



# Frequent Questions about the National Clean Investment Fund

The National Clean Investment Fund competition will provide grants to 2–3 national nonprofit clean financing institutions capable of partnering with the private sector to provide accessible, affordable financing for tens of thousands of clean technology projects across the country.

These national nonprofit financing entities will enable families, small businesses, communities and many others to access the capital they need to install cost-saving and air pollution reducing clean technology projects—with at least 40% of capital flowing into low-income and disadvantaged communities.

The Notice of Funding Opportunity for this competition details the application requirements and formally requests applications.

**Note that there will be limited, if any, updates to the frequently asked questions until grantees are selected in Spring 2024.**

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## On this page:

- **General Program Questions**
  - [Application Logistics](#)
  - [Program Logistics](#)
- **Applicant Eligibility and Threshold Eligibility**
  - [Applicant Eligibility](#)
  - [Other Threshold Eligibility](#)
- **Contractors and Subrecipients**
  - [Contractors](#)
  - [Subrecipients](#)
- **Competition Terminology**
  - [Financial Assistance](#)
  - [Qualified Projects](#)
  - [Priority Projects](#)
  - [Priority Projects: Distributed Energy Generation and Storage](#)

- [Priority Projects: Net-Zero Emissions Buildings](#)
  - [Priority Projects: Zero-Emissions Transportation](#)
  - [Low-Income and Disadvantaged Communities](#)
  - [Other](#)
  - **Application Components and Evaluation Criteria**
    - [Application Components](#)
    - [Evaluation Criteria](#)
    - [Review and Selection Process](#)
  - **Award Administration**
    - [National Policy Requirements](#)
    - [Fund Drawdown Mechanics](#)
    - [Program Income Requirements](#)
    - [Reporting Requirements](#)
    - [Other](#)
- 

# General Program Questions

## Application Logistics

**Whom can I contact with technical questions that are not addressed in a current solicitation notice or in these FAQs?**

- Please email [GGRF@epa.gov](mailto:GGRF@epa.gov).

**Can an applicant submit multiple applications to the NCIF?**

- Applications must be submitted by an individual applicant or a lead applicant of a coalition that has not already submitted an application to the NCIF as an individual applicant or a lead applicant of a coalition. Applicants submitting more than one application will be contacted to determine which application EPA will evaluate, with the remaining application(s) deemed ineligible.
- Refer to Section III.C: Threshold Eligibility Criteria of the Notice of Funding Opportunity.

**Can an applicant submit applications to more than one GGRF competition?**

- An applicant may submit an application to more than one GGRF competition. For example, a nonprofit organization that is an eligible recipient may submit an individual application or serve as the lead applicant of a coalition application to both the NCIF competition and the CCIA competition.
- Refer to Section III.C: Threshold Eligibility Criteria of the Notice of Funding Opportunity.

**Can an organization participate in multiple applications as a non-lead coalition member?**

- Yes. An organization may participate in one or several coalition applications as a non-lead coalition member. This holds even if the organization has submitted an application as an individual applicant or

a lead applicant of a coalition.

- Refer to Section III.A: Eligible Applicants of the Notice of Funding Opportunity.

### **How many grant awards does EPA anticipate making under this competition?**

- EPA anticipates making 2–3 grant awards, depending on EPA funding levels, quality of applications received, EPA priorities, and other applicable considerations.
- Refer to Section II.A: Number and Amount of Awards of the Notice of Funding Opportunity.

### **When is the deadline for submitting applications?**

- The deadline for submitting applications is October 12, 2023 at 11:59 PM (Eastern Time) through Grants.gov.

### **Is there a Notice of Intent requirement for this competition?**

- No. Unlike the Solar for All competition, there is no Notice of Intent requirement for this competition.

### **When does EPA plan to start making awards?**

- EPA anticipates making selections by March 2024. EPA anticipates that programs funded under this opportunity will start by July 2024.

### **What happens if an organization is a named subrecipient under two coalition applications with the same activities proposed for that organization—and both applications are selected for funding?**

- If both applications are selected and fully funded, then the subrecipient would receive both subawards for the same activities under both selected applications. Note that the subrecipient would not be able to charge the same costs to more than one subaward, as that would violate 2 CFR § 200.403(f) and 2 CFR § 200.405(c). In the absence of partial funding, therefore, the subrecipient would be expected to conduct the activities under both selected applications (i.e., the same activities twice).
- As stated in Section II.D: Partial Funding of the Notice of Funding Opportunity, however, “EPA reserves the right to partially fund applications by funding discrete portions or phases of proposed programs.” Therefore, EPA may opt to partially fund one of the two applications such that the subrecipient is only provided one of the two subawards.
- However, there may be limitations on the extent to which EPA is able to partially fund just one of the two applications. As stated in Section II.D: Partial Funding of the Notice of Funding opportunity, “[i]f EPA decides to partially fund an application, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the application, or portion thereof, was evaluated and selected for award, and therefore maintains the integrity of the competition and selection process.”

## **Program Logistics**

### **How can individuals and organizations seeking financial assistance for qualified projects obtain that financial assistance?**

- Unlike a typical grant program, EPA will not provide grants directly to projects. Rather, EPA will provide grants to eligible applicants that will become grantees, and those grantees will ultimately provide the

financial assistance communities need to successfully deploy emissions- and air pollution-reducing projects.

- Individuals and organizations seeking financial assistance for qualified projects will need to engage grantees, rather than engaging EPA. However, EPA will announce grantees publicly after selections are made.

### **Will the Partner Connection Forms be re-opened?**

- The forms are now closed, and organizations may no longer submit a partner connection request. In accordance with the guidance provided on the optional partner connection forms, EPA is not able to share the partner connection lists if requested via email.
- EPA has already responded to those who have submitted their information as part of the Partner Connection Forms. If you believe you have submitted such information but have not received an email from EPA, please check your spam folder.

### **How will grantees and subgrantees apply the definitions of qualified projects or priority projects after receiving grant awards?**

- Grantees and subgrantees will each independently apply the definition of qualified projects to determine the eligibility of projects to receive financial assistance. EPA will review the eligibility of projects to receive financial assistance in accordance with the terms and conditions of the financial assistance agreements.
- Grantees and subgrantees will each independently apply the definition of priority projects to determine which projects fall within the three priority project categories.
- EPA anticipates that applications for grant funding will include details on how applicants plan to prioritize different types of projects for funding. Applications that are selected for funding and that include these details would then be expected to implement the prioritization during the grant period of performance.

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# **Application Eligibility and Threshold Eligibility**

## **Applicant Eligibility**

### **Who is eligible for an award under this competition?**

- An applicant that is eligible to receive a grant under this competition must be an “eligible recipient,” which is defined in Section 134(c) of the Clean Air Act as an organization that: (a) is a non-profit; (b) is designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services; (c) does not take deposits other than deposits from repayments and other revenue received from financial assistance provided using grant funds under this program; (d) is funded by public or charitable contributions; and (e) invests in or finances projects alone or in conjunction with other investors.
- An eligible recipient may apply to this competition as either an individual applicant or a “lead applicant” in a coalition. An individual application is composed of an individual eligible recipient

without any named subrecipients. A coalition application is composed of one lead applicant, which partners with one or more non-lead coalition members that are named in the application and that would receive subawards to carry out a portion of the grant's activities if the application is selected, with the lead applicant being an eligible recipient and the non-lead coalition members being either eligible recipients or other types of organizations eligible for subawards under the [EPA Subaward Policy](#).

- Refer to Section III.A: Eligible Applicants of the Notice of Funding Opportunity for additional detail on considerations for eligibility.

### **Does an organization need to have 501(c)(3) status to meet the definition of Nonprofit organization set forth in 2 CFR § 200.1?**

- No. Internal Revenue Code 501(c)(3) Federal tax-exempt status is one means that an organization can use to demonstrate that it meets the definition of Nonprofit organization set forth in 2 § CFR 200.1.
- However, 501(c)(3) status is not a requirement of meeting this definition, and organizations may use other means (such as documentation that they are incorporated as nonprofits under state or tribal law) to meet the definition of Nonprofit organization set forth in 2 CFR § 200.1.

