

Mississippi Development Authority
MS Job Protection through Energy Economic Development

Round 2 Best Practices Guidance Document

PURPOSE:

The purpose of this document is to help potential Applicants prepare competitive applications to the MS Job Protection through Energy Economic Development program funded through the American Recovery and Reinvestment Act of 2009 (ARRA). The goal of this document is to produce a highly qualified group of Applicants to choose from so that these ARRA funds will be spent in the most effective manner possible.

The following sections list characteristics of applications that will make them either more or less likely to receive funding. The first section, Recommended Characteristics, lists elements that will improve the quality of the application. MDA encourages all potential Applicants to take the necessary steps to include each of these characteristics in their application.

The second section, Negative Characteristics, lists elements that will make an application less competitive and less likely to receive funding. MDA recommends that potential Applicants avoid these common pitfalls and ensure that applications avoid these characteristics. Each of these issues is addressed in the Round 2 Funding Opportunity Announcement (FOA). It is in the best interests of Applicants to read this FOA fully and ensure that directions are followed completely. This is a highly competitive program, and small errors or omissions can cause an application to be rated lower and therefore not receive funding.

NOTE: Including the Recommended Characteristics and avoiding the Negative Characteristics does not guarantee funding under Round 2. This is a highly competitive program and not all Applicants will receive funding.

Applications and the required attachments are due to MDA no later than March 31, 2010. Timely submission of the application according to the instructions in the FOA is solely the responsibility of the Applicants.

SECTION 1: RECOMMENDED CHARACTERISTICS

The following characteristics will be looked on more favorably by the review committee and MDA encourages Applicants to include these characteristics in their application. While many are not required, they will likely yield a higher rating for the application.

Adequate Justification – The review committee must be able to adequately understand what the Applicant is proposing in order to fund the proposal. Successful Applicants will supply documentation justifying the cost and energy consumption savings related to their projects, as well as justification for the budget estimates for implementing the proposed projects. The following elements should be included in applications:

- Energy Efficiency – Justification that the proposed project will reduce energy consumption and energy costs. This can be obtained by having a qualified professional assess your property and make recommendations for energy efficiency measures.
- Budget Justification – As stated on Page 9 of the FOA, applications must include a Budget Justification that explains how the cost estimates in the application were

developed and why they are reasonable and justified. This is accomplished by furnishing vendor quotes on the energy conservation measures to be installed or other evidence of the costs of the proposed measures. In addition, the Applicant must explain how they intend to provide the minimum required 25% match (e.g.: a contribution from the Applicant in cash, a bank loan, the value of time contributed by the Applicant's employees to the completion of the project, or donated third party "in-kind" services).

- Job Creation/Retention – The application calls for estimates of job creation and retention as a result of these funds. This should be an honest and accurate estimate. Question #22 of the application asks Applicants to describe the job creation and retention that would result from a funded application. This information must justify the estimates that were given. Applicants that list their entire current workforce as retained based on this funding must justify to the satisfaction of the review committee that this is not an over-estimate.

Complete Applications – Complete applications must be submitted. The application must be completed in full and all required attachments must be included in the package. Pages 9 and 10 of the FOA detail the required attachments that must be supplied with the application. Applicants must submit an original and six (6) copies of their application package.

- Complete the Application – Applicants should answer all questions on the application in full and include as much information as possible. This will allow the review committee to fully understand the Applicant and proposed project.
- Submit Required Attachments – Applicants must provide all of the required attachments to the application. Failure to do so may result in disqualification. This includes one copy each of Audited Company Financial Statements and historical Energy Bills. Submission of partial financial statements or energy bills is not acceptable.
- Submit Required Exhibits – There are three (3) forms at the back of the application, Exhibits A, B, and C. Ensure that they are filled out, signed, and included in the application package.

Maximum Project Impact – Because this is a highly competitive application process, Applicants with projects that produce maximum impacts to their economic outlook, their energy consumption, and the local job market will rate higher.

- Energy Consumption Reduction – The goal of this program is to reduce energy consumption by 25%. Therefore, those applications that reach a projected 25% reduction in energy consumption will be more competitive. Applicants that can confirm those savings projections, either through a previous energy audit or from a professional, will be more competitive.
- Comprehensive Mix of ECMs – Applications that include a comprehensive mix of energy conservation measures (ECMs) could be more likely to achieve higher energy consumption reductions. Applicants would be well served to look at potential savings in multiple categories of Eligible Projects (see Page 3-4 of the FOA).
- Short Payback Period – MDA will endeavor to fund only those projects with payback periods of less than 10 years. This ensures that these taxpayer funds are used in the most effective and efficient manner possible. Using a comprehensive mix of ECMs can lead to a lower payback period.
- Economic Impact – Higher energy cost savings will be considered more favorably, as they result in a greater economic impact on the Applicant and the Applicant's ability to create and/or retain jobs.

SECTION 2: NEGATIVE CHARACTERISTICS

MDA recommends that Applicants avoid the following characteristics when developing their applications. These elements will reduce the Applicant's scores and may also result in disqualification of the application.

Ensure Minimum Requirements Are Met – There are minimum requirements that must be met in order for an application to be considered. MDA requires that Applicants meet the following requirements:

- Minimum Grant Request – The minimum amount an Applicant can request is \$20,000. The grant request, not including the Applicant's match contribution, must exceed \$20,000 in order to be considered. Applications proposing work on multiple locations are not allowed (see Page 3 of the FOA); therefore, the \$20,000 minimum must be at a single location.
- Minimum of 25% match – Applicants must supply a minimum of 25% of the total project cost in either cash or in-kind contributions. This is 25% of the total project cost, not 25% of the grant request. See Page 5 of the FOA.
- Energy Consumption Reduction – Successful Applicants must reduce the overall energy consumption at their facilities through a reduction in kWh, therms, or BTUs. Applications that result in greater consumption of energy, even if energy is consumed at a lower/slower rate, will not qualify under this program. These funds will only go to Applicants that can demonstrate that energy consumption at their current facility will decrease. According to the U.S. Department of Energy, increases in production/process efficiency are not the same thing as energy efficiency improvements and will therefore not be funded.
- Complete Applications – Applicants that leave questions unanswered in the application or do not submit/sign all required attachments may be disqualified from consideration. Applicants that do not submit justification and/or descriptions, where required, will rate lower as well.

Ensure Program Requirements Are Met – Applicants must read the guidelines of the program as stated in the FOA and develop their applications in accordance with the statements in that document. The following characteristics should be avoided:

- Multiple Project Location - Applicants can propose energy efficient improvements to multiple buildings within the same complex or on the same site but cannot include multiple locations from around the state on the same application. An Applicant may, if they choose, submit multiple applications for multiple sites, but no Applicant will receive funding for more than one project.
- Project Underway – This program will not fund projects that have already begun. There are many federal and state requirements that must be addressed prior to commencement of work. Therefore, any project that has begun prior to the execution of a grant agreement with MDA will not receive funding under this program.
- Long Payback Period – MDA will endeavor to fund only those projects that have a Payback Period of 10 years or less. Projects that result in longer Payback Periods, such as purely renewable systems, will be less competitive and Applicants should consider different projects.