

IAC Implementation Grants Frequently Asked Questions

View the opportunity announcement, including application details and full eligibility and review criteria, here: <https://www.energywerx.org/opportunities/iac-round-2>. Please address any additional questions to info@energywerx.org.

Table of Contents

Questions about grant eligibility.....	1
Questions about eligible projects	5
Questions about the application process	6
Questions about the cost share requirement	7
Questions about the implementation grants structure	8
Questions about the grant award process	9
Questions about the third-party assessors	10
Questions about ENERGYWERX	12

Questions about grant eligibility

Q: Am I eligible to receive grant funding simply by virtue of having received an IAC and/or CHP TAP assessment?

A: No, having received an assessment is only one of several eligibility criteria. Please review the "Eligibility and Review Criteria" section of the opportunity page, <https://www.energywerx.org/opportunities/iac-round-2>, in regard to several eligibility factors.

Q: How do I receive an assessment from an IAC or CHP TAP?

A: To inquire about receiving an IAC assessment, please visit <https://iac.university or find your nearest IAC location here: https://www.energy.gov/mesc/locations-industrial-assessment-centers>. To inquire about receiving a CHP TAP assessment, please visit <https://betterbuildingsolutioncenter.energy.gov/chp/chp-taps>.

Q: If I didn't receive an IAC or CHP TAP assessment, can I still qualify for IAC Implementation Grants Funding?

A: Potentially. If you've received an assessment from a qualified third-party assessor, then you are eligible to receive IAC Implementation Grants Funding. A list of energy assessment providers qualified as "IAC-equivalent" can be found at the bottom of the page here: <https://www.energy.gov/mesc/industrial-research-and-assessment-center-implementation-grant-awards>.

Q: Are qualifying assessments limited by geography?

A: Assessments conducted in the 50 states, District of Columbia, and Puerto Rico qualify.

Q: Am I eligible to receive grant funding if I meet 1 or 2 out of the 3 elements of the definition of a 'small- and medium-sized' manufacturer?

A: No, you must meet all three elements to qualify for this funding round: 1) gross annual sales of less than \$100 million; 2) fewer than 500 of employees at the assessed plant site; and 3) annual energy bills at between \$100,000 and \$3.5 million (each in the most recently completed fiscal year OR the year in which the assessment was completed, if different). Please review the "Eligibility and Review Criteria" section of the opportunity page to view all the eligibility factors.

Q: Do we qualify if we have gross annual sales of less than \$250 million per the IAC assessment criteria?

A: The limit for gross annual sales under the IAC Implementation Grants is under \$100 million. If you are over \$100 million currently, but you are under the \$100 million cap at the time of the assessment, you would be eligible. If the applicant/facility is a subsidiary or LLC under a holding company and the applicant/facility submits its own taxes, you can use the applicant/facility's revenue and gross sales, not the holding company's.

Q: If my entity is a majority foreign-owned company but has a U.S. subsidiary, can we apply?

A: Per the solicitation announcement, "To qualify as a domestic entity, the entity must be organized, chartered or incorporated (or otherwise formed) under the laws of a particular state or territory of the United States; have majority domestic ownership and control; and have a physical place of business in the United States."

Q: My facility is an individual LLC under a larger umbrella company – is eligibility based on the LLC or the parent company?

A: If the manufacturer/facility is an individual LLC that pays separate taxes from the parent company, then the eligibility is based on the LLC. If the manufacturer/facility does not pay separate taxes from the parent company, then the eligibility is based on the parent company.

Q: For the "fewer than 500 employees at the plant size," are part-time employees included or is it solely full-time employees?

A: Full-time, part-time, and temporary employees, as well as employees obtained from a temporary employee agency, are all included in the facility eligibility count. Part-time employees can be counted fractionally, such that two half-time employees (20 hours/week) count as one full-time employee. Additionally, interns that work at least 40 hours/week count as one full-time employee.

Q: Can facilities under construction participate if they are willing to make changes to planned systems?

A: No, facilities must already be established to qualify for grant funding.

Q: If my facility is recently built/developed, am I allowed to use projected energy usage to meet the annual energy bills eligibility requirement?

A: No, the facility must have demonstrated annual energy bills within \$100,000 - \$3.5M either in the year the assessment was conducted or the most recent full fiscal year (if different) to be eligible for the annual energy bills criteria.

Q: Is eligibility based on domestic sales or international sales?