### **How can an organization demonstrate that it has an “organizational mission consistent with being ‘designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emissions products, technologies, and services’?”**

- EPA has provided detailed instructions on the types of documentation that applicants may submit to support a favorable eligibility determination in Section III.A: Eligible Applicants and Section III.C: Threshold Eligibility Criteria of the Notice of Funding Opportunity.
- For example, as described in Section III.C: Threshold Eligibility Criteria, applicants seeking eligibility “must explain how an applicant meets the definition of eligible recipient and provide supporting evidence (including organizational documents, such as articles of incorporation or similar documents filed with a governmental authority as a condition of carrying out its activities; tax filings; financial statements; investment records; and/or any other information the applicant deems appropriate).”
- EPA staff cannot provide advice to specific applicants on their legal entity status, which may be based on state, tribal, or local law. EPA recommends, therefore, that applicants consult with their own attorneys on eligibility before investing time and resources to apply for funding.
- Refer to Section III.A: Eligible Applicants and Section III.C: Threshold Eligibility Criteria of the Notice of Funding Opportunity.

### **Would a nonprofit organization with individuals employed by for-profit organizations on its board of directors be deemed “controlled” by non-eligible recipients and therefore be deemed ineligible as individual applicants or lead applicants for coalition applications?**

- Not necessarily. The Notice of Funding Opportunity states that applicants cannot be controlled by one or several entities that are not eligible recipients. It defines control as either “(i) control in any manner over the election of a majority of the directors, trustees, or general partners (or individuals exercising similar functions) or (ii) the power to exercise, directly or indirectly, a controlling influence over management policies or investment decisions, as determined by the EPA.” Refer to Section III.A: Eligible Applicants of the Notice of Funding Opportunity.

- Consistent with this definition, individuals may serve on an eligible applicant’s board of directors while also being employed by for-profit organizations, with these board members not necessarily exhibiting “control” on behalf of their for-profit employers.
- However, there may be cases in which these individuals do exhibit “control.” For example, individuals using their seats on the board of directors to advance the interests of their employer would exhibit control, as would typically be the case with a non-profit subsidiary of a for-profit commercial bank or asset manager.

**Could a wholly owned subsidiary of an organization either be (i) an eligible applicant or (ii) receive grant funds from an eligible applicant if the applicant is awarded grant funds?**

- A wholly owned subsidiary of an organization may be an eligible applicant if it meets the requirements of being an eligible applicant as detailed in the Notice of Funding Opportunity. Since one of these requirements is not being “controlled by one or several entities that are not eligible recipients,” the parent organization as well as the wholly owned subsidiary must each be eligible recipients. For example, if either the parent organization or the wholly owned subsidiary is a for-profit firm (including any type of for-profit firm, such as a public benefit limited liability company), then the application would not be eligible. The non-profit status, rather than the tax status, is determinative.
- A wholly owned subsidiary of an organization may receive grant funds from an eligible applicant, with the subsidiary then managing and distributing grant funds. This transfer of funds from a grantee to a wholly owned subsidiary must be characterized as either a subaward, participant support costs, or procurement contract (i.e., as a transfer of funds from one entity to another entity, rather than as a transfer of funds within operating divisions of a single entity) and would therefore need to comply with the respective requirements, including personal and organizational conflicts of interest. Any transactions would be subject to [EPA’s Final Financial Assistance Conflict of Interest Policy](#) and applicable terms and conditions.
- Please refer to the following question on whether a for-profit wholly owned subsidiary would be eligible as a non-lead coalition member: “Can private capital providers, such as for-profit commercial banks and asset managers, be included as coalition members on applications to the National Clean Investment Fund?”

**Could existing entities be eligible applicants to this competition?**

- Yes; if an existing entity is an eligible applicant, then it would be eligible to apply to this competition.
- Refer to Section III.A: Eligible Applicants of the Notice of Funding Opportunity.

**Can private capital providers, such as for-profit commercial banks and asset managers, be included as coalition members on applications to the National Clean Investment Fund?**

- As explained in Section III.A: Eligible Applicants, coalition members must receive grant funds in the form of subawards to carry out a portion of the grant’s activities if the application is selected.
- It is unlikely that applicants can name for-profit companies as coalition members that would receive subawards while still demonstrating compliance with the requirements described in Section III.B: Named Contractors and Named Subrecipients of the Notice of Funding Opportunity. This is because a subaward cannot generate profits for a for-profit entity.



- However, it is possible for a for-profit entity to receive a subaward in accordance with the EPA Subaward Policy. For example, if the for-profit entity carries out a portion of the grant’s activities by making loans for qualified projects under terms that comply with program income rules (which preclude subrecipients from generating profits for their owners or shareholders), then the for-profit entity may be eligible as a subrecipient with prior EPA approval. Applicants may reach out about questions on applicant eligibility to [GGRF@epa.gov](mailto:GGRF@epa.gov).
- Refer to Section III.B: Named Contractors and Named Subrecipients of the Notice of Funding Opportunity as well as [Appendix A of the EPA Subaward Policy](#).

**In the application, will private capital providers, such as for-profit commercial banks and asset managers, be treated as contractors that, if named, must follow the requirements for named contractors described in Section III.B: Named Contractors and Named Subrecipients?**

- These private capital providers will not necessarily be treated as contractors for the purposes of Section III.B: Named Contractors and Named Subrecipients of the Notice of Funding Opportunity.
- The contractors covered in that section are “procurement contractor(s) to conduct work proposed in this application.” Procurement contractor(s) are consultants and other professional service providers that support the grant recipient (or subrecipients); refer to 2 CFR § 200.331. Private capital providers that are named in the application may not be considered procurement contractors.
- If an applicant proposes to provide financial assistance through acquisitions of intangible property from private capital providers, then those private capital providers are unlikely to be procurement contractors—even though the acquisitions of intangible property are considered contractors.
- If an application proposes to partner with private capital providers in other ways that involve transfers of EPA funds to those private capital providers, then applicant will need to meet the corresponding requirements.

**Are community lenders able to receive funds as “coalition members” on the NCIF and CCIA?**

- It depends. If a community lender meets the requirements of being a coalition member in the Notice of Funding Opportunity, then the community lender is eligible to receive funds as a coalition member. Refer to Section III.A: Eligible Applicants of the Notice of Funding Opportunity.
- For NCIF, please note that an applicant may wish to consider the evaluation criteria for 3. Centralization, Comprehensiveness, and Cohesiveness when considering naming community lenders in the application.
- For CCIA, please note that an applicant may wish to consider the responses to the following two question on the CCIA Frequent Questions webpage: “can a coalition member provide financial assistance to projects under the CCIA?” and “would community lenders be considered ‘coalition members?’”

**Can an application name non-profit partners that would originate loans under the proposed program? Would these non-profit partners be considered coalition members?**

- An application can name non-profit partners that would originate loans under the proposed program.
- If those non-profit partners would receive subawards in the form of subgrants to carry out a portion of the grant’s activities if the application is selected, then they would be treated as named subrecipients and would be required to be coalition members on the application.

- However, if those non-profit partners would receive financial assistance to qualified projects (such as warehouse loans, preferred equity investments, and loan guarantees as well as participation in loan purchasing programs, as described in the definition of financial assistance in Section I.D: Competition Terminology of the Notice of Funding Opportunity), then they would not be considered as named subrecipients—even if the form of financial assistance is a subaward.
- Refer to the following question for additional details: “How should applicants treat community lenders and other transaction partners?”

## Other Threshold Eligibility

### **Is an application required to be national in scope? If so, how can an application meet this requirement?**

- Yes, applications must be national. Applications that do not propose providing financial assistance to qualified projects in each of the ten EPA regions will not be considered as “national” and therefore will not be considered as eligible.
- Specifically, the program plan must propose providing financial assistance to qualified projects in each of the ten EPA regions. There is no minimum amount of financial assistance necessary to meet this requirement in each region.
- If submitting a coalition application, the program plan may meet this requirement through the activities of the lead applicant and non-lead coalition members.
- Refer to Section III.C: Threshold Eligibility Criteria of the Notice of Funding Opportunity.

### **Is an application required to cover all three priority project categories?**

- No. Applications are expected to either cover each of the priority project categories in their investment strategies or provide a rationale for why any of the priority project categories are not covered. Any application with such a rationale will not be penalized and will instead be awarded points based on the strength of the rationale.
- Any project that meets the requirements of a qualified project is eligible for support under this competition.
- Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.

