMBtu/hour)
- Expected annual Btus delivered (MMBtu/yr)
- Capacity factor
- Estimated CO₂ emission rate (in lbs/MMBtu of heat input)
- Thermal source this project will displace (e.g., oil-fueled boiler) and an estimate of the CO₂ emission rate (lbs/MMBtu of heat input) of the displaced thermal source

7c. Geothermal Capacity

- Describe your system (i.e., open loop/closed loop; water source/ground source; if water source, ground water/surface water)
- Describe the length and depth of circulating loops
- Maximum heating/cooling capacity of heat pump (tons)
- Has soil conductivity been assessed, and if so, what are the values?

- Ratio of equipment cost to installation cost
- Is the system Energy Star rated?
- Expected annual Btu of heating/cooling delivered
- Expected annual kWh consumed
- Net energy savings (kWh, MMBtus; \$ saved)

8a. Project Incorporating Energy Efficiency/Savings Aspects of Project

- Efficiency rating of installed equipment (if applicable)
- Efficiency of fuel consumption (if applicable)
- Efficiency measures already taken
- Efficiency measures to be taken
- Expected annual energy savings (kWh or Btu)
- Amount of greenhouse gases reduced (CO₂ equivalents)
- Amount of criteria air pollutants reduced (tons)

8b. Emerging Energy Efficiency Technologies

- Efficiency rating of new technology (if applicable)
- Efficiency of fuel consumption
- Expected annual energy savings (kWh or Btu)
- Amount of greenhouse gases reduced (CO₂ equivalents)
- Amount of criteria air pollutants reduced (tons)

9. Expected Interconnection Date

Provide an estimate of when you expect to apply for and receive a Certificate of Public Good (CPG) from the Public Service Board or the FERC license or exemption.

10a. Description of Any Land or Buildings to Be Purchased with Proceeds of the Loan

Provide summary of assets to be acquired.

10b. Description of Machinery or Equipment to Be Purchased with the Proceeds of the Loan

Provide summary of essential assets to be acquired. (Purchases may need to comply with provisions of the Buy American Act.)

10c. Estimated Project Life

Provide a project lifespan estimate, either from the equipment warranty information or a reasonable estimation based upon similar installations.

11. Total Project Costs

Include the total project costs (this should also be included in the budget).

12. CEDF Funds Requested

Specify the amount of funds requested from the CEDF. If the applicant is seeking grant and loan funds, specify how much is requested under each category and the total amount.

13. Estimated Payback Time

Estimate the project's payback period, in years, both with and without CEDF funding. Please attach your calculations (project cost/annual savings).

14. Federal Funds Questionnaire

The Clean Energy Development Fund will allocate American Reinvestment and Recovery Act (ARRA) funding for loans. A recipient awarded federal funding must be registered in Central Contractor Registration (CCR) and have a DUNS number in order to receive a loan agreement. This process can take a long time, so applicants are encouraged to prepare in advance. To obtain a number, call 1-866-705-5711 or visit <http://www.dnb.com/us>.

Please answer the following:

- Are you registered with CCR, and do you have a DUNS number?
- If yes, what is the number?
- If no, will you be able to apply for a number before a loan is closed?
- Jobs you expect this project will retain (number, type, duration)
- Jobs you expect this project will create (number, type, duration)
- Do your purchases comply with terms of the Buy American Act?

15. Signature, Title and Date

Sign and date the application cover sheet to indicate you have read and acknowledge all of the conditions of this application, and that, to the best of your knowledge, the information you have supplied is accurate.

2. PERSONNEL

Applicants shall have demonstrable knowledge, skills, and experience as it relates to the required work. Include resumes of all principals and/or officers outlining education and employment history particularly as it applies to this project. Include title and percent of ownership for each principal.

