IOWA ENERGY SAVING LOAN PROGRAM POLICIES AND PROCEDURES GUIDE

Economic Development

Program Manager:	**Molly Kiick** molly.kiick@iowaeda.com 515.348.6219
Allocation:	**$5,462,028**
Submission Deadline:	Applications will be accepted on a first-come, first-served basis, dependent on funding availability, through **May 1, 2029, at 4 p.m. CST.**

The Iowa Energy Saving Loan Program is a revolving loan fund established through a one-time federal allocation from the Energy Efficiency Revolving Loan Fund Capitalization Grant Program, Section 40502 of the Infrastructure Investment and Jobs Act signed into law in November 2021.

This guide does not replace federal regulations regarding the loan program. If a conflict between the two exists, the federal regulations will prevail.v

OVERVIEW

The Iowa Energy Saving Loan Program is a revolving loan fund that offers low-interest loans — ranging from 0% to 2% with a 1% origination fee — for energy-efficient upgrades in affordable multifamily housing and commercial buildings. Eligible improvements reduce energy usage, enhance occupant comfort and improve indoor air quality.

Loans will be provided to eligible applicants on an open-enrollment basis.

The Iowa Energy Saving Loan Program is funded by the Energy Efficiency Revolving Loan Fund (EE RLF) Capitalization Grant Program, established as part of the Infrastructure Investment and Jobs Act (IIJA). This program provides capitalization grants to states to establish revolving loan funds that support energy audits, upgrades and retrofits. EE RLF funding is allocated through the State Energy Program (SEP), authorized under the Energy Policy and Conservation Act, as amended (42 U.S.C. 6321 et seq.).

All awards must comply with applicable laws, including but not limited to:

- 2 CFR Part 200, as amended by 2 CFR Part 910
- IIJA Section 40501 and 40502

ELIGIBILITY REQUIREMENTS

The following eligibility requirements are not exhaustive. Special circumstances may be reviewed on a case-by-case basis. Contact the Iowa Economic Development Authority (IEDA) at molly.kiick@iowaeda.com for clarification.

Eligible Borrowers and Building Types

Eligible borrowers include Iowa-based businesses, nonprofits or public entities that own or operate affordable multifamily housing, a commercial building or a mixed-use building in Iowa.

- Commercial borrowers must conduct the majority of their business in Iowa (more than 50% of revenue, transactions or services).
- Buildings must be defined as affordable through active participation in programs such as Section 8, the Low-Income Housing Tax Credit or HOME, as administered by the Iowa Finance Authority.
- Buildings must have 20 or more units to qualify as multifamily housing.
- Mixed-use buildings may be eligible with supporting documentation during the application review.

Ineligible Borrowers

- Organizations that conduct a majority of their business outside of Iowa.
- Organizations seeking funding for single-family homes, residential buildings with fewer than 20 units or new construction.
- Organizations seeking funding for multifamily buildings that do not meet affordability criteria.
- Organizations with a history of defaulted loans or compliance violations with state programs or rules.

Eligible Projects

Eligible applicants may receive loans for qualifying energy audits and eligible energy upgrade and retrofit projects.

Qualifying energy audits must:

- Be performed by a building auditor certified by a national organization — such as the Building Performance Institute, RESNET or the Association of Energy Engineers — with sufficient experience as an auditor. See additional credentialing organizations: Better Buildings Initiative.
    - The Davis-Bacon Act applies to laborers and mechanics employed at the work site. Auditors, inspectors and other personnel not performing physical or manual work at the site of the work are not covered by the Davis-Bacon Act.
- Use eligible audit software. The U.S. Department of Energy (DOE) recommends the Audit Template for commercial and mid- to high-rise multifamily buildings. Alternative software requires IEDA approval.
- Recommend life-cycle cost-effective opportunities to save energy.
- Recommend controls and management systems to reduce or redistribute peak energy consumption.

Audits of multifamily buildings also must:

- Follow Home Performance Assessment criteria used in the ENERGY STAR® program:
    - Resolve health and safety issues,
    - Meet customer needs and desires.
    - Ensure overall cost-benefit to the customer.
    - Align with programmatic goals.
    - Compare building energy use to similar buildings in the geographic area. To meet this requirement, auditors will supplement the Audit Template report with the comparison output of the ENERGY STAR® Portfolio Manager®, which compares multifamily buildings to comparable multifamily buildings nationally.
- Provide a Home Energy Score or equivalent (as determined by DOE, including RESNET Home Energy Rating System (HERS)), for the residential building of the eligible borrower by using DOE's Home Energy Score Tool or an equivalent scoring tool.
    - To generate a Home Energy Score, the task must be performed by a Home Energy Score Certified Assessor.
    - DOE considers the "Annual Energy & Costs Savings" and "Payback with Incentives" outputs summary in Audit Template an equivalent score to the Home Energy Score.

