IOWA ECONOMIC DEVELOPMENT AUTHORITY
1963 Bell Avenue, Suite 200 | Des Moines, Iowa 50315 USA | Phone: 515.348.6200
iowaeda.com

INDUSTRIAL EFFICIENCY GRANT PROGRAM
POLICIES AND PROCEDURES GUIDE

Total allocation: $1,025,000

Program manager: Molly Kiick
molly.kiick@iowaeda.com
515.348.6219

Design Assistance deadline: November 30, 2026, at 4:59 p.m. CST

Project Funding deadline: June 7, 2027

The Industrial Efficiency Grant Program is funded through a one-time federal allocation to Iowa through the U.S. Department of Energy's State Energy Program formula grant and the American Recovery and Reinvestment Act of 2009, Public Law 111-5. This guide does not replace federal regulations regarding the loan program. If a conflict between the two exists, the federal regulations will prevail.

OVERVIEW

The Industrial Efficiency Grant Program provides competitive grants to eligible small industrial businesses to reduce operating costs and improve competitiveness through energy-efficient improvements. The program has two funding stages: Design Assistance and Project Funding.

Iowa repurposed funds to support implementation of the Iowa Energy Plan. The program supports the plan's objectives to:

- Increase energy efficiency and reduce operating costs in Iowa's existing and new buildings across all sectors.
- Foster innovation and expand the commercialization and expansion of energy-related businesses and technologies.
- Optimize the movement of freight and people in Iowa to reduce energy use.

All awards made under this program must comply with applicable laws and regulations including, but not limited to, the Build America, Buy America Act; the Davis-Bacon Act; the National Environmental Policy Act; the National Historic Preservation Act of 1966; and Title 2 of the Code of Federal Regulations, Part 200.

PROGRAM DETAILS

The Industrial Efficiency Grant Program is designed to assist in applying strategies that enhance competitiveness by implementing a broad array of energy-saving opportunities. By supporting projects that optimize energy performance, integrate advanced technologies and improve working conditions, the program drives economic growth while advancing Iowa's commitment to energy reduction and independence.

Funding Stages and Grant Amounts

The two funding stages are intended to help small manufacturers develop project designs before seeking implementation funding. Applicants may apply for Project Funding without first receiving Design Assistance.

- Design Assistance: IEDA may award up to five grants of $1,000 to $5,000 each.
- Project Funding: IEDA may award up to 10 grants of $15,000 to $500,000 each.

Applications are scored competitively. The amount awarded may differ from the amount requested based on project scope, energy impact, the applicant's total energy use and funding availability.

Eligible Applicants

Eligible applicants are for-profit businesses incorporated or authorized to do business in Iowa that are engaged in industrial, manufacturing or agricultural processes, including activities within North American Industry Classification System (NAICS) codes 31–33, at a facility located in Iowa. Applicants must:

- Derive at least 51% of their revenue from the sale of manufactured goods.
- Employ at least three and fewer than 200 full-time employees across all locations.
- Have been in operation for at least three years.

Eligible Projects

The program supports the design and implementation of upgrades and process improvements at facilities in Iowa. All installed measures must be commercially available, meaning a standard model customarily used by the general public. Projects may include:

- Energy-efficiency and process improvements that lower energy use or reduce energy-use intensity.
- Process or equipment upgrades that shift energy use toward lower-cost, Iowa-based energy sources.
- Waste-heat capture or thermal-recovery measures that offset energy use.
- Management systems or measures that reduce overall energy demand or peak grid demand.

Applicants do not need to receive Design Assistance to be eligible for Project Funding.

Eligible Expenses

Only expenditures directly related to the design or implementation of the funded grant activity will be reimbursed. Examples include, but are not limited to:

Design Assistance

- Contractor or staff time to design energy-efficiency improvements in support of a Project Funding application.