Identify all key persons who will be involved with the installation and/or operation of the project. Identify personnel by name and title, and provide a resume or description of the qualifications and experience for each. Subcontractors must be listed, including the firm name and address and contact person (on the cover page as well), and complete description of work to be subcontracted. Include descriptive information concerning subcontractor's organization and abilities.

3. PROJECT NARRATIVE, WORK PLAN & TIME TABLE

Provide a narrative description of the project for which the financing is requested. What are the goals for

this effort? Why is financing from CEDF needed? How will your efforts meet CEDF goals?

Describe the plan for accomplishing the work required to complete the project. Indicate the number of hours allocated to each task and which staff member(s) will complete the tasks. Include a time-related chart showing each event, task, and decision point in the work plan. Also describe the plan for project oversight, quality assurance measures, and financial management and which staff member(s) will have this responsibility.

Include a list of all permitting requirements for the project and whether any of the permits have been obtained.

Identify whether any pre-development activities, including feasibility studies, have been completed. Any necessary preliminary feasibility studies and/or resource assessments should be completed prior to applications for funding under the Large-Scale Systems or the Community-Scale Systems category. Solar projects do not need to supply feasibility studies but should include a PV Watts (or equivalent) report for the project site. Large-Scale or Community-Scale wind generation projects must supply at least one year of completed anemometry study.

Potential Energy Generation

Applicants should use this section to provide a brief description of any assumptions used in Sections 7 to 13 on the cover page.

Environmental, Economic, & Societal Impact

Applicants should describe the environmental, economic, and societal benefits created through support of the project such as: the reduction in carbon dioxide and other greenhouse gas emissions and air pollutants; reduction of fossil fuel use; number of existing jobs retained; and the number of new jobs created (both temporary and permanent). Applicants should be prepared to provide the calculations used for these estimates upon request. The U.S. EPA's Greenhouse Gas Equivalency Calculator may be used to provide an estimate of renewable electricity production project emissions reductions for the purposes of this section (available at: www.epa.gov/cleanenergy/energy-resources/calculator.html). Combined heat and power projects may use the calculator available at: www.epa.gov/chp/documents/chp_emissions_calc.xls. An ARRA Benefit Reporting Calculator is designed to provide high level estimates of energy savings and resulting emissions reductions: http://www1.eere.energy.gov/wip/docs/arra_benefits_reporting_calculator.xls.

Installations at residential and commercial buildings must certify that the building has met required state energy codes. Applicants should also describe any high-performance or beyond code energy efficiency improvements that have been made or will be made in the buildings.

Job Creation

In an attempt to gather more in-depth and accurate information on job creation, we request that the applicant provide certain information to assist CEDF in determining its impact on and value to the Vermont economy. We understand that projected employment data is difficult to predict and that future employment data may not meet projections, but we request that the applicant make a reasonable estimate of any future employment opportunities created by the project, or the ability of the project to preserve existing jobs.

4. PROJECT BUDGET

Provide a budget for the project identifying the use of CEDF funds. Identify other sources and amounts of finance for this project.

5. CERTIFICATE OF AUTHORITY TO DO BUSINESS IN VERMONT

If applicant is an out-of-state domiciled company, include Certificate of Authority to do Business in Vermont.

PART TWO: FINANCIAL INFORMATION

The following *business and financial information* must be included in the application, but will only be reviewed by VEDA after project-level approval by the CEDF staff.

6. BUSINESS PLAN

The Business Plan should include, but need not be limited to, a discussion of the following elements, if applicable to your business. If other elements are more relevant, please discuss those:

- a. Narrative of business or corporate history
- b. Current/proposed business operations
- c. Business/industry environment
- d. Marketing plan
- e. Production or operations plan

- f. Management structure, including key personnel and their functions

7. FINANCIAL PLAN

Provide detailed historical and projected financial information, including:

- a. Preferably CPA-prepared financial statements for the past three years, including income statements, balance sheets, and sources and uses of funds and associated footnotes. If financial statements are unavailable, signed tax returns may suffice.
- b. If the applicant is a subsidiary or is closely affiliated with another corporation, supply financial statements for the parent corporation or affiliate for the last three years.
- c. Projected income and cash flow statements and balance sheets for the present fiscal year and three years forward. Start-up or development-stage businesses should also provide a monthly cash flow statement for the first year or until the business is projected to reach breakeven. List all material assumptions included in the projections.
- d. Personal financial statements for all principals with ownership equal to or greater than 20% of the business.
- e. Sources and terms of funds to be borrowed for working capital and for the planned purchase of other assets not included in the CEDF project.