Additionally, audits of commercial buildings must:

- Determine the overall consumption of energy of the facility of the eligible recipient.
- Identify the period and level of peak energy demand for each building within the facility of the eligible recipient and the sources of energy consumption that are contributing the most to that period of peak energy demand.
- Estimate the total energy and cost savings potential for the facility of the eligible recipient if all recommended upgrades and retrofits are implemented.

A limited amount of funding may be distributed as grants to cover the cost of qualifying energy audits. Visit opportunityiowa.gov/community/energy/iowa-energy-saving-loan-program or contact IEDA at molly.kiick@iowaeda.com for additional information.

Eligible energy upgrade and retrofit projects must:

1. Be performed by a contractor complying with the Davis-Bacon Act and other federal requirements.
2. Be recommended in the qualifying energy audit completed for the building or facility of the eligible borrower.
3. Satisfy at least one of the criteria in the Home Performance Assessment used in the ENERGY STAR® program (multifamily projects only).
4. Be collectively life-cycle cost-effective (see calculation under Application Approval).
5. Improve, with respect to the building or facility of the eligible borrower, at least one of the following:
   a. Physical comfort.
   b. Energy efficiency.
   c. Indoor air quality.
6. Result in at least one of the following:
   a. Reduction in energy intensity.
   b. Improved energy control and demand management.
7. Be reasonably completed within two years of project approval.
8. Adhere to relevant historic preservation requirements.
9. Ensure any installed equipment is appropriately sized.
10. Avoid prohibited activities (e.g., tree removal, tree trimming, ground disturbance).

Examples of eligible measures:

1. Insulation (building structures, ducts, hot water tanks, heating pipes).
2. Air sealing (building structures, ducts).
3. Programmable and smart thermostats.
4. Energy-efficient lighting.
5. Heating, ventilation and air conditioning equipment upgrades, repairs or replacements.
6. Water heating equipment upgrades.
7. Energy or water monitoring and control systems.
8. Windows and doors retrofits, repair and/or replacement, including installation of energy-efficient storm windows and energy-saving window attachments.
9. Energy-efficient pumps/motors (e.g., for wastewater treatment plants) where it would not alter the capacity, use, mission or operation of an existing facility.
10. Combined heat and power system – systems sized appropriately for the buildings in which they are located, not to exceed peak electrical production at 300kW.

Eligible Expenses

Only expenditures directly related to the implementation of the qualifying energy audit or energy upgrade and retrofit will be reimbursed. Examples of eligible expenses include, but are not limited to:

- Materials and equipment purchases.
- Labor for audits and installation.
- Contracting services.
- Program compliance costs.

Ineligible Expenses

Ineligible expenses include, but are not limited to:

- Property purchases or rentals.
- Office equipment.
- Furniture and fixtures.
- Intangible assets.
- International travel.
- Insurance.
- Telephone expenses.

AWARD DETAILS

Funding Available

Up to $5,462,028 in loans will be available until funds are obligated.

Interest Rate

- Affordable multifamily housing: 0%
- Small businesses: 1%
- All other commercial buildings: 2%

All loans will be subject to a 1% origination fee. Title Opinion and Abstract Update fees are due at the time of underwriting.

Loan Term

The duration of the loan shall not exceed the useful life of the installed measures, up to seven years. To determine the loan term, program underwriters may consider cash flow factors including the applicant's requested term, amount and beneficiary of projected savings or revenue, tax credits and other financing.

The loan may be prepaid in part or in full at any time without penalty.

Loan Amounts

While there is no minimum or maximum loan amount requirement, requests between $50,000 and $2 million are preferred for this program. Loan requests outside of this range should request preapproval from IEDA before applying.

An applicant may apply for a loan for up to 90% of the total cost of the project. Program underwriters may favorably view applications for a lower percentage of project costs.

Program underwriters may recommend a reduced loan amount if any of the following are true:

- The project type and borrower would be able to secure other financing for more of their project costs and retain its feasibility and return on investment.
- A reduced loan amount would allow program loan funds to support more projects or a greater variety of projects.
- The applicant has received one or more previous award(s) from the program with an outstanding balance. Additional restrictions may apply to these applicants.