A: Eligibility is based on gross annual sales, so eligibility is based on the combined total of both domestic and international sales.

Q: Can research and development-only facilities participate in this grant?

A: Yes, they can participate provided that they fall under the other eligibility requirements and are a domestic manufacturer.

Q: Are you considering expanding eligibility to assessments before 2018 in future rounds?

A: At this time, we cannot speculate on future rounds. For more information or latest detail on the IAC Implementation Grants Program, please visit <https://www.energy.gov/mesc/industrial-research-and-assessment-center-implementation-grants>. Currently, IAC and CHP TAP assessments from 2018 onwards, and third-party assessments from 2021 onwards, are qualified for implementation grants.

Q: If I am ineligible for this grant opportunity, what are other opportunities that may pertain to my company?

A: There are several webpages that list the many other DOE funding opportunities that your company could be eligible for; please reference <https://www.grants.gov>, <https://www.energy.gov/industrial-technologies/industrial-technologies-funding-and-technical-assistance>, <https://infrastructure-exchange.energy.gov>, <https://oced-exchange.energy.gov>, and <https://eere-exchange.energy.gov>

Q: If I have another facility that is very similar to the one assessed, can I apply the IAC report to that facility and get a grant to implement at both facilities?

A: No, to be a covered project, the project must have been recommended in a qualified energy assessment for a specific facility.

Q: Are manufacturers of CHP systems eligible for funding?

A: Yes, CHP manufacturers are eligible provided they meet program eligibility criteria. Applicants for funding to help procure and implement CHP systems are limited by the same eligibility criteria as those seeking to implement IAC assessment recommendations.

Q: Which criteria are specific to the facility versus the entire business entity?

A: According to the Bipartisan Infrastructure Law, codified at 42 U.S.C. 17116(a)(6), the less than \$100 million in gross annual sales and annual energy bills of \$0.1-3.5M pertains to the “manufacturing firm,” not just to the manufacturing facility of interest. The 500 employees limit, conversely, pertains only to the facility of interest. Note that these requirements are currently codified in law, not determined by the DOE program team.

Q: For the site energy bills, does this include all forms of energy (e.g., electricity, gas, diesel, fuel oil, propane, etc.)?

A: Yes, this includes all forms that the site procures externally to support facility(s) energy requirements

Q: Can water and wastewater treatment facilities apply for this funding opportunity?

A: Yes, water and wastewater treatment facilities can apply provided they meet the eligibility criteria in 42 U.S.C. 17116(a)(6).

Q: Will you have a requirement of "prevailing wage" and what does that mean?

A: All funding opportunities are subject to Section 41101 of the IIJA (which includes the IAC implementation grant program) must ensure compliance with the Davis-Bacon Act wage rate requirements, which ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction, alteration, or repair work be paid rates not less than those prevailing on similar projects in the located 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.”) For

additional guidance on how to comply with the Davis-Bacon Act wage rate provisions and clauses, please visit: <https://www.dol.gov/agencies/whd/government-contracts/construction> and <https://www.dol.gov/agencies/whd/government-contracts/protections-for-workers-in-construction>.

Q: Will manufacturers who received assessments from third-party assessors be eligible for future funding rounds?

A: Yes, if those assessors are qualified as "IAC-equivalent," per workstream 2 of the solicitation. A list of energy assessment providers qualified as "IAC-equivalent" can be found at the bottom of the page here: <https://www.energy.gov/mesc/industrial-research-and-assessment-center-implementation-grant-awards>.

Q: Can the host organization of a CHP TAP apply as a third-party assessor?

A: Yes, the host organization (e.g., a university) of CHP TAP can apply to be a potential qualified third-party assessor if they conduct comprehensive energy assessments.

Questions about eligible projects

Q: Are projects that are not listed on the IAC, CHP TAP, or Qualified Third-party assessment report eligible for grant funding?

A: Projects must be listed in the relevant assessment report as a recommendation. Please contact the relevant IAC, CHP TAP, or qualified third-party assessor assessment provide for follow-up assessments or updates to assessment reports.

Q: Are additional assessment recommendations (AARs) or appendix recommendations made in an IAC assessment eligible for grant funding?

A: Yes, AARs and appendix recommendations made in IAC assessments are eligible for grant funding, but will require the same level of information as that required for primary recommendations in the application.

Q: Am I allowed to receive funding for recommendations that are already implemented?