8. LENDER COMMITMENTS

Provide letters of commitment from all other participating lenders or guarantors, including banks and other private and/or public institutions or entities. Include relevant resolutions of boards or committees, executed by appropriate individuals.

9. BANKING RELATIONSHIPS

Provide a list of all loan obligations that the business currently has outstanding, and for each loan indicate the original and current principal balance; the type of loan and collateral pledged; the terms and conditions thereof; and the name and telephone number of the loan officer.

10. BANKRUPTCY/LITIGATION

Provide a brief written description of the details of any bankruptcy, receivership, compromises with creditors, any pending litigation, or criminal charges or convictions other than minor motor vehicle violations, against the applicant,

company, officers, directors, or principal stockholders. If none of these circumstances pertain, include a statement to that effect.

ADDITIONAL INFORMATION

Complete the *CEDF Loan Applicant Certification* form to send with the application (Attachment 3). Include any other pertinent information not specifically requested elsewhere in this loan application.

CEDF LOAN SELECTION CRITERIA

All loan applications are subject to an evaluation by the CEDF and DPS staff, the CEDF Board, and any other reviewers deemed necessary. All submissions will be evaluated based upon how well the project meets the goals of the CEDF, qualifications of the individuals proposed to perform the work, relevance of previous experience, completeness and quality of the application, reasonableness of cost, and any other criteria deemed relevant. Acceptance or rejection of any or all applications will be at the sole discretion of the CEDF.

Applications will be selected based upon the information provided in the application and how the project matches with the evaluation criteria below.

1. Project supports the CEDF's primary goal of maximizing cost-effective and environmentally sustainable clean energy generation:
 - Total energy saved/generated
 - Energy saved/generated per loan \$
2. Project supports one or more other CEDF goals
 - Accelerate economic development for the clean energy sector in Vermont
 - Jobs retained and created
 - Creation of new businesses
 - Increase of business revenue that will cycle in VT
 - Contribute to the knowledge base and infrastructure for a clean energy future in Vermont
 - Education and training of sector workforce
 - Potential for public visibility/education and plan for promoting the site/project
3. Narrative, Work Plan & Time Line
 - Clarity and reasonableness of narrative and work plan, including definition and timeliness of tasks to be performed and rationale for use of funds
 - Plan and capacity for project control and financial management are clear and reasonable (including a

strategy to implement, operate, monitor, and evaluate the project)

4. Budget
 - Budget items and amounts are sufficiently described and justified to explain the necessity of each item
 - Costs are reasonable and competitive, and payback justifies grant or loan funding
 - Degree of financial leverage (through funding obtained from the federal government, private investors, or other funding sources)
 - The need for financial assistance is well established/justified
5. Project Characteristics
 - Suitability of the site for the proposed project(s)
 - Project risks (e.g., permitting) are relative to similar proposed projects
 - Potential for replicability (the degree to which the project provides lessons/improvements applicable to other projects)