### **What does it mean for at least 40% of grant funds to be used for the purposes of providing financial assistance in low-income and disadvantaged communities?**

- Applicants must include a program budget that allocates at least 40% of grant funds for the purposes of providing financial assistance in low-income and disadvantaged communities.
- Refer to Appendix C: Guidance for Low-Income and Disadvantaged Community Expenditures for guidance on assessing expenditures against the 40% minimum requirement.

### **For coalition applications, is one Memorandum of Agreement required from the entire coalition—or are separate Memoranda of Agreement between the lead applicant and each coalition member acceptable?**

- Either of these two options would fulfill the requirement that coalition applications include “a signed Memorandum of Agreement that confirms participation of each coalition member,” as described in



# Contractors and Subrecipients

## Contractors

### **Is procurement of goods only evaluated by the lowest price?**

- As provided in 2 CFR § 200.321(b)(2)(iii), contracts in excess of \$250,000 must be awarded to the offeror whose proposal is most advantageous to the grantee, with price and other factors considered. Note that this assumes that the contract in question is not for Architectural and Engineering services for work that is legally required to be performed by a licensed member of an Architectural and Engineering firm.

### **What is the citation to the Comptroller General Opinion regarding the applicability of the consultant fee cap to law firms?**

- The citation is as follows: 61 Comp. Gen. 69 (1981).

### **Do contractors and/or those receiving financial assistance from grantees need a SAM.gov registration and/or a Unique Entity Identifier (UEI)?**

- Contractors do not need to have either a SAM.gov registration or a UEI.
- However, all subrecipients (including both coalition members as well as subrecipients that receive financial assistance in the form of subawards) will need a UEI, although they will not need a SAM.gov registration.

### **How do the competitive procurement requirements apply to purchase of insurance? Should insurance be purchased through a broker and/or through a pool of qualified entities on SAM that can provide a bid?**

- Competition requirements in 2 CFR Parts 200 and 1500 as well as EPA's 40 CFR Part 33 Disadvantaged Business Rule apply when using EPA financial assistance funds to purchase insurance if the grantee intends to charge all or part of the cost for the policy directly to an EPA financial assistance agreement. Note that costs for insurance are subject to the allowability requirements described in 2 CFR § 200.447.
- Grantees may purchase insurance through a broker as long as the process the broker follows in soliciting offers from insurance carriers complies with competition requirements described in the applicable regulations. Alternatively, grantees may solicit offers from qualified sources for insurance themselves as long as their process complies with regulatory competition requirements.

### **Is there any additional information EPA can provide for the standard for “sole-source contracts” within [EPA's Best Practice Guide for Procuring Services, Supplies and Equipment Under EPA Assistance Agreements \(pdf\)](#)?**

- EPA does not accept justifications for sole source contracts for services or products available in the commercial marketplace based on a contractor's role in preparing an application or existing relationships that an applicant may have established without complying with competitive

procurement requirements. Unique qualifications are not an adequate justification for sole source contracts.

- As noted in the Best Practice Guide, “[s]ole-source contracts in excess of the micro-purchase threshold should be rare.” Situations in which EPA may approve sole source contracts are generally limited to those in which a patent, copyright, or equipment maintenance agreement with the manufacturer are in place; the service or product demonstrates that an item is available from only one firm; or there is an emergency (e.g. a natural disaster) that precludes competitive contracting.
- As a reminder, applications must comply with the requirements for named contractors and subrecipients as described in Section III.B: Named Contractors and Named Subrecipients of the Notice of Funding Opportunity. Failure to demonstrate compliance with these requirements will result in rejection of the application.

## Subrecipients

### **What is the difference between a subrecipient, subawardee, and a subgrantee?**

- 2 CFR § 200.1 defines a Subaward as “an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity.” 2 CFR § 200.1 defines a Subrecipient as “an entity...that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award.”
- The terms “subrecipient” and “subawardee” are equivalent.
- The term “subgrantee” is a particular type of subrecipient/subawardee, which receives a Subaward in the form of a subgrant as opposed to another form of a Subaward (such as a loan originated by a grantee).

### **Can second-tier subrecipients provide financial assistance to qualified projects?**

- It depends on the type of subrecipient.
- As stated in the Notice of Funding Opportunity, a second-tier subrecipient that is a subgrantee (i.e., that receives a subgrant from a first-tier subrecipient, such as a non-lead coalition member) may not use the subgrant to provide financial assistance to qualified projects. For example, a non-lead coalition member may not provide a subgrant to another organization for that organization to then provide financial assistance to qualified projects—but a non-lead coalition member may provide a subgrant to another organization for that organization to then engage in predevelopment, market-building, and program administration activities.
- However, a second-tier subrecipient that is not a subgrantee (i.e., that receives financial assistance to qualified projects in the form of a subaward, such as a loan) may use the subaward to provide financial assistance to qualified projects. For example, a non-lead coalition member may provide financial assistance in the form of a loan to a community lender so that the community lender can then provide financial assistance to qualified projects.
- Refer to Section III.D: Allowable and Unallowable Costs of the Notice of Funding Opportunity.

### **What are the requirements on those receiving financial assistance when that financial assistance is characterized as a subaward?**

- EPA anticipates considering all awards made under this competition as capitalizations of revolving loan funds for the purposes 2 CFR § 1500.8(d). As a result, those receiving financial assistance characterized as a subaward (i.e., loan) will not be subject to the [EPA Subaward Policy](#).
- However, those subawards will still be subject to a subset of the grant regulations on subrecipients in 2 CFR Part 200, as detailed in 2 CFR § 200.101. The 2 CFR § 200.303 Internal controls requirements will apply to the borrower, and the NCIF grantee will need to comply with the 2 CFR § 200.331–333 Subrecipient Monitoring and Management requirements. No other provisions of 2 CFR Parts 200 and 1500 will apply, such as the procurement standards or indirect cost provisions of 2 CFR § 200.414, although the 2 CFR Part 200 Subpart F Audit Requirements will apply to the extent described in 2 CFR § 200.502.
- Statutory requirements, such as the Clean Air Act Section 314 Davis-Bacon and Related Acts and the Build America, Buy America provisions of the Infrastructure Investment and Jobs Act will also apply.

**What are the requirements on community lenders that receive financial assistance in the form of financial products from NCIF grantees, and how does this differ from the requirements on community lenders that receive capitalization funding in the form of subgrants and/or subsidies from CCIA grantees?**

- It depends on the type of financial assistance that the community lender would receive from the NCIF grantee and the type of funding that the community lender would receive from the CCIA grantee.
- For NCIF, if the financial assistance is in the form of a subaward such as a loan or similar debt instrument, then the 2 CFR § 200.303 Internal controls requirements will apply to the borrower, and the NCIF grantee will need to comply with the 2 CFR § 200.331–333 Subrecipient Monitoring and Management requirements. No other provisions of 2 CFR Parts 200 and 1500 will apply, such as the procurement standards or indirect cost provisions of 2 CFR § 200.414, although the 2 CFR Part 200 Subpart F Audit Requirements will apply to the extent described in 2 CFR § 200.502. Statutory requirements, such as the Clean Air Act Section 314 Davis-Bacon and Related Acts and the Build America, Buy America provisions of the Infrastructure Investment and Jobs Act will also apply. If the financial assistance is in the form of participant support costs or an acquisition of intangible property, then these regulations applicable to subrecipients in the grant regulations will not apply—but statutory requirements will apply. EPA will provide additional guidance on compliance with statutory requirements in the terms and conditions of the grant agreement.
- For CCIA, community lenders that receive capitalization funding in the form of subgrants will be subject to all of the grant regulations on subrecipients in 2 CFR Part 200 as well as the [EPA Subaward Policy](#). However, community lenders that receive capitalization funding in the form of Participant support costs will not be subject to the grant regulations on subrecipients in 2 CFR Part 200 or the [EPA Subaward Policy](#)—but statutory requirements will apply. EPA will provide additional guidance on compliance with statutory requirements in the terms and conditions of the grant agreement.