Collateral

Program loans will generally be structured as subordinate mortgages. Program underwriters will not approve a loan that exceeds the value of available equity in the property in the event of default. Program underwriters will consider other liens and/or mortgages on the property when determining equity.

APPLICATION PROCESS

Application Submission

Applications will be available and accepted through IowaGrants. IEDA will review applications on a first-come, first-served basis. Before receiving an award, successful applicants must join a virtual interview with the IEDA program manager.

- Applications will only be accepted during the established application period, as identified at IowaGants.gov and opportunityiowa.gov/community/energy/iowa-energy-saving-loan-program.
- Applicants planning to apply must create an IowaGrants account.
- Although a qualifying audit must be completed before applying for a project loan, applicants seeking a loan to cover the cost of the audit may apply prior to completion of the audit.

For additional information on the application process, see the Application Guide.

Application Review Process

- All applications received will be screened by the program manager for eligibility and completeness. The program manager may request additional clarifying information or documentation from the applicant. Ineligible and/or incomplete applications may be denied by staff.
- IEDA and Iowa Finance Authority (IFA) staff will review the applications, request additional information from applicants when needed and prepare recommendations for funding. The authority may engage outside reviewers to complete technical, financial or other reviews of applications beyond the expertise of the authority staff.
- Following successful application review, applicants will be invited to an interview with IEDA and potentially IFA staff to review program requirements and answer any questions raised by the application.
- IEDA will notify applicants in writing of the approval or denial of an application. If the application is approved, the notice will include any conditions and terms of the loan.

Application Screening Criteria

- The application package is complete and submitted through IowaGrants.
- Applicant has provided documentation to validate their status as an eligible borrower.
- Funding request meets eligible project and eligible expense requirements according to the Iowa Energy Saving Loan Program, National Environmental Policy Act and historic preservation requirements.
- Funding request follows all federal procurement requirements.
- The loan request is for no more than $2 million and 90% of project costs.
- Initial project plan duration does not exceed two years.
- Identified contractor acknowledges agreement to Davis-Bacon Act requirements.
- For publicly owned buildings or other eligible projects, applicant acknowledges Build America, Buy America Act requirements.
- Signature from the applicant organization's **legally responsible official** on the **application approval document**, which will be uploaded to IowaGrants by the applicant.

Application Approval Criteria

Eligible applications will be evaluated using information provided in the application package, any responses to follow-up questions by the program manager, and additional analysis and research conducted in the review process. Each applicant must clearly demonstrate how the proposed project will meet program requirements. Considerations include:

- The eligibility and quality of the proposed scope of work.
    - Measures are collectively life-cycle cost-effective.
        - The standard cost-effectiveness threshold is a simple return on investment (ROI) of greater than 100%. ROI is calculated by the annual energy savings of the measure (in dollars per year), which can be found in a Home Energy Score report, multiplied by the useful life of the measure, available in the National Residential Efficiency Measures Database, and divided by the estimated cost of the measure provided by the contractor, also available in the National Residential Efficiency Measures Database.
        - Changes to operation and maintenance costs and other costs or benefits from the project can be factored into the calculation as appropriate. Reasoning behind the valuation of benefits such as increased comfort, improved air quality, reduction in emissions and avoided replacement costs must be provided.
    - Will improve, with respect to the project building, at least one of the following:
        - Physical comfort of occupants.
        - Energy efficiency.
        - Quality of the air.
    - Will result in either:
        - A reduction in the energy intensity of the building or facility of the borrower.
        - Improvement of the control and management of energy usage of the building or facility to reduce demand during peak times.

- A completed project plan.
  - Includes a reasonable timeline for the project to be completed within two years from project approval. Anticipated disbursement request dates will be evaluated.
  - Level of planning and engineering needed and completed thus far.
  - Regulatory or permitting considerations.
- The applicant and project partners.
  - Performance of previous projects completed with loans or grants through IEDA or IFA.
  - History of violations with the state of Iowa.
  - IEDA may request financial records and/or conduct a credit report of the applicant or request such report be conducted by a credible reporting agency.
  - Proposed equipment and infrastructure components (e.g., warranty, reliability of manufacturer), any energy generation or delivery metrics and their data source.
- Ability to repay loan.
  - Projected payback and cash flow, if applicable, estimated by the audit and application. A pro forma may be developed to verify a reasonable debt service coverage ratio (targeting at least 1.1x). Additional analysis may be necessary.
  - Availability of funding such as loans or private investment, confirmation of availability or timeline for securing.
  - Available equity remaining in the project.
  - Analysis may inform the recommended loan terms to allow the Energy Saving Loan to be repaid while retaining viability for the project and applicant.