A: No, IAC Implementation Grant funding is for recommendations that have not yet been implemented from qualified assessments.

Q: What is we buy project materials and install them ourselves? Can the money be used towards employee wages for the installation?

A: Yes, the hours that are dedicated towards installing the materials can be captured as implementation costs for the project.

Questions about the application process

Q: Does this grant opportunity require a traditional FOA application form?

A: No; the application form is much shorter than a traditional FOA application and will be collected by ENERGYWERX, a partnership intermediary supporting the DOE. You can access the Workstream 1 (Implementation Grants) Form [Here](#) and the Workstream 2 (Third-Party Assessor Qualification) Form [Here](#).

Q: Can I apply for multiple rounds of grants (e.g. \$150,000 in one round and \$150,000 in a future Round)?

A: Yes; the manufacturer is eligible to receive a maximum of \$300,000 of total grant funding. Therefore, as long as received grant totals across all rounds does not exceed \$300,000, the manufacturer is eligible to apply for multiple rounds of grants (subject to the availability of program funding).

Q: Based on program timelines, is it anticipated that applicants may start an assessment now and still qualify for implementation grants?

A: Yes, \$80 million in grant funding is available through the first year of operation of the program, rolling application basis and additional funding may be available in the next couple years depending on demand.

Q: I understand that IACs should not be filling out the applications directly, but what about vendors, contractors, or ESCOs that applicants will be using to implement?

A: We require that the manufacturer fill out and submit the application for themselves. However, the applying manufacturer is allowed to receive any technical assistance when filling out their applications from any necessary party (e.g., IACs, ESCOs).

Q: What is the definition of payback period?

A: Payback period is defined as the amount of time it takes to recover the cost of an investment. In other words, it is the length of time an investment reaches a breakeven point, and is calculated by dividing investment cost by investment savings.

Q: What is the community benefits plan?

A: The community benefits plan is a section of the Project Narrative component of the Workstream 1 application, summarizing the degree to which the proposed project/s will provide a positive environmental and economic benefit to the surrounding community. For ideas on what to include in a community benefits plan, visit <https://www.energy.gov/lpo/articles/how-get-started-your-community-benefits-plan> - though note that, unlike for the projects discussed at this link, this program only requires a short community benefits plan as part of the application form, not an additional document

Questions about the cost share requirement

Q: Can you please define 50% Cost Share and what doesn't count?

A: Cost share is the portion of the costs of the project/s not borne by the Federal government. Cost sharing augments federal funding to increase the project or projects' impact. It also ensures that recipients have a financial stake in the project/s' success. In the case of the IAC implementation grants, the program will award up to \$300,000 to fund the cost of a project or projects. For example, if the project or projects in question cost \$200,000, the IAC grants can provide \$100,000, with awardees responsible for funding the remaining \$100,000. If the project or projects cost \$700,000, the IAC grants can provide \$300,000. Awardees' cost share can be a combination of cash; personnel costs; the value of service, other resources, or third-party in-kind contributions; and indirect costs or facilities and administrative costs. Examples of what does not count as cost share include funding from any other federal award, foregone fee or profits, or other costs incurred prior to signing of selection statement. For more information, please read [2 C.F.R. 200.306](#).

Q: What are eligible financing options for the required 50% Cost Share?

A: Examples of eligible financing options include: internal capital, Small Business Administration-guaranteed (SBA) loans, loans from private lenders (e.g., banks, VC firms, Community Development Funds), utility rebate programs, and state and local programs in which the funding does not originate from a federal source. For more examples and information, feel free to visit <https://betterbuildingssolutioncenter.energy.gov/financing-navigator>.

Q: If an entity/applicant desires to build to implement desired recommendations using a Small Business Administration (SBA) loan, is this an eligible cost share?

A: Yes, SBA-guaranteed loans are an eligible cost share, as long as the lender and SBA also deem it eligible for their lending programs.

Q: Will I be able to use tax credits as a form of cost share?

A: It depends on how the tax credit is realized: if the tax credit is paid out in cash, the tax credit can count towards cost share. However, if the tax credit is a cost avoidance, then it is considered a forgone cost and will not count as cost share. For more information, please consult the IRS and/or a tax lawyer.

Q: Regarding the required 50% Cost Share, at what point does an entity/applicant need to assure that cost share is securely in place?