**Do for-profit CDFIs need a waiver from the EPA Subaward Policy to receive subawards as non-lead coalition members in the NCIF or as community lenders receiving capitalization funding and technical assistance subawards in the CCIA?**

- A waiver of the restrictions in [Appendix A of the EPA Subaward Policy \(pdf\)](#) on the eligibility of for-profit firms for subawards will not be necessary for for-profit CDFIs to receive these subawards, provided other requirements described in the Notice of Funding Opportunity are met.

- Since CDFIs that receive these subawards would not be providing professional services or commercial products to the grantee without competing for a procurement contract, the restrictions in Appendix A on subawards to for-profit firms are not applicable. A class waiver of the EPA Subaward Policy, therefore, is not required for the EPA Award Official to approve subawards to non-lead coalition members in the NCIF or to community lenders receiving capitalization funding and technical assistance subawards in the CCIA.
- Nonetheless, this determination is conditioned upon the EPA Award Official's receipt of a statement by the prime grantee (either an individual applicant or a lead applicant of a coalition application) that the for-profit CDFIs receiving subawards have agreed to comply with the [General Term and Condition](#) "Management Fees," which is incorporated by reference in EPA's General Term and Condition "Establishing and Managing Subawards." These terms and conditions, consistent with 2 CFR § 200.402, preclude subrecipients from receiving EPA funds in amounts in excess of allowable direct and indirect costs and apply to program income as well pursuant to 2 CFR § 1500.8(b).
- By accepting EPA funds as subrecipients, "program income" from financial assistance provided with those funds (including loan and other origination fees, interest payments, principal repayments, dividends from equity investments, interest from short-term securities, asset sales, and other sources of program income) may only be used for allowable direct and indirect costs associated with financing and servicing that financial assistance or to accumulate capital to provide more financial assistance. Program income must be accounted for and used under EPA's rules relating to program income, which are referenced in the Notice of Funding Opportunity.
- Further, the [EPA Subaward Policy](#) states: "Pass-through entities make subawards to other organizations to carry out a portion of the Federal award under terms that establish a financial assistance relationship to accomplish a public purpose that is authorized under a Federal program. Subrecipients only receive reimbursement for their actual direct or approved indirect costs such that they do not 'profit' from the transaction and subrecipients are subject to the same Federal requirements as the pass-through entity." The "Management Fees" General Term and Condition "flows down" to subrecipients as expressly stated in the "Establishing and Managing Subawards" General Term and Condition and applies to program income, pursuant to 2 CFR § 1500.8(b).
- The statement in the CCIA Notice of Funding Opportunity advising that any entity meeting the U.S. Treasury's requirements in 12 CFR 1805.201 for a community development financial institution (CDFI) is "quasi-public," which includes for-profit entities, did not indicate that EPA would either (i) allow for-profit subrecipients to charge fees to recover amounts over and above their direct and indirect costs to use for general operating expenses unrelated to performing the subgrant or to pay dividends to shareholders or (ii) exempt for-profit subrecipients from program income requirements.

**Can a grantee provide a for-profit subsidiary a subaward (rather than a contract) in exchange for the subsidiary providing services to the grantee?**

- No. The [EPA Subaward Policy](#) precludes recipients of EPA funding from making subawards to for-profit firms to acquire services that are available in the commercial marketplace.
- For example, if an applicant proposes that a for-profit subsidiary provides the applicant with services through conducting predevelopment activities, market-building activities, and/or program administration activities, then the transfer of grant funds to compensate the for-profit subsidiary for these services would be considered a contract, rather than a subaward.

- If an applicant wishes to name a for-profit subsidiary as a contractor in the application, then it would need to demonstrate compliance with the requirements in *Section III.B: Named Contractors and Named Subrecipients* of the Notice of Funding Opportunity. As stated in that section: “Applicants must describe the procurement procedures that were followed to hire any contractor(s) named in the application and include information on where and when the Request for Proposals/Request for Qualifications were posted in the applicant’s Cover Page... Failure to demonstrate compliance with these requirements for named contractors in the application will result in rejection of the application.”

### **Are other for-profit entities eligible for subawards? If so, are there any additional requirements that they need to meet for such subawards?**

- Generally, it is unlikely that applicants can name for-profit companies as coalition members that would receive subawards while still demonstrating compliance with the requirements described in Section III.B: Named Contractors and Named Subrecipients of the Notice of Funding Opportunity.
- However, in addition to for-profit CDFIs, it is possible that there are other types of for-profit entities could be eligible for subawards, consistent with the restrictions in [Appendix A of the EPA Subaward Policy \(pdf\)](#).
- Please refer to the following question for the types of restrictions that these for-profit entities would be subject to, should they be deemed eligible for such subawards: “Do for-profit CDFIs need a waiver from the EPA Subaward Policy to receive subawards as non-lead coalition members in the NCIF or as community lenders receiving capitalization funding and technical assistance subawards in the CCIA?”

### **Will subrecipients be permitted to charge indirect costs against their subawards?**

- Subrecipients that receive financial assistance to qualified projects will not be permitted to charge indirect costs against their subawards.
- However, subrecipients that receive subgrants to carry out a portion of the grant’s activities (such as coalition members) will be permitted to charge indirect costs against their subawards.

### **Can a grantee manage funds on behalf of its subgrantees?**

- Yes, but only in compliance with the requirements as described below.
- In accordance with the [EPA General Terms and Conditions](#), which implement 2 CFR § 200.305(b), grantees (which are pass-through entities for the purposes of 2 CFR Part 200) may only draw funds for the minimum amounts needed for actual and immediate cash requirements; disbursements to subgrantees’ for their actual and immediate cash requirements occurring within 5 business days of drawdown comply with this requirement. In other words, in accordance with the EPA General Terms and Conditions, grantees may not draw down the full or partial amount of a subgrant, hold those funds in their own bank account, and then disburse the funds to the subgrantee when the subgrantee needs to liquidate obligations (e.g., pay contractors or personnel). Similarly, in accordance with the EPA General Terms and Conditions, grantees may not draw down EPA funds and disburse the full or partial amount of the subgrant to the subgrantee without regard for the subgrantee’s actual and immediate cash requirements to liquidate obligations.
- Grantees also may not draw down the full or partial amount of the subgrant or liquidate the obligations on behalf of the subgrantee as a “fiscal agent” without regard to the subgrantee’s actual and immediate cash requirements.



- Note that EPA will discuss departures from the EPA General Terms and Conditions with selected applicants, as described in Section VI.B: Grant Drawdown Schedule of the Notice of Funding Opportunity.

### **Does EPA have a policy on personal and organizational conflicts of interest governing relationships between grantees and subrecipients (including but not limited to coalition members)?**

- Yes. Section I.H: Additional Provisions for Applicants Incorporated into the Funding Opportunity in the Notice of Funding Opportunity references the [EPA Solicitation Clauses](#). The EPA Solicitation Clauses reference [EPA's Final Financial Assistance Conflict of Interest Policy \(COI Policy\)](#) in Item VI q.
- EPA urges applicants to pay close attention to the personal and organizational conflict of interest disclosure, elimination, mitigation, and neutralization requirements for subawards specified in the COI Policy.

### **Is a transaction partner, as described in 1.2.4.3 Transaction Partnerships Plan, a distinct and separate category from a subrecipient or a contractor?**

- The characterization of the transaction partner (as a subrecipient, a contractor, or another characterization) will depend on how grant funds are transferred from the recipient to the transaction partner through the financial transaction.
- However, for the purposes of the application, transaction partners that receive financial assistance to qualified projects with grant funds are not considered named subrecipients—even if the form of financial assistance is a subaward. Refer to the following question for additional details: “How should applicants treat community lenders and other transaction partners?”

## **Competition Terminology**

### **Financial Assistance**

#### **Is financial assistance provided by a recipient or subrecipient under the Greenhouse Gas Reduction Fund considered federal financial assistance under 2 CFR 200.1?**

Most financial assistance will be considered *federal financial assistance* under 2 CFR 200.1. Recipients and subrecipients under EPA's Greenhouse Gas Reduction Fund programs—the National Clean Investment Fund (NCIF), Clean Communities Investment Accelerator (CCIA), and Solar for All (SFA)—will provide financial assistance to eligible projects. Financial assistance under these programs will be in the form of subawards, participant support costs, and acquisitions of *Intangible property*, as defined in 2 CFR 200.1, with the characterization dependent on the nature of the financial assistance. *Federal financial assistance* under the Greenhouse Gas Reduction Fund therefore includes financial assistance to eligible projects in the form of subgrants, subsidies, loans, and other financial instruments that are subawards or participant support costs; loan guarantees are also considered *federal financial assistance*, but the federal financial assistance is typically provided to the lender whose loan is guaranteed (rather than the borrower of the loan). Note that acquisitions of intangible property are only eligible under NCIF and CCIA, rather than SFA. EPA has determined that financial assistance in the form of subawards and participant support costs are



considered *Federal financial assistance* under 2 CFR 200.1, while acquisitions of intangible property are not considered *federal financial assistance* for the purposes of that regulation.