In addition, each application must clearly describe:

- The applicant's plan to ensure the project will be completed in absolute compliance with all federal regulations (procurement, National Environmental Policy Act, Davis-Bacon Act wage rates, Build America, Buy America Act).
- The applicant's goals and how achievement of the goals will be measured.
- The applicant and project team's capacity to complete the project within the defined time frame.
- The project's impact on energy use (total and peak), energy cost and fossil fuel emissions
- The project's impact on tenants and other building stakeholders.
- Project capital and whether it has been secured.
- The applicant's plan to maintain the project benefits long term, and any plans to reinvest dollars saved or earned from the project to benefit tenants or the community.

ADMINISTRATION

Agreement

The authority will notify successful applicants in writing of an approved loan request. After notifying the applicant of an award, IEDA will offer a loan agreement to the borrower, which will be between the borrower and IEDA. The borrower must execute and return the agreement to IEDA within 90 days of the transmittal of the agreement. Failure to return the agreement may be cause for IEDA to terminate the award.

Amendments

Any substantive change to a funded Energy Saving Loan project, including award amount, loan term, interest rate or alterations to proposed activities, will require an amendment to the agreement.

To request an amendment (including all budget requests and revisions), the borrower shall initiate the amendment process in writing, through the correspondence section of IowaGrants. If the borrower organization has a sponsored programs office, the amendment request must be approved by the appropriate legally responsible official. Once the amendment request is received, staff will review the amendment request and submit the amendment request for approval by the applicable IEDA representative. No amendment will be valid until approved by IEDA.

Conditions to Disbursement

The obligation of IEDA to disburse funds is contingent upon receipt of certain documentation as outlined in the agreement, if not already provided in the application, and determined to be acceptable, or available through other means. Borrowers will receive further instruction from the program manager about the content and procedure associated with fulfilling the conditions for disbursement.

The following items are required before a claim can be processed:

- Documentation required for conditions for disbursement as detailed in the agreement.
- A Form W-9 from the borrower.
- Direct deposit authorization form if the preferred payment method is direct deposit.
- A General Account Expenditures (GAX) Form with a vendor code provided by IEDA after the Form W-9 submission.
- Any release of information documents requested by IEDA.

Securing the required collateral for the project may entail expenses being incurred by the applicant. Most forms of collateral will require execution of additional documents, utilizing templates to be provided by IEDA such as the irrevocable letter of credit. Real property as collateral has additional requirements to be met, in part to ensure that the value of collateral meets or exceeds the loan amount approved and IEDA has the expected priority position among lienholders. These may include but may not be limited to:

- For mortgage on a property that is not in first position, an account statement verifying how much is owed to other lender(s) in a senior position to IEDA.
- A recent appraisal of the property.
- A title of opinion from an Iowa-licensed attorney, which must be certified at least through the recording date and time of the mortgage filing.
- A lender certificate from Iowa Title Guaranty. This provides more coverage to IEDA as the lender as it provides coverage against rights of parties in possession unforeseen at the time of application to Iowa Energy Saving Loan Program, affirmative coverage against survey issues and mechanic lien claimants.
- For any equipment or removable infrastructure, IEDA may require an independent estimate of the projected future value including depreciation.

Disbursement of Funds/Claims

- Disbursements will be made on a reimbursement basis. No advance disbursements will be allowed.
- Contractors performing work on borrower properties may be the direct borrower of the loan (instead of the property owner) provided the retrofit meets all program requirements.
- All claims must be made through IowaGrants.gov.
- The standard disbursement for an audit will be as one lump sum.
- Disbursement requests for approved projects can be made prior to project completion if included in approved application.
- If the borrower fails to request disbursement according to the timeline provided in the application, the borrower must provide an update no less than quarterly to IEDA regarding the deviation from

the approved timeline and updates on the plan to implement the project.

- Disbursement claims must be for an amount equal to or greater than $5,000 per request.
- When submitting a claim, the following items will be required:
  - An invoice on the submitting organization's letterhead.
  - A detailed description of the expenditures and their corresponding amounts.
  - Product invoices and proof of payment for any equipment.
  - Invoices and receipts for any supplies or materials purchased greater than $500.
  - Receipts for any domestic travel expenses that exceed $50.
  - Invoices and proof of payment for any contractor or subcontractor payments.
  - A General Account Expenditures (GAX) Form with a vendor code.
  - A status report for the claim period. Status reports must be received at least quarterly. If no funds are requested, the borrowers should still file a status report via IowaGrants.
  - The authority may request additional documentation as needed.
- Final claim must be received within 60 days of project completion as defined in the project agreement.
  - The authority will withhold 10% of award funds until the final report is received and approved by the program manager.
  - Any funds not claimed within 60 days of project completion date may be subject to deobligation and termination of the loan agreement.