A: The entity/applicant is required to provide written assurance of its proposed cost share contributions in its application. If selected for an award, applicants will be required to provide documentation showing that they will meet cost share requirements. If not, DOE retains the prerogative to rescind award selections. Note that awards are paid out as reimbursement for 50% of the eligible incurred costs to date, so appropriate cost share (e.g., invoices) will need to be documented and reported to EWX.

Q: What are unrecovered indirect costs, and can those be claimed for cost share?

A: Unrecovered indirect cost is "the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate," per [2 C.F.R. 200.306\(c\)](#). Unrecovered indirect costs may be included as part of cost sharing or matching only with the prior approval from DOE.

Q: Are expenses incurred for eligible projects spent prior to the grant award eligible to be considered under the cost sharing?

A: Expenses that are incurred prior to the award of a grant are considered "pre-award costs." Pre-award costs are not generally allowable but can sometimes be authorized (e.g., critical path activities required to be executed to ensure projects are completed in a timely manner such as permitting, down payments on equipment with longer than expected lead times) by the funding agency during the award negotiation. For such cases, further discussion and approval will be required by the funding agency prior to funding any pre-award costs.

Questions about the implementation grants structure

Q: Is the \$300,000 maximum grant per individual recommendation, assessment, facility or company/manufacture?

A: The \$300,000 maximum grant is per company/manufacture, though it can be spread across several individual projects (and applications across multiple rounds of review) totaling up to \$300,000.

Q: Do I report the estimated cost of recommendation implementation from the IAC or CHP TAP report, or should I propose an estimated cost of implementation?

A: As a general rule, please cite the estimated cost of project recommendation implementation reported in the IAC or CHP TAP assessment. However, the application includes space to explain additional and updated cost estimates, if needed. For any adjusted costs, please refer to the application on how to adjust.

Q: Can Implementation Grants fund implementation labor costs that include members of an IAC team?

A: If the member is simultaneously funded by other federal funding (e.g., the base IAC program funding), then Implementation Grant funding cannot be used to fund that member. However, if the member clearly delineates which hours are spent on implementation labor, the Implementation grants will fund those hours.

Q: Can this grant funding be coupled up with other federal funding opportunities (e.g., REAP)?

A: The IAC Implementation Grants program does not prohibit applicants from pursuing other federal funding opportunities. However, to receive an IAC implementation grant, applicants must furnish at least 50% of the cost of the covered project, and other federal funds cannot count toward the applicant's share. So, for example, if a project costs \$800,000, an IAC implementation grant can cover \$300,000. A REAP (or other federal) grant will not count towards the applicant's \$300,000 cost share, but – at least from this program's perspective – can be used to cover the remaining \$200,000 (though please also refer to the rules for the other federal programs in question).

Q: Can utility incentives be combined with grant funds on an implementation project?

A: That would be on a case-by-case basis. There are many federal, state, and local grant and funding programs available with differing criteria. For guidance on specific funding opportunities, please email info@energywerx.org.

Questions about the grant award process

Q: Once you apply for an implementation grant, what is the typical timeframe for notification?

A: The estimated timeframe for notifications is two to six months depending on the number of applications received and when the application is received.

Q: Are payments distributed before, during, or after project implementation?

A: Payments are distributed after project implementation, after the 50% cost-share is verified via awardees' submission of relevant receipts and invoices, and other program requirements are met as set out by Statement of Effort (SOE) agreements with awardees.

Q: What is the reimbursement timeline?

A: Once receipts/invoices are submitted alongside a request for reimbursement, there is a 30-day turnaround for payment.

Q: How long do we have to complete the project after the award is given?

A: Typically two years depending on the scope of the project.

Q: How will you follow up to ensure project implementation?

A: As laid out in the Statement of Effort, selectees will be required to fill out reporting documentation regarding progress of funded projects. DOE, ENERGYWERX, or related parties also may seek additional verification, possibly including an onsite visit, as needed.

Q: Is there any measurement and verification (M&V) required through the grant program?

A: Yes, there will be some M&V requirements after selection. There will be a process in which the recipients will report documentation in regard to the status of the project/s and metrics that we align in terms of the resulting benefits.

Questions about the third-party assessors

Q: Can the university entity that manages an IAC, apply to be a third-party assessor itself for other assessments?

A: Yes, a university that manages an IAC can apply to be a third-party assessor for other assessments.

Q: Is an assessor that charges for assessments eligible to qualify as a third-party assessor?