### **Under the Greenhouse Gas Reduction Fund programs, are there any programmatic restrictions tied to whether individuals and organizations receiving financial assistance can take advantage of tax credits and other forms of financial assistance available from the federal government?**

EPA has not made any programmatic restrictions related to whether individuals and organizations that receive financial assistance for projects under the Greenhouse Gas Reduction Fund (GGRF) can also take advantage of tax credits and other forms of financial assistance available from the federal government. However, there may be restrictions under tax credits or other financial assistance programs that prevent the use of GGRF financial assistance alongside them. Please note that EPA does not provide advice on tax matters or on policies from other federal agencies. Individuals and organizations with questions may contact their tax advisors, the Internal Revenue Service, and the respective federal agencies, as appropriate.

### **Which types of counterparties (i.e., borrowers) are eligible for financial assistance?**

- A full range of counterparties are eligible for financial assistance.
- The Notice of Funding Opportunity states that financial assistance may be provided to various types of counterparties. It provides (as examples) project sponsors as well as community lenders and other similar institutions. These are examples and are not exhaustive—applicants may propose other types of counterparties.

### **Are for-profit companies eligible to receive financial assistance to qualified projects, even if they are not eligible for subawards under the EPA Subaward Policy?**

- Yes. EPA anticipates that it will consider all awards made under this competition as capitalizations of revolving loan funds for the purposes 2 CFR § 1500.8(d), which means that those receiving financial assistance characterized as a subaward (i.e., loan) will not be subject to the [EPA Subaward Policy](#). As a result, for-profit firms may receive grant funds as subrecipients receiving financial assistance to qualified projects.
- Additionally, for-profit firms may receive grant funds as program beneficiaries (if provided with participant support costs) or through transactions involving acquisitions of intangible property for a financial assistance purpose.
- Refer to Section II.F: Funding Type as well as Appendix D.B: Guidance for Financial Assistance in the Budget Table of the Notice of Funding Opportunity.

### **Are there any limits on the amount of financial assistance that can be delivered to a single counterparty or qualified project?**

- EPA has not placed limits on the amount of financial assistance that can be delivered to a single counterparty or qualified project.

### **What are acquisitions of intangible property, and what are the requirements?**

- Acquisitions of intangible property, as defined in 2 CFR § 200.1, are a type of financial assistance allowable under this competition and may include equity investments (including project finance

equity investments, private equity investments, and other forms of equity) and loan purchases. These transactions are procurements subject to competition and conflict of interest requirements in 2 CFR Parts 200 and 1500. These transactions may generate program income, as described in Section I.D: Competition Terminology of the Notice of Funding Opportunity.

### **Are there competitive procurement requirements on acquisitions of intangible property (e.g., equity investments and loan purchases)?**

- Yes; acquisitions of intangible property are generally subject to the 2 CFR Part 200 Procurement Standards, which require competition for purchases in excess of \$10,000 unless a grantee is authorized to use a higher micro-purchase threshold. However, EPA may make case-by-case adjustments as needed through the 2 CFR § 1500.4(a) regulatory exception process to account for unique features of some types of purchases of intangible property.
- An applicant that may need such regulatory exceptions should describe them in the application. If EPA grants a regulatory exception, EPA will include a term and condition in the assistance agreement describing the scope of the exception. EPA may also make exceptions to regulations on a post-award basis in response to a written request from a grantee.
- Note that EPA does not intend to make exceptions to the 2 CFR § 200.318(c) conflict of interest provisions for acquisitions of intangible property.

### **Is providing financial assistance to companies (such as working capital loans) eligible as financial assistance to qualified projects?**

- Section I.D: Competition Terminology of the Notice of Funding Opportunity defines six requirements for a qualified project, which could be a project, activity, or technology.
- Since a company could be a project, activity, or technology, it could be a qualified project.
- As a result, financial assistance to a company could be eligible as financial assistance to a qualified project.
- Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.

### **Can grantees provide financial assistance to qualified projects through the balance sheets of community lenders and other similar institutions?**

- Yes. Community lenders and other similar institutions may receive financial products such as warehouse loans, preferred equity investments, and loan guarantees as well as participate in loan purchasing programs that directly enable them to provide financial products to deploy qualified projects in their communities.
- Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.

### **How should applicants approach forms of financial assistance when the use of proceeds is unknown, as is the case with many lines of credit, given that financial assistance must be provided "to qualified projects?"**

- Financial assistance must be to qualified projects in order to be an allowable cost, as described in Section III.D: Allowable and Unallowable Costs of the Notice of Funding Opportunity.
- As such, if an applicant proposes forms of financial assistance when the use of proceeds is unknown, then the applicant may seek to explain how that financial assistance is an allowable cost. As described in Section III.C: Threshold Eligibility Criteria, if an application is submitted that includes any

unallowable costs, that portion of the application will be ineligible for funding and may, depending on the extent to which it affects the application, render the entire application ineligible for funding.

### **Are equity equivalent investment products (EQ2) eligible as financial assistance?**

- Yes; equity equivalent investment products are eligible as financial assistance.
- However, note that all financial assistance must be to qualified projects, as defined in Section III.D: Allowable and Unallowable Costs of the Notice of Funding Opportunity.
- As described in Section III.C: Threshold Eligibility Criteria, if an application is submitted that includes any unallowable costs, that portion of the application will be ineligible for funding and may, depending on the extent to which it affects the application, render the entire application ineligible for funding.

### **If a grantee provides financial assistance to a qualified project as well as related expenditures that are reasonable and necessary for the qualified project, does the grantee need to pro-rate the financial assistance so that it only reflects the costs of financing the qualified project?**

- No; the related expenditures that are reasonable and necessary for the qualified project can be financed by the grantee such that the grantee need not pro-rate the financial assistance.

### **The NOFO states that there are use and disposition requirements associated with acquisitions of intangible property, as described in 2 CFR § 200.315(a). Are there any use and disposition requirements associated with other forms of financial assistance?**

- While there are a number of requirements within the grant regulations on other forms of financial assistance, there are no similar use and disposition requirements associated with forms of financial assistance other than acquisitions of intangible property.

### **Are “forgivable loans” considered loans, rather than grants, under this competition?**

- Yes. Forgivable loans are considered loans, rather than grants, under this competition. At the time of the financial transaction, the borrower would be expected to repay at least a portion of the loan under certain conditions.
- Refer to the definition of “financial assistance” within Section I.D: Competition Terminology of the Notice of Funding Opportunity, which lists forgivable loans as an example form of debt that would be eligible under this competition—but states that subgrants are not eligible as financial assistance.

### **Does EPA’s Final Financial Assistance Conflict of Interest Policy (COI Policy) apply to loans and other forms of financial assistance made to individuals and organizations to deploy qualified projects?**

- Not directly. Pursuant to section 2.0 (c) of the COI Policy, EPA will establish conflict of interest terms and conditions that will cover loans and other forms of financial assistance that are not covered by the COI Policy. The COI terms and conditions will be similar to the requirements in the COI Policy.

## **Qualified Projects**

### **How do projects meet the requirement of qualified projects that they “would deliver additional benefits (i.e., in addition to primarily reducing or avoiding emissions of greenhouse gases and other air pollutants) to American communities?”**

- Qualified projects must deliver benefits within one or more of the following seven categories: climate change; clean energy and energy efficiency; clean transportation; affordable and sustainable housing; training and workforce development; remediation and reduction of legacy pollution; and development of critical clean water infrastructure. The [Interim Implementation Guidance for the Justice40 Initiative](#) [↗](#) provides examples of benefits aligned to these categories.
- The benefits must be “additional” in that (1) they cannot solely be delivered by meeting the first two requirements of qualified projects (i.e., reducing or avoiding emissions of greenhouse gases and other air pollutants) and (2) the primary benefit must still be reducing or avoiding emissions of greenhouse gases and other air pollutants.
- The Notice of Funding Opportunity was updated on August 11, 2023 (from the original version published on July 14, 2023) to include the three categories of climate change, remediation and reduction of legacy pollution, and development of critical clean water infrastructure.
- Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.