REPORTING REQUIREMENTS

Project Reporting

- Quarterly status reports: In the project application, the applicant shall provide a timeline including key milestones for project completion. The timeline should provide the end date (by month) of each milestone. Every quarter, by the 15th of the month, the borrower must provide a report in IowaGrants with an update on the percentage toward completion of each milestone and a narrative of the activities that have taken place in support of the milestone.
  - Borrower shall also provide a narrative description of any deviations from the proposed timeline, tasks and objectives during the reporting period. If the reported deviations will have an impact on the remainder of the project, the borrower shall also notify the program manager via email.
  - IEDA may conduct a site visit of awarded projects to ensure project compliance and provide verification of ongoing operation.
  - If the quarterly report has not been received by the last day of the month, the grant will be considered out of compliance.
- Additional reports, no more than once per year, may be required by IEDA, depending on the project type and potential need to demonstrate compliance with program requirements and plans provided in the application. IEDA may require reports to provide energy and cost data, project outcomes and lessons learned, and compliance information.
- Final report: The final report will be submitted via IowaGrants within 60 days of the project completion date. The authority will withhold at least 10% of award funds until the final report is received and approved by the program manager. Final payment will be made after the program manager has determined milestones have been met and project goals have been completed. The final report shall contain the following information:
  - Certificate of project completion, approved by the borrower.
  - Narrative description of any deviation from the original budget, timeline or any proposed activities.

Ongoing reports

Throughout the term of the loan, the borrower may be asked to provide updated utility bills for the year and updated affordability verification.

IEDA and the Iowa Energy Center may use any data, information and photographs provided by the borrower for educational purposes unless otherwise specified in the loan agreement.

Monitoring

IEDA will use the following process to monitor the Iowa Energy Saving Loan activities:

- IEDA will review the claims and status reports in IowaGrants. Performance and expenditure issues identified may prompt IEDA to contact the borrower to address any concerns.
- If the program manager feels that milestones are not being met, the program manager will contact the borrower to submit a written explanation.
- IEDA staff will routinely complete one formal monitoring visit per year. Staff retain the right to increase the number of site visits if necessary. The IEDA project manager will notify the borrower in advance of a site visit.

Closeout Procedures

- IEDA will provide a project closeout document stating that funds have been spent in accordance with the agreement and the agreed upon deliverables have been achieved.
- IEDA will initiate loan closeout procedures upon receipt of the final payment from the borrower. Closeout procedures will include officially marking the loan as paid in full and removing any associated liens on the borrower's property.

Noncompliance

At any time during the project, IEDA may find that a borrower is not in compliance with the requirements of the program. At IEDA's discretion, remedies may include penalties up to and including the return of loan funds to IEDA. Noncompliance may include, but is not limited to the following:

- Use of Iowa Energy Saving Loan funds for activities not described in the application.
- Failure to complete approved activities in a timely manner.
- Failure to comply with any applicable state or federal rules, regulations, or laws.

Defaults

- At any time during the project or the repayment of the loan, IEDA may find that a borrower is in default under the terms of the loan agreement.
- If IEDA determines that a borrower is in default, the authority may seek recovery of the loan plus interest or other penalties, negotiate alternative payment schedules, suspend or discontinue collection efforts and take other action as the authority deems necessary.
- IEDA shall attempt to collect the amount owed. Any negotiated settlement, write-off or discontinuance of collection efforts is subject to final review by and approval of the authority.
- IEDA will take prompt, appropriate and aggressive debt collection action to recover any funds owed. If IEDA refers a defaulted loan to outside counsel for debt collection, then the terms of the contract between IEDA and the outside counsel regarding the scope of counsel's authorization to accept settlements shall apply.

FEDERAL REQUIREMENTS

The Iowa Energy Savings Loan Program is funded through a one-time federal allocation from the Energy Efficiency Revolving Loan Fund Capitalization Grant Program, Section 40502 of the Infrastructure Investment and Jobs Act signed into law in November 2021. As is the case with many federal funding programs, borrowers of Iowa Energy Saving Loan funding will be required to comply with several federal regulations.

All applicants must demonstrate in their application that they have the internal organizational capacity to effectively manage a federal grant award or must indicate in their application the intent to contract with an experienced federal program administrator and budget accordingly to meet federal compliance.