Other Desirable Project Characteristics

 - Degree to which pre-development activities such as energy audits, feasibility studies, permitting and other required approvals are completed
 - Part of an overall energy management, carbon/greenhouse gas reduction, green building or other form of sustainability plan
 - Degree to which the project meets the comprehensive energy needs of a building or group of buildings
6. Environmental, Economic, and Social Impact Characteristics
 - Reductions in greenhouse gas emissions and contribution to VT's renewable energy objectives
 - Applicant has maximized energy efficiency at the project site prior to implementation of renewable energy, if applicable
 - Project delivers electric generation to the Vermont grid in transmission-constrained locations (requires supporting statement from local utility or VELCO)
7. Experience & Qualifications
 - Knowledge and experience in the relevant project area, including successful experience with similar projects
 - Demonstrated ability to complete project on time and on budget
 - Adequate capacity/staffing for the described work and ARRA reporting requirements
 - Previous experience with state and/or federal grants/contracts/loans

Attachment 1

ARRA Funding Information

For 2010, all loans will be funded entirely with monies from the American Recovery and Reinvestment Act Pub. L. 111-5 (ARRA, Recovery Act) and therefore recipients will be subjected to unprecedented levels of transparency and reporting requirements including, but not limited to: monthly, quarterly, and annual reporting, tracking and segregation of incurred costs; job creating and preservation reporting; access to records; weekly Davis-Bacon pay-roll reports.

The information below is to provide loan applicants and idea of the ARRA requirements and restrictions that will be part of any loan agreements made.

Monitoring and Reporting Requirements

The funds used to support this loan, in full or in part, are provided through the Federal American Recovery & Reinvestment Act (ARRA or the Act); this agreement therefore is subject to specific reporting requirements mandated by the Act.

Reporting is **REQUIRED** under this agreement. Reporting elements are still being refined and additional information may be required. Reporting under this agreement will include, but is not necessarily limited to: Monthly Progress Reporting, Quarterly Progress Reporting as well as annual and/or final reporting, and (if required) Property Certification, and (if required) Annual Indirect Cost Proposal and Reconciliation.

Not later than ten calendar days after the end of each calendar quarter, the State must submit a report to the federal government that, at a minimum, contains the information specified in Section 1512 of the ARRA. It is imperative that the Loan recipients supply the State with the necessary information so that the State can provide these reports in a timely manner.

Periodic reports, certified by an authorized agent of the Party, utilizing the form(s) provided by the State of Vermont, shall be submitted as required. Failure to submit timely, accurate and fully executed reports shall constitute an “Event of Default” and will result in a mandate to **return the funds** already disbursed under this agreement, and/or the withholding of current and future payments under this agreement until such time as the reporting irregularities are resolved to the State’s satisfaction. For subrecipients who report awards of Federal funds to the State, said subrecipient agrees to include information of ARRA funding **separately** from other Federal awards reported on their Statement of Expenditures of Federal Awards (SEFA).

Monthly Progress Reporting

The following reports, if they apply to your project, are **REQUIRED** and should be submitted via email to the CEDF c/o the Department of Public Service:

Renewable Energy Market Development

- Number of renewable energy systems installed
- Total capacity of systems installed

One copy of each of these reports must be submitted by the 5th of each month for the duration of the agreement term.

Quarterly Progress Reporting

The following reports are **REQUIRED** and should be submitted via email to the CEDF c/o the Department of Public Service:

- 1) ARRA Quarterly Tier 1 Report (Form ESR – 4)
- 2) Quarterly Progress Reporting – Metrics and Narrative Requirements
- 3) Jobs created/retained computation worksheet (used to complete the ESR-4),

One copy of each of these reports must be submitted by the following dates for the duration of the agreement term:

January 5

April 5

July 5

October 5

Annual Report

The annual report is due on the 15th day of the month after the one year anniversary of the loan term start date.

Final Report

A final report is required to be submitted within 15 days after the loan period expiration. The final report shall include a reporting of all the reporting metrics listed in Attachment F. Details and more information on the requirements will follow. Pictures of the finished project are required as part of the final report.