A: Yes, if an assessor charges to execute assessments for a manufacturer, they can apply to qualify as a third-party assessor for future funding rounds, though "the degree to which assessments are free or demonstrably affordable to small- and medium-sized manufacturers" is an application review criterion.

Q: Can a site's preferred vendor/ESCO be the entity requesting and paying for a qualified third-party assessment?

A: Yes, provided the assessment meets the requirement of being vendor agnostic.

Q: To qualify as a third-party assessor, can the scope of assessments be only for a manufacturer's fleet or any other specific process or system?

A: No, per the Workstream 2 eligibility criteria, "Applicant's assessments are not limited to one or a small set of technology areas or interventions." Assessors will be evaluated and prioritized in part by "The

degree to which the assessor demonstrates substantial experience with comprehensive industrial energy assessments."

Q: Are qualified third-party assessors official Industrial Assessment Centers?

A: No, qualified third-party assessors are considered "IAC-equivalent" and not an official IAC. Qualified assessors are provided communications guidelines detailing how to describe their qualification.

Q: Are qualified third-party assessors allowed to consider onsite energy and CHP projects in addition to conducting IAC-equivalent assessments?

A: Yes, qualified third-party assessors should conduct comprehensive energy assessments, including potentially recommending onsite energy and/or CHP when appropriate.

Q: Are qualified assessors allowed to reference the IAC grant opportunity in assessment reports?

A: Yes, qualified assessors are provided communications guidelines for program promotion and are encouraged to reference it in assessment reports.

Q: What are some of the parameters with which assessors are rated for success? Number of assessments completed, number of grant awards created, etc.?

A: Abiding by the MOU is the standard by which continued qualification through DOE will be evaluated. There are no additional metrics on which assessors will be rated as of now.

Q: Our industrial assessments are typically comprehensive, but sometimes customers are looking for more targeted system assessments. Can assessments through qualified third-party assessors be targeted?

A: Qualified assessments should be comprehensive, but can also go deeper on facility processes, systems, and equipment of interest to recipients.

Q: Can you provide more clarification and requirements on the methodology for estimating project costs?

A: There are no defined or specific requirements but IACs typically will seek out a least three vendor quotes as appropriate and rely on longstanding knowledge of standard industry costs and practices. DOE recommends ensuring that the costs determined in the report are reasonable and using data to support projected costs.

Q: Are past assessment recipients (those completed prior to IAC-equivalency status for third-party assessors) eligible to apply for implementation grants?

A: Any recipient who received an assessment conducted from 2021 onwards is eligible for implementation grant funding.

Q: Can qualified third-party assessors offer energy performance tracking as a service within or outside of the grant application?

A: Energy performance tracking can be included as part of a comprehensive assessment, but implementation grants are directed at physical project recommendations; sensors could be eligible for funding but software is not.

Questions about ENERGYWERX

Q: What is ENERGYWERX?

A: ENERGYWERX is a neutral facilitator as a result of a Partnership Intermediary Agreement (PIA) with the Department of Energy. ENERGYWERX will be coordinating the collection of applications, disbursement of grant funds, and grant management for the Implementation Grant Program.

Q: Why is ENERGYWERX involved?

A: The intent is for selectees to receive a formal Business-to-Business (B2B) Research and Development Agreement (RDA) and Statement of Effort (SOE) as a sub-award (15 U.S. Code, Section 3715) from ENERGYWERX. However, after discussions with the Government, successfully negotiated awards may fall under (but are not limited to) alternate mechanism of awards/interactions with any combination of these categories:

- Cooperative Research and Development Agreement (15 U.S. Code, Section 3710a)
- OTA for research or prototype projects (10 U.S. Code Sections 4021, 4022)
 - An award under 10 U. S. Code, Section 4022 may result in the further award of a follow-on production agreement without additional competition based on successful prototype completion. The Government may make this follow-on production award even if all successful prototype criteria are not fully met during the prototype project.
- Procurement for experimental purposes (10 U.S. Code Section 4023)
- Prizes for advanced technology achievements (10 U. S. Code Section 4025) and/or prize competitions (15 U.S. Code 3719)
- FAR-based procurement contract

Q: What is an ENERGYWERX Objective Strategic Session (OSS)/Office Hours?

A: Interested participants join a virtual, open forum session to engage with Government Partners, Subject Matter Experts (SMEs), and other potential applicants regarding the Government's desired focus area(s) of interest.