Project Funding

- Contractor or staff time to finalize project designs

- Purchase of materials and equipment
- Development and installation of improvements
- Contracting
- Direct administration costs
- Administration of federal grant requirements

Ineligible Expenses

Examples of ineligible expenses include, but are not limited to:

- Purchase or rental of buildings
- Office equipment
- Furniture and fixtures
- Intangible assets
- International travel
- Insurance
- Telephone expenses

Federal requirements also prohibit using State Energy Program and American Recovery and Reinvestment Act financial assistance for the following activities:

- Funding gambling establishments, aquariums, zoos, golf courses or swimming pools.
- Funding construction, including construction of mass transit systems or exclusive bus lanes, or construction or repair of buildings or structures.
- Purchasing land, a building or structure, or any interest therein.
- Subsidizing public transportation fares.
- Subsidizing utility-rate demonstrations or state tax credits for energy conservation or renewable energy measures.
- Conducting or purchasing equipment to conduct research, development or demonstration of energy-efficiency or renewable-energy techniques and technologies that are not commercially available or are proprietary.

The purchase, installation and demonstration of commercially available energy-efficiency or renewable-energy techniques and technologies are permitted and are not subject to the prohibition.

Cost Share

Applicants must provide a minimum cost share based on the funding stage. Applications that include additional cost share will receive additional points during review. Cost share must be secured and documented with a cost-share letter at the time of application.

- Design Assistance: applicant provides at least 25% of total project costs.
- Project Funding: applicant provides at least 50% of total project costs.

APPLICATION PROCESS

Applicants must meet all eligibility requirements and submit a complete application to be considered for an award. Applicants must obtain a Unique Entity ID (UEI) through the System for Award Management (SAM), if they do not already have one. Obtaining a UEI may take several weeks.

The program manager is the primary point of contact for applicants. The program manager reviews applications for eligibility and completeness. Applications missing required information or attachments are considered incomplete and will not be scored. After the application deadline, applicants may not amend or correct a submitted application. Applicants should review their applications and confirm that all required attachments are included before submission. IEDA may request clarifying information during its review.

Design Assistance applications

- The application is available on the IEDA website: opportunityiowa.gov/community/energy.
- Email completed applications to Program Manager Molly Kiick at molly.kiick@iowaeda.com.
- Applications are due November 30, 2026, at 4:59 p.m. CST. Applicants may request confirmation of receipt during business hours.
- Applications are accepted only during the established application period.

Project Funding applications

- Applications will be available and submitted through IowaGrants at iowagrants.gov.
- Applicants must create an IowaGrants account. An existing Iowa Grant account or State of Iowa A&A account may be used.
- Applicants who need to create an account should allow at least two weeks for registration and activation.
- IEDA plans to announce the funding opportunity on its website and by email to stakeholders on May 5, 2027.
- Complete applications will be due on June 6, 2027.

APPLICATION REVIEW AND AWARDS

After the application period closes, the program manager reviews applications for eligibility and completeness. IEDA staff then competitively evaluate eligible applications and prepare funding recommendations for the IEDA director. Applicants selected for funding will receive written notice of the award decision. Applicants not selected will receive a denial letter. IEDA will prepare agreements for selected applicants to review and sign.

Initial screening

Applications must meet all of the following screening criteria to advance to scoring:

- The application is complete and submitted according to program policies and procedures.
- The applicant meets the eligibility requirements.
- The funding request meets eligible project and eligible expense requirements.
- The funding request is clearly explained, and its energy-efficiency benefit to the applicant is apparent.

- The request relates to an objective of the Iowa Energy Plan, particularly to one of the following:
    - Foster innovation and increase the commercialization and expansion of energy-related business and technologies.
    - Increase the energy efficiency and decrease the operating costs of Iowa's existing and new buildings in all sectors.
    - Optimize the movement of freight and people in Iowa to reduce energy use.
- The request does not involve prohibited facilities or activities, including casinos or other gambling establishments, aquariums, zoos, golf courses, swimming pools, prohibited construction, purchase of land or structures, or the purchasing of noncommercially available technologies or techniques**.**
- The applicant confirms that the required cost share is secured.
- The application includes a signature from the applicant organization's legally responsible official.

Scoring — Design Assistance

Applicant must receive at least 80 points out of 100 (80%) to be considered for an award.