Each awarded Iowa Energy Saving Loan project will be required to maintain compliance with each of these federal requirements.

Davis-Bacon Wage Rates Requirements

For more information, see Davis-Bacon Act Requirements for Recipients of Bipartisan Infrastructure Law Funding | Department of Energy. This award is funded under Division D of the Bipartisan Infrastructure Law. All laborers and mechanics employed by the recipient, subrecipients, contractors or subcontractors in the performance of construction, alteration or repair work in excess of $2,000 on an award funded directly by or assisted in whole or in part by funds made available under this award shall be paid wages at rates not less than those prevailing on similar projects in the locality, as determined by the secretary of labor in accordance with subchapter IV of Chapter 31 of Title 40, United States Code commonly referred to as the Davis-Bacon Act.

By accepting an award, the applicant is acknowledging the Davis-Bacon Act requirements above, and confirming that the laborers and mechanics performing construction, alteration or repair work in excess of $2,000 on projects funded in whole or in part by the Iowa Energy Saving Loan Program are paid or will be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by subchapter IV of Chapter 31 of Title 40, United States Code (Davis-Bacon Act).

Applicants acknowledge that they will comply with all the Davis-Bacon Act requirements, including but not limited to:

1. Ensuring that the wage determination(s) and appropriate Davis-Bacon clauses and requirements are flowed down to and incorporated into any applicable subcontracts or subrecipient awards.
2. Ensuring that if wage determination(s) and appropriate Davis-Bacon clauses and requirements are improperly omitted from contracts and subrecipient awards, the applicable wage determination(s) and clauses are retroactively incorporated to the start of performance.
3. Being responsible for compliance by any subcontractor or subrecipient with the Davis-Bacon labor standards.
4. Receiving and reviewing certified weekly payrolls submitted by all subcontractors and subrecipients for accuracy and to identify potential compliance issues.
5. Maintaining original certified weekly payrolls for three years after the completion of the project and must make those payrolls available to IEDA, the DOE or the U.S. Department of Labor upon request, as required by 29 CFR 5.6(a)(2).
6. Conducting payroll and job-site reviews for construction work, including interviews with employees, with such frequency as may be necessary to ensure compliance by its subcontractors and subrecipients and as requested or directed by the DOE.
7. Cooperating with any authorized representative of the U.S. Department of Labor in their inspection of records, interviews with employees and other actions undertaken as part of a U.S. Department of Labor investigation.
8. Posting in a prominent and accessible place the wage determination(s) and U.S. Department of Labor Publication: WH-1321, Notice to Employees Working on Federal or Federally Assisted Construction Projects.

9. Notifying the IEDA contracting officer of all labor standards issues, including all complaints regarding incorrect payment of prevailing wages and/or fringe benefits, received from the recipient, subrecipient, contractor or subcontractor employees; significant labor standards violations, as defined in 29 CFR 5.7; disputes concerning labor standards pursuant to 29 CFR parts 4, 6 and 8 and as defined in FAR 52.222-14; disputed labor standards determinations; U.S. Department of Labor investigations; or legal or judicial proceedings related to the labor standards under this contract, a subcontract or subrecipient award.

Iowa Energy Saving Loan borrowers will also be required to undergo Davis-Bacon Act compliance training and to maintain competency in Davis-Bacon Act compliance. The IEDA contracting officer will notify the borrower of any DOE-sponsored Davis-Bacon Act compliance trainings. The U.S. Department of Labor offers free Prevailing Wage Seminars several times a year that meet this requirement — visit www.dol.gov/agencies/whd/government-contracts/construction/seminars/events.

The DOE has contracted with LCPtracker, a third-party Davis-Bacon Act electronic payroll compliance software application. The borrower must ensure the timely electronic submission of weekly certified payrolls as part of its compliance with the Davis-Bacon Act unless a waiver is granted to a particular contractor or subcontractor because they are unable or limited in their ability to use or access the software.

For projects to be set up in LCPtracker, the borrower must provide, at a minimum:

- Prevailing wage lock-in date
- Bid advertisement date
- Estimated start date
- Estimated completion date
- Point of contact for labor compliance/prevailing wage administrator, including name, phone number and email address.

For additional guidance on how to comply with the Davis-Bacon provisions and clauses, see Davis-Bacon Act Wage Determination Appendix A, www.dol.gov/agencies/whd/government-contracts/construction and www.dol.gov/agencies/whd/government-contracts/protections-for-workers-in-construction.