### **What air pollutants are included in "other air pollutants" within the definition of qualified projects?**

- For the definition of “qualified projects,” EPA interprets the phrase “other forms of air pollution” to mean any air pollutant that is listed pursuant to Section 108(a) (or any precursor to such an air pollutant). This includes particulate matter, ozone, carbon monoxide, sulfur dioxide, nitrogen dioxide, and lead, see 40 CFR Part 50, and their precursors (e.g., volatile organic compounds).

### **How do projects meet the requirement of qualified projects that they “may not have otherwise been financed”?**

- This requirement for qualified projects is different from the other requirements in that it is based on a counterfactual of what would have happened in the absence of the provision of grant funds for financial assistance to the project. Consequently, the requirement is that the project “may not” rather than “would not” have been financed.
- Notably, each application’s investment policies are evaluated on the extent and quality to which the application “integrates program-specific factors into the transaction-level investment screening and selection process, consistent with the definition of qualified projects.” EPA anticipates that some applications may develop methodologies to determine how projects meet this requirement.

### **Does the “commercial technology” requirement for qualified projects apply to classes of technologies (e.g., heat pumps)—or individual original equipment manufacturer products (e.g., a specific heat pump brand/model)?**

- The “commercial technology” requirement in the definition of qualified projects applies to classes of technologies.
- For example, financing heat pumps for heating and cooling would meet the commercial technology requirement because heat pumps have been deployed for commercial purposes at least three times for a period of at least five years each in the United States for the same general purpose (heating and cooling).
- A new heat pump brand/model would therefore meet the “commercial technology” requirement, even if it is a new original equipment manufacturer product.

## **Can technologies that have been deployed for consumers meet the “commercial technology” requirement for qualified projects?**

- Yes. “Commercial purposes” refers to deployment as part of a business’s products and/or services (as opposed to e.g., academic research) and encompasses deployment of technologies for consumers, businesses, and other market segments. It is not limited to deployment of technologies to businesses.

## **Are projects that enable the deployment of other qualified projects, such as roof repairs, eligible as standalone qualified projects?**

- No; all projects must be qualified projects to be eligible for financial assistance.
- However, a roof repair could likely be financed as part of a larger qualified project if it is reasonable and necessary for the larger qualified project.
- Please refer to the following question on when grantees can provide financial assistance to support related expenditures for a larger project: “Can grantees provide financial assistance to support related expenditures for a larger project?”

## **How do the requirements of qualified projects apply to individual projects that may be financed by a grantee, especially the requirement that projects are “consistent with the climate goals of the United States?”**

- A project must meet all six requirements at the time of financing to be eligible as a “qualified project.”
- Each individual project must reduce or avoid greenhouse gas emissions, consistent with the climate goals of the United States to reduce greenhouse gas emissions 50-52 percent below 2005 levels in 2030, reach 50 percent zero-emission vehicles share of all new passenger cars and light trucks sold in 2030, achieve a carbon pollution-free electricity sector by 2035, and achieve net-zero emissions by no later than 2050. To be consistent with these climate goals, each individual project does not need to reduce greenhouse gas emissions 50-52 percent but rather be consistent with the achievement of these economy-wide goals.
- Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.

## **Will EPA confirm particular projects, activities, or technologies as meeting the definition of qualified projects during the application period?**

- EPA does not intend to confirm whether particular projects, activities, or technologies meet the definition of qualified projects during the application period.
- Any project that meets all six requirements of a “qualified project” is eligible for support under this competition. If a project fails any of the six requirements, it is not a qualified project and is therefore not eligible.
- In their applications, applicants should propose projects, activities, and technologies that meet the six requirements and explain why they meet the six requirements in the “project categories” application component.
- Refer to Section I.D: Competition Terminology and Section V.A: Evaluation Criteria of the Notice of Funding Opportunity.

## **Can grantees provide financial assistance to support related expenditures for a larger project (e.g., new construction of a net-zero emissions building or adaptive reuse of an existing building)?**

- It depends on whether the larger project is itself a qualified project—or just contains qualified projects within it.
- If the larger project is itself a qualified project, then grantees can provide financial assistance to support related expenditures (e.g., development costs) that are reasonable and necessary for the overall project. For example, if a new construction or adaptive reuse project is itself a deep energy efficiency project (that meets the definition of a qualified project), then related expenditures that are reasonable and necessary for the overall project would likely be allowable.
- However, if the larger project is not itself a qualified project (but rather just contains qualified projects within it), then grantees cannot provide financial assistance to support related expenditures—even if those expenditures are reasonable and necessary for the overall project. For example, if a new construction project is not a net-zero emissions building or if an adaptive reuse project is not a building decarbonization project, but instead contains limited energy efficiency projects, then those energy efficiency projects would be allowable (if they are qualified projects)—but other expenditures for the larger project would not be allowable.

### **How will the definition of a qualified project change over time?**

- The definition of a qualified project includes six requirements that must be met at the time of financing for a project to be eligible.
- Whether a particular project, activity, or technology meets those requirements may vary over time. For example, a technology may not meet the definition of “commercial technology” in 2024—but could meet the definition in 2030.

### **Does new construction of net-zero emissions buildings need to be in low-income and disadvantaged communities to be eligible as a qualified project?**

- No. While new construction of a net-zero emissions building must be in a low-income and disadvantaged community to be a “priority project,” any qualified project is eligible for support under this competition—not just qualified projects that are also priority projects.
- As a result, new construction of a net-zero emissions building may be a qualified project that is eligible for support, even if it is not in a low-income and disadvantaged community.

### **Does new construction of net-zero emissions buildings need to be for housing to be eligible as a qualified project and/or priority project?**

- No. Any new construction of a net-zero emissions building that is a qualified project is eligible for support under this competition, and the definition of the “net-zero emissions buildings” priority project category is not restricted to housing.

### **Is there any guidance around what baseline should be used to evaluate whether a project can be defined as avoiding or reducing emissions within the definition of qualified projects?**

- EPA has not provided guidance on the baseline to evaluate whether or not a project can be defined as avoiding or reducing emissions.
- However, all projects (including those within priority project categories) must be qualified projects, which requires that they “would reduce or avoid greenhouse gas emissions, consistent with the climate goals of the United States to reduce greenhouse gas emissions 50-52 percent below 2005 levels in 2030, reach 50 percent zero-emission vehicles share of all new passenger cars and light trucks sold



in 2030, achieve a carbon pollution-free electricity sector by 2035, and achieve net-zero emissions by no later than 2050.” Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.

- If EPA deems an applicant’s proposed projects as not meeting this definition, then associated costs in the application would be deemed unallowable. As described in Section III.C: Threshold Eligibility Criteria, that portion of the application would then be ineligible for funding and may, depending on the extent to which it affects the application, render the entire application ineligible for funding.

## Priority Projects

### **Do projects that fall within one of the three priority project categories also need to be qualified projects to be eligible for support?**

- Yes; all projects supported by this competition must be qualified projects. This also applies to projects that fall within the three priority project categories.

### **Where are geothermal projects likely to fit within the priority project categories?**

- Geothermal projects may fit within the distributed energy generation and storage project category—but would need to generate carbon pollution-free electricity in order to fall within the category.
- Geothermal projects may also fit within the net-zero emissions building project category; for example, geothermal heating and cooling is one strategy to support a building in being “free of on-site emissions,” which is one of three requirements for net-zero emissions buildings for the purposes of the application.

### **Where are energy efficiency projects likely to fit within the priority project categories?**

- Standalone energy efficiency projects may fit within the net-zero emissions building project category, as energy efficient building components support a building in being “highly energy efficient,” which is one of three requirements for net-zero emissions buildings for the purposes of the application.
- Additionally, energy efficiency projects may be paired with distributed energy generation and storage projects if those projects are reasonable and necessary for the deployment of the distributed energy generation and storage projects.