Evaluation Criterion	Total Points
Transformative potential	**40**
Proposed scope of work requires custom technical design.	
Proposed measures are novel within the industry, in Iowa or both.	
Proposal demonstrates clear benefits to the applicant and other Iowa stakeholders.	
Demonstrated commitment to pursuing the project	**20**
Applicant commits to proceeding with the project if design work is funded.	
Proposal demonstrates the potential benefits to the applicant upon project completion.	
Applicant documents the amount of cost share committed to the project.	
Budget reasonableness	**20**
Proposed budget and timeline are complete and reasonable based on the scope of work.	
Proposed design timeline is three months or less.	
Strength of the project team	**20**
Proposal identifies in-house or contractor resources with the qualifications and credentials necessary to complete the proposed design work.	
Proposal describes organizational resources, procedures and controls to ensure grant funds are used in a timely and efficient manner in order to successfully complete proposed activities.	
Applicant demonstrates experience with compliance requirements associated with federal and/or state programs.	
Total	**100**

Scoring — Project Funding

Applicant must receive at least 80 points out of 100 (80%) to be considered for an award.

Evaluation Criterion	Total Points
Cost-benefit ratio	**50**
Cost = Requested grant funds	
Benefit = Applicant estimation of quantifiable benefit. Benefits may include: • Energy-cost savings • Other reduction in total energy use or energy-use intensity • Ability to curtail use during grid peaks • Shifting use toward lower-cost, Iowa-based energy sources • Improved competitiveness of the applicant • Reduced waste • Improved air quality or other workplace improvements	
Reasonableness of benefit quantification	
Quality of proposal and technical design	**25**
Proposal clearly describes the project goals, outcomes and activities.	
Proposed plans have a reasonable likelihood of leading to proposed outcomes.	
Proposal establishes methodology for measuring the proposed benefits after project implementation.	
Technical design is implementation ready including identified equipment, calculations based upon real-world energy use and finalized design drawings.	
Budget reasonableness	**15**
Proposed budget and timeline are complete and reasonable based on the scope of work.	
Amount of cost-share is documented.	
Compliance capability	**10**
Proposal provides information regarding organizational experience, staff qualifications, and procedures and controls to ensure that awarded grant funds will be used in a timely and efficient manner to successfully complete proposed activities.	
Proposal demonstrates experience with compliance related to federal and/or state programs.	
Total	**100**

GRANT ADMINISTRATION

Grant Agreements

IEDA will notify successful applicants in writing and issue an agreement between the recipient and IEDA. The recipient must return the agreement within 60 days after IEDA transmits it. Failure to return the agreement within that period may result in the agreement being rescinded.

Amendments

Substantive changes to a funded project, including time extensions, budget revisions and alterations to proposed activities, require an agreement amendment. No-cost adjustments, including timeline adjustments or reallocations of up to 10% between activities, may not require an

amendment. The recipient must submit amendment requests in writing. An amendment is not valid until approved by IEDA.

IEDA staff will review written amendment requests, including budget requests and revisions, and submit them to the appropriate IEDA representative for approval.

Claims and Disbursement of Funds

Funds are disbursed on a reimbursement basis. Advance payments are not allowed. Claims must be submitted through IowaGrants at least quarterly and must be for at least $500, except for the final draw. If a recipient does not submit a claim during a quarter, it must still submit a quarterly status report.

Each claim must include:

- An invoice on the submitting organization's letterhead as well as:
    - 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 more than $500.
    - Receipts for any domestic travel expenses more than $50.
    - Invoices and proof of payment for any contractor or subcontractor payments
- A General Account Expenditures (GAX) Form (provided by the Authority) with a Vendor Code
- A status report for the claim period. Status reports must be received at least quarterly. If no claim is submitted, Recipients 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 5% 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 will be considered de-obligated.

If claims are not submitted quarterly, the project will be considered out of compliance.

Status Report Requirements

Design Fund Status Report

Design Assistance engagements will last three months from the time of project award. Interim progress reports will be due for each recipient on January 15, detailing progress toward completion of the final design and any preliminary findings available.