Incident Report

The recipient must report the following events by e-mail as soon as possible after they occur:

1. Developments that have a significant favorable impact on the project.
2. Problems, delays, or adverse conditions which materially impair the recipient's ability to meet the objectives of the award or which may require DOE to respond to questions from the public. Report any of the following incidents (include the anticipated impact and remedial action to be taken to correct/resolve the situation):
 - a. Any single fatality or injuries requiring hospitalization of five or more individuals.
 - b. Any significant environmental permit violation.
 - c. Any verbal or written Notice of Violation of any Environmental, Safety, and Health statutes.
 - d. Any incident which causes a significant process or hazard control system failure.
 - e. Any event which is anticipated to cause a significant schedule slippage or cost increase.
 - f. Any damage to Government-owned equipment in excess of \$50,000.
 - g. Any other incident that has the potential for high visibility in the media.

Property Certification

The loan recipient must provide a Property Certification Form for all items purchased for over \$5,000.

Annual Indirect Cost Proposal and Reconciliation

If the award includes funding of indirect costs, then in accordance with the applicable cost principles, the loan recipient must submit an annual indirect cost proposal, reconciled to its financial statements, within six months after the close of the fiscal year, unless the award is based on a predetermined or fixed indirect rate(s), or a fixed amount for indirect or facilities and administration (F&A) costs.

The loan recipient must submit their annual indirect cost proposal for approving indirect costs.

Davis Bacon Requirements

The Davis-Bacon Act is applicable to federally-funded projects in excess of \$2,000 for the construction, alteration and/or repair (including painting and decorating) of public works or public buildings. Section 1606 of the Recovery Act specifically requires that all laborers and mechanics employed by contractors and subcontractors on any project “funded directly by or assisted in whole or in part by” Recovery Act funds be paid prevailing wages as determined by the Secretary of Labor. Accordingly, contractors and subcontractors must ensure that any laborers and mechanics employed on projects funded or assisted in whole or in part by Recovery Act funds are paid prevailing wages as determined by the Secretary of Labor for construction, alteration, and/or repair (including painting and decorating). All recipients, loan recipients, with the exception of State and local governments that use their own employees to perform this work, must also pay their own employees performing the work of laborers and mechanics the DBA prevailing wage rate. If the entity receiving Recovery Act assistance for such projects contracts out the work, it must ensure that the DBA requirements flow down to the entities that employ the laborers and mechanics to do the work.

False Claims

Loan recipients will be bound by the Act that they shall promptly refer to an appropriate Federal inspector general any credible evidence that a principal, employee, agent, subrecipient, contractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving the ARRA funds used to support this agreement.

Other Requirements

- 1. Cost of Materials:** Loan recipient will not buy materials and resell to the State at a profit.
- 2. Work Product Ownership:** Upon full payment by the State, all products of the Loan recipients' work, including: outlines, reports, charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, or similar documents, become the sole property of the State of and shall remain free and accessible to the public. These items may not be copyrighted or resold by the loan recipient.

OR, FOR SPECIAL TECHNOLOGY/PATENTS:

Work Product Ownership for Special Demonstration Project Loans: Products of the Loan recipients' work, including: outlines, reports, charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, or similar documents, patents and copyrights become the property of the Loan recipients. However, Loan recipients must provide copies of such work to the State of Vermont. Where appropriate due to the proprietary nature of the work, the CEDF will hold such information as confidential, absent an order to the contrary from a court of competent jurisdiction, and claim an exemption from access to public records requests pursuant to 1 V.S.A. § 317(c)(9).

- 3. Prior Approval of Press Releases/Credit for Funding:** Any notices, information pamphlets, press releases, research reports, or similar other publications prepared and released in written or oral form by the Loan recipients under this Loan Agreement shall be submitted to the Loan Administrator for approval prior to release. The Loan recipient will credit funding for the project to the “Vermont Clean Energy Development Fund and the US. Department of Energy” in any of the aforementioned materials
- 4. Ownership of Equipment:** Any equipment purchased by or furnished to the Subrecipient by the State under this Loan Agreement is provided on a loan basis only and remains the property of the State.