## Priority Projects: Distributed Energy Generation and Storage

### **Are certain technologies categorically eligible or excluded from the priority project category of “distributed energy generation and storage?”**

- No; the priority project category is technology-neutral, meaning that there are no categorically eligible or excluded technologies.
- As stated in the Notice of Funding Opportunity, a project, activity, or technology that falls within the priority project category must support “carbon pollution-free electricity,” which is defined as “electrical energy produced from resources that generate no carbon emissions.” This definition aligns with the definition specified in [Executive Order 14057 \(Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability\)](#). [↗](#).

- The Notice of Funding Opportunity does not list specifically eligible or excluded technologies. Specifically, the Notice of Funding Opportunity does not reference the technologies listed in Executive Order 14057.
- Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.

### **What does “enabling infrastructure” mean in the priority project category of “distributed energy generation and storage?”**

- Enabling infrastructure encompasses infrastructure that enables the deployment of small-scale power generation and/or storage technologies (typically from 1 kW to 10,000 kW) that produce carbon pollution-free electricity.
- For example, an electric distribution system upgrade necessary for distributed energy generation and storage project interconnection could fall within the definition of “enabling infrastructure.” The distribution system upgrade could be financed as a standalone project if it met the definition of a qualified project. Alternatively, the distribution system upgrade could be financed as part of a larger distributed energy generation and storage project (even if it was not itself a qualified project) if it was reasonable and necessary to the distributed energy generation and storage project (so long as the distributed energy generation and storage project was a qualified project).
- Note that the definition of “enabling infrastructure” in the National Clean Investment Fund and Clean Communities Investment Accelerator is distinct from the definition of “enabling upgrades” in Solar for All.

### **Are energy efficiency projects part of the definition of “enabling infrastructure?”**

- It depends on the project. However, EPA anticipates that most energy efficiency projects will not be considered “infrastructure.”
- Standalone energy efficiency projects are more likely to fall in the priority project category of net-zero emissions buildings. However, an energy efficiency project that (i) is part of larger distributed energy generation and storage project and (ii) is reasonable and necessary for that project would be eligible, as long as the distributed energy generation and storage project is a qualified project.

### **Are there limits on the amount of funds that can be dedicated to “enabling infrastructure” within the distributed energy generation and storage project category?**

- No; there are no such limits.

## **Priority Projects: Net-Zero Emissions Buildings**

### **What is the definition of a “net-zero emissions building?”**

- As defined in [Executive Order 14057 Implementing Instructions](#), a net-zero emissions building is an efficient, all electric building that is designed and operated so scope 1 and scope 2 greenhouse gas emissions from all facility energy use equal zero on an annual basis, when connected to on-site renewable energy or a regional grid that provides 100 percent carbon-free electricity on a net annual basis. Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.
- For the purposes of the application, in line with this definition, a net-zero emissions building is one that has been verified to be: highly energy efficient, free of on-site emissions from energy use, and

powered solely from renewable energy sources.

## **What are the requirements for a building to be considered a “net-zero emissions building?”**

- For the purposes of the application, a net-zero emissions building is one that has been verified to be: highly energy efficient, free of on-site emissions from energy use, and powered solely from renewable energy sources.
- “Highly energy efficient” means: (i) an existing building that achieves an ENERGY STAR certified score of 75 or higher or performs 35% better than median EUI for buildings ineligible for the score or (ii) a new building that has energy use at least 10% lower than the energy use according to the latest model energy code.
- “Free of on-site emissions” means that the building’s direct greenhouse gas emissions equal zero.
- “Powered solely from renewable energy sources” means that 100% of the building’s energy is from renewable sources (either directly or through market mechanisms).
- EPA may further define the requirements of a net-zero emissions building in the terms and conditions of the grant agreements.

## **Does the source of electricity (e.g., on-site renewable energy and/or regional grid) impact a building’s status as a “net-zero emissions building?”**

- Yes. For the purposes of the application, to be a net-zero emissions building, the building must be powered solely from renewable energy sources (either directly or through market mechanisms).

## **What does it mean for a retrofit of an existing building to make a “substantial contribution” to that building being a net-zero emissions building?**

- The “substantial contribution” requirement means that the retrofit must substantially contribute to moving the building from its current state toward being a net-zero emissions building.

## **What does it mean for a retrofit of an existing building to be “part of a plan for that building achieving zero-over-time?”**

- The “plan for that building achieving zero-over-time” requirement means that the retrofit must be part of a plan for the building achieving zero-over-time, which is a credible plan to move the building from its current state to a future state of being a net-zero-emissions building (generally within 20 years or less). A zero-over-time plan is a tool to ‘right-time’ building improvements such that the building reaches the status of being a net-zero emissions building.
- While EPA has not set specific requirements for what a zero-over-time plan must include, a zero-over-time plan typically includes deep energy efficiency, electrification, and on-site renewable energy projects as well as a timeline to implement those projects that can be aligned with natural trigger points in the building’s life-cycle (e.g., when the roof needs replacing may also be the best time to upgrade the insulation). Lenders, borrowers, and building owners can use a zero-over-time plan to finance the most impactful projects today while also planning a comprehensive timeline of future improvements that results in a net-zero emissions building (generally within 20 years or less).

## **Do projects need to meet the “Guiding Principles” for sustainable buildings and/or the qualification requirements (e.g., checklists or third-party certification systems/standards) set forth in EO 14057 Implementing Instructions to fall within the net-zero emissions building category?**

- No. While applicants may use the “Guiding Principles” and/or the qualification requirements for reference on best practices, these are not required to meet the definition of net-zero emissions buildings.

### **Do projects need to meet specific energy or water use intensity reductions to fall within the net-zero emissions building category?**

- No. While applicants may set specific energy or water use intensity reduction targets or benchmarks, these are not required to meet the definition of net-zero emissions buildings.

### **Could projects that reduce or avoid emissions of greenhouse gas emissions through reductions in embodied carbon (i.e., Scope 3 emissions) fall within the net-zero emissions buildings category?**

- Projects that reduce or avoid greenhouse gas emissions through reductions in embodied carbon may be qualified projects that can be financed under the NCIF. However, they do not fall within the definition of net-zero emissions buildings, as the definition of net-zero emissions buildings is focused on Scope 1 and 2 emissions (rather than Scope 3 emissions).
- Federal resources on reducing embodied carbon can be found from the [Federal Buy Clean Initiative](#) and the [EPA website](#).

### **Can an entire whole-home construction project (inclusive of all construction activities and materials) fall within the net-zero emissions building priority project category?**

- Yes. An entire whole-home construction project, rather than just a subset of the building components, can fall within the net-zero emissions building project category, provided it meets the requirements of that category.
- Note that all projects, including qualified projects, supported by this competition must also be qualified projects. Please refer to the following question: “Do projects that fall within one of the three priority project categories also need to be qualified projects to be eligible for support?”
- Please refer to the following two questions that provide guidance on the extent to which an entire whole-home construction project could be supported by this competition:
  - “Are projects that enable the deployment of other qualified projects, such as roof repairs, eligible as standalone qualified projects?”
  - “Can grantees provide financial assistance to support related expenditures for a larger project (e.g., new construction of a net-zero emissions building or adaptive reuse of an existing building)?”

## **Priority Projects: Zero-Emissions Transportation**

### **What transportation modes are in-scope for the zero-emissions transportation category?**

- All transportation modes listed in the [U.S. National Blueprint for Transportation Decarbonization \(pdf\)](#) [🔗](#) are in-scope.

### **Do battery electric vehicles fall within the zero-emissions transportation category?**

- Yes. Battery electric vehicles are a form of zero-emissions transportation that are described in the blueprint and are thus “consistent with the zero-emissions transportation decarbonization strategies

in the [U.S. National Blueprint for Transportation Decarbonization \(pdf\)](#) [↗](#),” as described in Section I.D: Competition Terminology of the Notice of Funding Opportunity.

## Low-Income and Disadvantaged Communities

### **Is it necessary to simultaneously meet all four categories of communities laid out in the Notice of Funding Opportunity to be included as a low-income and disadvantaged community?**

- No. GGRF defines low-income and disadvantaged communities as encompassing the following four categories, as defined below: (a) communities identified as disadvantaged by the [CEJST](#) [↗](#) mapping tool; (b) a limited number of additional communities identified as disadvantaged by the [EJScreen](#) mapping tool; (c) geographically dispersed low-income households; and (d) properties providing affordable housing.
- Meeting any of those four categories will qualify as a low-income and disadvantaged community.
- Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.