Project Fund Quarterly Status Reports

In the project application, the applicant shall provide a timeline and project completion milestones by which to measure the success of the project. The timeline should provide the end date of each milestone. The Recipients' success will be measured based on the progress towards the completion of each milestone as outlined in the application timeline.

Every quarter, by the 15th of the month following the end of the quarter, the recipient must provide a narrative update on the progress towards completion of each milestone and the activities that have taken place in support of the milestones, as well as planned activities for the following quarter. Recipients shall also provide a narrative description of any deviations from the proposed timeline, milestones, and deliverables during the reporting period. If the reported deviations will have an impact on the remainder of the project or the dissemination plan, the Recipient shall also notify the program manager via email.

If the quarterly report has not been received by the last day of the month, the grant will be considered out of compliance.

Final Report

A final report is required at the end of the Design Assistance and Project Funding grant period. The final report will be submitted via IowaGrants within 60 days of the project contract completion date.

IEDA will withhold at least 5% of award funds until the final report is received and approved by the program manager.

The final report shall contain the following information:

- Executive summary
- Timeline of the completion of milestone
- Narrative description of grant activities undertaken to support the project.
- Narrative description of the achievements of the project
- Project measurables achieved
    - Examples: Alternative energy plans developed or improved, people contacted, units purchased, facilities retrofitted, square feet of facilities retrofitted, number and types of retrofits completed, estimated annual energy savings (kWh or BTU), energy cost savings, name of contractor completing building energy retrofits, etc.
- The benefit the completed project provides or will provide to the Recipient and Iowa stakeholders.
- Budget narrative, detailing how funds were spent in support of the project.
- Narrative description of any deviation from the original budget, timeline, or any grant activities.
- Post grant activities timeline, including ongoing monitoring/measurement of benefits.

Monitoring

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

Closeout Procedures

Final report will be submitted by grant recipient within 60 days of project completion via IowaGrants.

Final payment will be made after the program manager has determined milestones have been met, project deliverables received, and project goals have been completed.

IEDA will provide a final closeout document stating that contracted funds have been spent in accordance with the agreement and the agreed upon deliverables have been achieved.

If a balance remains after the final claim has been received and payment has been made, the unused funds shall be de-obligated.

Noncompliance

At any time during the project, IEDA may, for cause, find that a Recipient 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 grant funds to IEDA. Noncompliance may include, but are not limited to the following:

- Use of 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.
- Lack of a continuing capacity of the Recipient to carry out the approved project in a timely manner.

FEDERAL REQUIREMENTS

The Iowa Energy Office is utilizing federal Department of Energy (DOE) State Energy Plan (SEP) funds through the SEP (SEPF) Formula allocation and the American Recovery & Reinvestment Act (ARRA) to assist in the implementation of the Iowa Energy Plan through the Industrial Efficiency Program. As is the case with many federal funding programs, recipients, depending on project type, will be required to comply with several federal regulations.

Each awarded project will be required to maintain compliance with federal requirements for ARRA and the annual SEP Formula funding, including each of the federal requirements below. Note SEP Formula funding is subject to change from year to year.

- **SPECIAL PROVISIONS RELATING TO WORK FUNDED UNDER AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (MAR 2009)**
- **REQUIRED USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS (COVERED UNDER INTERNATIONAL AGREEMENTS)--SECTION 1605 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**
- **WAGE RATE REQUIREMENTS UNDER SECTION 1606 OF THE RECOVERY ACT**
- **RECOVERY ACT TRANSACTIONS LISTED IN SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND RECIPIENT RESPONSIBILITIES FOR INFORMING SUBRECIPIENTS**
- **HISTORIC PRESERVATION**
- **DAVIS BACON ACT AND CONTRACT WORK HOURS AND SAFETY STANDARDS ACT**
- **RECIPIENT FUNCTIONS**

Procurement Requirements

Recipients will follow Iowa procurement standards (https://das.iowa.gov/procurement) as well as the Code of Federal Regulations (CFR) 2 CFR 200.