5. **Davis-Bacon Act:** The contractor will comply with the provisions of the Davis-Bacon Act (40 U.S.C. 276a 7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40.327-333), regarding labor standards for federally assisted construction contractors.
6. **Confidential Information.** During the course of the work contemplated in this loan agreement, the Loan recipients shall not on its own enter into any agreements which pertain to information to be used in performing such work and which restrict access to information or denominate information as confidential, allegedly confidential, or protected from disclosure.

During the course of the work contemplated in this Loan Agreement, the Loan recipients may be asked by the Clean Energy Development Fund to use information which has been denominated as allegedly confidential information and protected from disclosure under a protective agreement entered into by the Board. Any and all personnel of the Loan recipients, including sub-loan recipients, who are to use such information shall sign the appropriate schedule to the protective agreement and shall protect the information from disclosure to persons who have not agreed to be bound by that agreement. The Loan recipient shall ensure that its personnel and sub-loan recipients comply with the protective agreement and shall return all copies of the allegedly confidential information within twenty-one (21) days of completion of its use or promptly upon request of the Board.

This paragraph concerns a breach of an agreement which restricts access to information or denominates information as confidential, allegedly confidential, or protected from disclosure ("a breach of protective agreement"). The Loan recipients shall be solely responsible for any costs, liabilities, or obligations incurred by the Loan recipient because of the Loan recipient's breach of a protective agreement. Also with respect to the Loan recipients' breach of a protective agreement, the Loan recipient shall be solely responsible for any liabilities or obligations, including but not limited to judgments and legal costs, of the CEDF to a party who signed or is the beneficiary of such an agreement. In the event that an action is brought against the CEDF arising out of the Loan recipients' breach of a protective agreement, the Loan recipient shall be responsible for the legal costs of the CEDF.

7. **Lobbying:** Loan recipients certifies to the best of his or her knowledge and belief that:
 - A. No federal appropriated funds have been paid nor will be paid, by or on behalf of the Loan recipients, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal loan, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, loan, loan or cooperative agreement.
 - B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this loan, the Loan recipient shall complete and submit Standard Form-LLL, A Disclosure Form to Report Lobbying, and in accordance with its instructions.
 - C. The Loan recipient shall require that the language of this certification be included in the award documents for all loans or subcontracts and that all Loan recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this contract was entered into. Submission of this certification is a prerequisite for entering into this contract imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

- 8. Additional Conditions.** Loan recipient must meet all conditions and requirements included in the CEDF Award Letter in Addendum I.
- 9. Taxability of Loans:** In most instances, the loan payments made under this program will be treated as taxable income by the IRS and the State of Vermont. It is the responsibility of the Subrecipient of this incentive payment to consult with their tax advisor to determine the correct treatment of these payments for Federal and State tax purposes.
- 10. Right to Reclaim Funds:** If any fixed asset purchased in whole or in part with loan funds is not used for its intended purpose as detailed in the loan agreement's Scope of Work, the State of Vermont has the right to require repayment of all or part of the loan funds provided.
- 11. Vermont Business Solar Tax Credits.** If the Loan recipient receives a solar energy tax credit, pursuant to 32 V.S.A. § 5930z, from the State of Vermont for the project that is the subject of this loan agreement, the Loan recipients shall remit the equivalent dollar amount of the tax credit to the State of Vermont for use by the Clean Energy Development Fund. Further, the Loan recipient hereby allows the Department of Taxes to inform the Clean Energy Development Fund through its Director of such tax credit claimed by the Loan recipients and the amount of the credit granted.
- 12. Additional Customers Connecting to the Three-Phase Power Line.** For a period of 15 years following the completion of the three-phase power line that is the subject of this loan agreement, if any new customers connect to the line and Subrecipient is entitled to any reimbursement of contribution-in-aid-of construction under the Central Vermont Public Service Corporation (or its successor) tariff, that reimbursement shall be remitted promptly to the State of Vermont.