National Environmental Policy Act Requirements

National Environmental Policy Act (NEPA) requires federal agencies to integrate environmental values into their decision-making processes by considering the potential environmental impacts of their proposed actions. DOE has developed a NEPA training website with PowerPoint presentations, sample template documents (including an NEPA log, project scope of work and a project layout), a Microsoft Word document of an Environmental Questionnaire-1 (EQ1) and an EQ1 submission guide. Borrowers and contractors are encouraged to review the training website.

DOE has determined that the "Allowable Activities" listed in the State Energy Program NEPA Determination (see below) are categorically excluded and require no further NEPA review, when the borrower demonstrates the activities are compliant with the restrictions of the "Allowable Activities."

Allowable Activities

1. Administrative activities associated with managing the designated state energy office and administering funds provided under the 2022 State Energy Program Energy Efficiency Revolving Loan Fund's Administrative and Legal Requirements Document (SEP EE RLF — ALRD) to encourage energy efficiency and renewable energy.
2. Development and implementation of outreach strategies for efforts funded by SEP EE RLF — ALRD 2022 to encourage energy efficiency and renewable energy including facility energy audits.
3. Development and implementation of programs and strategies to encourage energy efficiency and renewable energy such as policy development and stakeholder engagement.

4. Implementation of financial incentive programs — including rebates, grants, loan programs and energy savings performance contracts — to support energy efficiency, renewable energy, or energy- or water-saving projects in existing facilities. All activities funded under a financial incentive program must be identified in this NEPA determination.
5. Residential and commercial energy analysis and monitoring, including energy use assessments involving building monitoring equipment and smart thermostats.

6. Installation of commercially available retrofit/upgrade measures to improve air quality, energy and/or water efficiency in existing buildings or facilities of the eligible borrower, based on energy audit recommendations, provided that projects adhere to the requirements of the respective state's DOE-executed programmatic agreement for historic preservation, are appropriately sized, no trees are removed or trimmed, and are limited to:
   a. Insulation applied to building structures, ducts, hot water heater tanks and heating pipes.
   b. Air sealing applied to building structures and/or ducts.
   c. Programmable and smart thermostats.
   d. Installation of energy-efficient lighting.
   e. Upgrading, retrofitting, tuning, repairing and/or replacing of existing heating, ventilation and air conditioning equipment.
   f. Repairing and/or replacing water heating system equipment.
   g. Energy or water monitoring and control systems.
   h. Retrofitting, repairing and/or replacing of windows and doors, including installation of energy-efficient storm windows and energy-saving window attachments.
   i. Retrofitting or replacing of energy efficient pumps and motors for uses such as wastewater treatment plants, where it would not alter the capacity, use, mission or operation of an existing facility.
   j. Installation of a combined heat and power system — systems sized appropriately for the buildings in which they are located, not to exceed peak electrical production at 300 kW.
7. Development, implementation and installation of on-site renewable energy/energy-efficiency technology, provided that activities adhere to the requirements of the respective state's DOE-executed historic preservation programmatic agreement, are installed in or on an existing structure, do not require ground disturbance, no trees are removed or trimmed, are appropriately sized and are limited to:
   a. Solar electricity/photovoltaic — not to exceed 60 kW.
   b. Installing and/or repairing solar thermal systems, including solar thermal hot water thermal hot water systems that are 200,000 BTU/hour or smaller in size.
8. Installing, repairing or optimizing use of energy storage systems, including electrochemical and thermal storage systems, provided that projects adhere to the requirements of the respective state's DOE-executed historic preservation programmatic agreement are installed in or on an existing structure, do not require ground disturbance, no trees are removed or trimmed, and are appropriately sized not to exceed 1,000 kWh.

Activities/projects not listed under "Allowable Activities" are subject to additional NEPA review and approval by DOE. For activities/ projects requiring additional DOE NEPA review, borrowers must complete the environmental questionnaire (www.eere-pmc.energy.gov/NEPA.aspx) for review by IEDA and DOE. Borrower must receive notification from DOE that the NEPA review has been completed and approved by the contracting officer prior to initiating the project or activities.