National Environmental Policy Act (NEPA) Requirements

The United States Department of Energy (DOE) must comply with NEPA prior to authorizing the use of Federal funds. On June 30, 2025, the Department of Energy established implementing procedures for NEPA reviews. The June 2025 procedures provide that NEPA does not apply to funding DOE provides to Recipients under the SEP. This environmental review applies to activities that are funded by the SEP Program Year 2025 Formula Grants Administrative and Legal Requirements Document, Petroleum Violation Escrow funds, ARRA Financing Programs and/or funds repurposed from ARRA Financing Programs.

DOE must also consider the effects on historic properties, pursuant to Section 106 of the National Historic Preservation Act (NHPA). Additionally, DOE must consider the impacts to floodplains and wetlands, pursuant to 10 CFR Part 1022—Compliance with Floodplain and Wetland Environmental Review Requirements. To streamline these required reviews, DOE carries out each of these reviews under the umbrella of its NEPA review. Entities should review and follow the NEPA determination in their award documents for restrictions, and the list of activities that have been categorically excluded from further NEPA review.

National Historic Preservation Act

Recipients must comply with standards for treatment of historic properties, documentation and reporting requirements per Section 106 of the National Historic Preservation Act and programmatic agreement between the Iowa Economic Development Authority and the State Historic Preservation Office. Click here for the Iowa State Historic Preservation Programmatic Agreement.

Entities must adhere to the requirements included in the “Historic Preservation” term included in the Special Terms and Conditions of the financial assistance agreement.

Endangered Species Act

Project activities involving ground disturbance, tree removal and tree trimming could have the potential to affect threatened and endangered species. Should such project activities be proposed, recipients must complete the environmental questionnaire (found at http://eere-pmc.energy.gov/NEPA.aspx) for review by DOE.

Davis-Bacon Wage Rates Requirements

ARRA §1606 states that the Davis-Bacon (DBA) prevailing wage requirement broadly applies to construction projects funded with ARRA appropriations. Recipients must comply with the Davis-Bacon wage requirements. The Davis-Bacon Act (40 U.S.C. 3141 3148) requires payment of locally prevailing wages (including fringe benefits) to laborers and mechanics on federal government contracts more than $2,000 for construction, alteration or repair projects. The provisions of the Davis-Bacon Act apply to both contractors and subcontractors.

By accepting an award, the Recipient is acknowledging the DBA requirements above, and confirming that the laborers and mechanics performing construction, alteration, or repair work on projects funded in whole or in part by the Iowa IEG 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 of the Davis-Bacon Act requirements.

Recipients will also be required to undergo DBA compliance training and to maintain competency in DBA compliance. The IEDA Contracting Officer will notify the recipient of any DOE-sponsored DBA compliance trainings. The U.S. Department of Labor ("DOL") offers free Prevailing Wage Seminars several times a year that meet this requirement, at https://www.dol.gov/agencies/whd/government-contracts/construction/seminars/events.

For additional guidance on how to comply with the DBA provisions and clauses, see https://www.dol.gov/agencies/whd/government-contracts/construction and https://www.dol.gov/agencies/whd/government-contracts/protections-for-workers-in-construction.

Build America, Buy America Requirements

The Buy American provision in the ARRA of 2009 (section 1605 of Title XVI), provides that none of the funds appropriated or otherwise made available by the Act may be used for a project for the construction, alteration or repair of a public building or public work unless all the iron, steel and manufactured goods used are produced in the United States. The law also requires this prohibition be applied in a manner consistent with U.S. obligations under international agreements. The Buy American provisions may apply to some grant applications.

Federally-assisted projects which involve infrastructure work, undertaken by applicable recipient 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.

There are several terms of art that are given specific definitions with respect to the application and execution of BABA. Full definitions of these terms can be found by following this hyperlink to the relevant section (2 CFR 184.3) of the Code of Federal Regulations.

Whether a given project must apply this requirement is project-specific and dependent on several factors, such as the total value of the project, the recipient's entity type, whether the work involves "infrastructure," and whether the infrastructure in question 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.