Vermont Clean Energy Development Fund (CEDF)

Loan Application Cover Page

Note: Instructions for each field are in the CEDF Loan Program Application Instructions

1a. Project Title:	
1b. Applicant's Employer Identification Number (EIN):	
1c. Applicant's VT Business Account Number:	

2a. Project Category (select from drop-down list):	
2b. Type of clean or renewable energy technology proposed (select from drop-down list):	

3. Project Summary:	

4. Applicant Name, Address, and Contact Information for Principals/Officers including Titles, Phone & Email Address	

5. Subcontractors (Name, Address, and Contact Information):	

6. Authorized Negotiator(s) (Name, Address, and Contact Information):	

7a. Electrical Output	
-Maximum installed generator capacity (kW):	
-Expected actual maximum capacity (kW):	
-Projected annual kWh:	
-Capacity Factor:	
-Fuel Type:	

7b. Thermal Output (CHP and thermal-only projects):	
-Fuel Type:	
-Maximum heat delivery rate (MMBtu/hr):	
-Expected heat delivery rate (MMBtu/hr):	
-Expected annual Btus delivered (MMBtus/yr):	
-Capacity Factor:	
-Estimated CO2 emission rate (in lbs/MMBtu of heat input):	
-Thermal source displaced and estimate of CO2 emission rate of displaced source:	

7c. Geothermal capacity (geothermal projects):

-System description:	
-Length and depth of circulating loops:	
-Maximum heating/cooling capacity of heat pump (tons):	
-Soil conductivity values:	
-Ratio of equipment cost to installation cost:	
-Is the system Energy Star rated (Y/N)?:	
-Expected annual Btu of heating/cooling delivered:	
-Expected annual kWh consumed:	
-Net energy savings (kWh, MMBtus reduced; \$ saved):	

8a. Energy Efficiency/Savings Aspects of Project:

-Efficiency rating of installed equipment:	
-Efficiency of fuel consumption:	
-Efficiency measures already taken:	
-Efficiency measures to be taken:	
-Expected annual energy savings (kWh or Btu):	
-Greenhouse gas reductions (CO2 equivalents):	
-Air pollutant reduction (tons):	

8b. Emerging Energy Efficiency Technologies:

-Efficiency rating of new technology:	
-Efficiency of fuel consumption:	
-Expected annual energy savings (kWh or Btu):	
-Greenhouse gas reductions (CO2 equivalents):	
-Air pollutant reduction (tons):	

9. Expected Interconnection Application Date and Date of Anticipated Receipt of CPG:

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10a. Description of Any Lands or Buildings to Be Purchased with Proceeds of the Loan:

10b. Description of Machinery or Equipment to Be Purchased with Proceeds of the Loan:

10c. Estimated Project Life (equipment warranty or reasonable lifespan expectation):

11. Total Project Costs:

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12. CEDF Funds Requested (indicate loan amount and grant request, if applicable):

Loan Amount:	Grant Amount:	Total CEDF:
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13. Estimated Payback Time with and without CEDF funding (project cost/annual savings):

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14. Federal Funds Questionnaire:

-Are you registered with CCR and do you have a DUNS number?	
-If so, what is the DUNS number?	
-If not, will you be applying for a number?	
-Are you able to accept federal funds?	
-Jobs retained (number, type, duration):	
-Jobs created (number, type, duration):	
-Have you reviewed all the terms and conditions listed in this Request for Proposals?	
-Do the items you intend to purchase comply with their terms of the Buy American Act?	

15a. Signature and Title:

15b. Date:

Attachment 3

CEDF LOAN APPLICANT CERTIFICATION

I / We hereby certify that the information contained in our application for funding from the Vermont Clean Energy Development Fund dated

_____ is complete and accurate to the best of my/our

knowledge, and authorize all inquiries deemed necessary to verify the accuracy of the information I/we have and will provide in connection therewith.

Applicant

Date

Applicant

Date

Applicant

Date