1. This NEPA determination only applies to activities funded by the Administrative and Legal Requirements Document for the State Energy Program Energy Efficiency Revolving Loan Fund Capitalization Grant Program.
2. Activities not listed under "Allowable Activities" including ground-disturbing activities, activities on tribal properties older than 45 years old and tree removal or tree trimming, are subject to additional NEPA review and approval by DOE. For activities requiring additional NEPA review, borrowers must complete the environmental questionnaire found at www.eere-pmc.energy.gov/NEPA.aspx and receive notification from DOE that the NEPA review has been completed with an approval from the contracting officer prior to initiating the project or activities.
3. This authorization does not include activities where the following elements exist: extraordinary circumstances; cumulative impacts or connected actions that may lead to significant effects on the human environment; or any inconsistency with the "integral elements" (as contained in 10 CFR Part 1021, Appendix B) as they relate to a particular project.
4. The borrower must identify and promptly notify DOE of extraordinary circumstances, cumulative impacts or connected actions that may lead to significant effects on the human environment, or any inconsistency with the "integral elements" (as contained in 10 CFR Part 1021, Appendix B) as they relate to project activities.
5. Borrowers must have and follow a DOE-executed historic preservation programmatic agreement. Agreements are available at www.energy.gov/scep/historic-preservation-executed-programmatic-agreements.
6. Most activities listed under "Allowable Activities" are more restrictive than the Categorical Exclusion. The restrictions listed in the "Allowable Activities" must be followed.
7. Borrowers and subrecipients that are third-party administrators, if applicable, are responsible for reviewing the online NEPA and historic preservation PowerPoint trainings at www.energy.gov/node/4816816 and contacting NEPA with any questions at GONEPA@ee.doe.gov.
8. This authorization excludes any activities that are otherwise subject to a restriction set forth elsewhere in the award.

All Iowa Energy Saving Loan borrowers shall adhere to the restrictions of the relevant DOE-executed Iowa State Historic Preservation Programmatic Agreement, as applicable.

Build America, Buy America Requirements

Federally assisted projects which involve infrastructure work, undertaken by applicable borrower types, require that:

- All iron, steel and manufactured products used in the infrastructure work are produced in the United States; and
- All construction materials used in the infrastructure work are manufactured in the United States.

Whether a given project must apply this requirement is project-specific and dependent on several factors, such as the borrower's entity type, whether the work involves "infrastructure," as defined in Section 70914 of the Bipartisan Infrastructure Law, and whether the infrastructure is publicly owned or serves a public function.

Applicants are strongly encouraged to consult the Build America, Buy America Guidance and Resources to determine whether their project may have to apply this requirement, both to make an early determination as to the need of a waiver, as well as to determine what impact, if any, this requirement may have on the proposed project's budget.

For purposes of the Buy America requirements, the following definitions apply:

Construction materials include an article, material, or supply — other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand or gravel; or aggregate binding agents or additives — that is or consists primarily of:

- non-ferrous metals,
- plastic and polymer-based products (including polyvinylchloride, composite building materials and polymers used in fiber-optic cables),
- glass (including optic glass),
- lumber, or
- drywall.

Infrastructure includes, at a minimum, the structures, facilities and equipment for, in the United States, roads, highways and bridges; public transportation; dams, ports, harbors and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; and buildings and real property. Infrastructure includes facilities that generate, transport and distribute energy.

In addition, the infrastructure in question must be publicly owned or must serve a public function; privately owned infrastructure that is solely utilized for private use is not considered "infrastructure" for purposes of Buy America applicability. The agency, not the applicant, will have the final say as to whether a given project includes infrastructure, as defined herein. Accordingly, in cases where the "public" nature of the infrastructure is unclear, DOE strongly recommends that applicants complete their full application with the assumption that Buy America requirements will apply to the proposed project.

Project means the construction, alteration, maintenance or repair of infrastructure in the United States.

Buy America requirements for Infrastructure Projects ("Buy America" requirements)

In accordance with Section 70914 of the Bipartisan Infrastructure Law, none of the project funds (includes federal share and borrower cost share) may be used for a project for infrastructure unless:

1. All iron and steel used in the project are produced in the United States — this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States,
2. All manufactured products used in the project are produced in the United States — this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced or manufactured in the United States is greater than 55% of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation, and
3. All construction materials are manufactured in the United States — this means that all manufacturing processes for the construction material occurred in the United States. The Buy America requirements only apply to articles, materials, and supplies that are consumed in, incorporated into or affixed to an infrastructure project. As such, it does not apply to tools, equipment and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor do Buy America requirements apply to equipment and furnishings, such as movable chairs, desks and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

These requirements must flow down to all sub-awards, all contracts, subcontracts and purchase orders for work performed under the proposed project.

For additional information related to the application and implementation of these Buy America requirements, see OMB Memorandum M-22-11, issued April 18, 2022: whitehouse.gov/wp-content/uploads/2022/04/M-22-11.pdf.

Federal Procurement Requirements

All nonfederal borrowers of a federal funding award, including an Iowa Energy Saving Loan funding award, must follow the Code of Federal Regulations (CFR) 2 CFR 200.317-200.326.

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