### **For geographically dispersed low-income households, how should applicants determine whether an individual or household is in a Metropolitan Area or a Non-Metropolitan Area?**

- Metropolitan and non-metropolitan (i.e., micropolitan) area designation for counties is designated by the Office of Management and Budget.
- GGRF grantees may reference the U.S. Treasury’s CDFI Investment Area Eligibility Data Set, which contains these designations in Column E: [https://www.cdfifund.gov/sites/cdfi/files/2023-01/CDFI\\_Investment\\_Areas\\_ACS\\_2016\\_2020.xlsb](https://www.cdfifund.gov/sites/cdfi/files/2023-01/CDFI_Investment_Areas_ACS_2016_2020.xlsb) [↗](#).

### **For geographically dispersed low-income households, what income verification requirements will be required?**





- For the first category, which compares an individual/household’s income against Area Median Income and Federal Poverty Level, applicants may provide a methodology for verifying income qualification in their applications.
- For the second category, which relies on existing income-based or income-verified federal assistance programs, applicants may plan to rely on proof of certification or acceptance of households into programs listed in the Notice of Funding Opportunity.
- Within the terms and conditions of the grant agreement, EPA may require robust income verification to prevent fraud, waste, and abuse and to validate expenditures that support the 40% low-income and disadvantaged community expenditure requirement.

### **For geographically dispersed low-income households, can you clarify whether the income limit set by the different income levels (e.g., Area Median Income, Federal Poverty Level) is determined by the maximum or the minimum of those income levels?**

- The income limit is determined by the maximum of those income levels, not the minimum.
- For Metropolitan Areas, an individual or household can have an income that is at or below the greater of (1) 80% Area Median Income (AMI) and (2) 200% of the Federal Poverty Level, wherein the maximum of these two figures determines the income limit.

- For Non-Metropolitan Areas, an individual or household can have an income that is at or below the greater of (1) 80% AMI; (2) 80% Statewide Non-Metropolitan Area AMI; and (3) 200% of the Federal Poverty Level, wherein the maximum of these three figures determines the income limit.

**For geographically dispersed low-income households, how should applicants determine what income is 80% Area AMI; 200% of FPL; and 80% Statewide Non-Metropolitan Area AMI?**

- The Area Median Income (AMI), also called the Median Family Income, is the midpoint of a defined area’s income distribution, adjusted for household size. AMI is calculated and published annually by the U.S. Department of Housing and Urban Development. Applicants may reference HUD’s AMI tables: <https://www.huduser.gov/Portal/datasets/il.html> .
- The Federal Poverty Level (FPL) is an economic metric of poverty in the United States. Poverty thresholds by household size are calculated annually by the U.S. Census Bureau, then the U.S. Department of Health and Human Services uses those thresholds to issue poverty guidelines, commonly called the FPL. Applicants may reference the HHS FPL tables: <https://aspe.hhs.gov/sites/default/files/documents/1c92a9207f3ed5915ca020d58fe77696/detailed-guidelines-2023.pdf> .
- The Statewide Non-Metropolitan Area Median Income is the midpoint of household income distribution for a state's nonmetropolitan counties and portions of metropolitan counties outside of cities, published by the U.S. Department of the Treasury. GGRF grantees may reference the U.S. Treasury’s CDFI Investment Area Eligibility Data Set: [https://www.cdfifund.gov/sites/cdfi/files/2023-01/CDFI Investment Areas ACS 2016 2020.xlsx](https://www.cdfifund.gov/sites/cdfi/files/2023-01/CDFI%20Investment%20Areas%20ACS%202016%202020.xlsx) . Column L, “mfi2020\_nonmetro\_st,” provides the metric for a family/household of four persons, which should then be adjusted for household size using HUD’s Family Size Adjustment factor: <https://www.huduser.gov/portal/datasets/il/fmr99/sect82.html> .

**The definition of low-income and disadvantaged communities includes “properties providing affordable housing” and lists some eligible housing programs including HUD Section 8. Are all programs commonly referred to as Section 8—including Project-Based Rental Assistance (PBRA), Project Based Vouchers (PBV), and Housing Choice Vouchers (HCV)—eligible under the definition of low-income and disadvantaged communities?**

- PBRA will be covered under the first category of such properties, which includes multifamily housing under the federal and state housing assistance programs listed in the Notice of Funding Opportunity that have active affordability covenants.
- PBV and HCV may be covered through the second category of such properties, which includes naturally-occurring affordable housing, provided that the housing has rents not exceeding 30% of 80% AMI for at least half of residential units.
- Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.

## Other

**Are there any requirements on the share of funding that should be used for financial assistance, predevelopment activities, market-building activities, and/or program administration activities?**



- There are no requirements on the share of funding that can be used for financial assistance, predevelopment activities, market-building activities, and/or program administration activities.
- However, applicants will be evaluated on the extent to which they “maximiz[e] the share of funds used for financial assistance,” as described in Section V.A: Evaluation Criteria of the Notice of Funding Opportunity.

**Can predevelopment activities include paying for third-party expenses related to the provision of financial assistance to qualified projects (e.g., legal and origination expenses)?**

- As long as these expenses meet the definition of predevelopment activities in Section I.D: Competition Terminology of the Notice of Funding Opportunity and are allowable under 2 CFR Part 200, Subpart E as well as applicable provisions of 2 CFR Part 1500, then they are allowable costs.
- Refer to Section I.D: Competition Terminology and Section III.D: Allowable and Unallowable Costs of the Notice of Funding Opportunity.

**Is there additional guidance on what costs are allowable or unallowable for predevelopment and market-building activities?**

- Section I.D: Competition Terminology of the Notice of Funding Opportunity defines “predevelopment activities” and “market-building activities.” Costs for these activities must meet these definitions as well as the requirements for allowability under 2 CFR Part 200, Subpart E as well as applicable provisions of 2 CFR Part 1500.
- Subgrants for predevelopment and market-building activities are allowable costs. This contrasts with subgrants to qualified projects, which are not allowable costs (as subgrants are not an eligible form of financial assistance).
- Refer to Section I.D: Competition Terminology and Section III.D: Allowable and Unallowable Costs of the Notice of Funding Opportunity.

**Can grantees use grant funds to pay for loan/investment servicing and/or asset management providers? If so, how?**

- Grantees can use grant funds to pay for loan/investment servicing and/or asset management providers. These expenses must meet the definition of program administration activities in Section I.D: Competition Terminology of the Notice of Funding Opportunity and be allowable under 2 CFR Part 200, Subpart E as well as applicable provisions of 2 CFR Part 1500. Please note that grantees that use these services will need to comply with the competitive procurement requirements in 2 CFR Parts 200 and 1500 as well as EPA’s 40 CFR Part 33 Disadvantaged Business Enterprise participation rule.
- While grant funds can be used to pay for these and other service providers, program income (including interest) cannot be used to pay for these and other service providers during the period of performance —as each grantee will only be authorized to use program income once the grant award is fully drawn down, at which point EPA will enter into a closeout agreement with the grantee.
- Refer to Section I.D: Competition Terminology, Section III.D: Allowable and Unallowable Costs, and Section VI.C: Program Income Requirements of the Notice of Funding Opportunity.

**Can grant funds be used by a grantee or subgrantee as capital (e.g., capital reserves) to raise additional capital for financial assistance to qualified projects?**

- Yes; grant funds may be used as capital to raise additional capital for financial assistance to qualified projects. The use of the grant funds as capital in this way will be subject to terms and conditions that will be based on how the grantee or subgrantee will use the EPA funds.
- Note that the additional capital generated with EPA funding will be considered program income under 2 CFR § 200.1 and 200.307. As provided at 2 CFR § 1500.8(b), program income must be added to direct EPA funding and used under the purposes and conditions of the award. In accordance with 2 CFR § 1500.8(d) as supplemented by the terms and conditions of the grant award, program income may only be used once the grant or subgrant is fully drawn down.

### **What types of fundraising costs are allowable costs that may be charged to the grant award, and how will funds raised be treated by EPA?**

- Section III.D: Allowable and Unallowable Costs of the Notice of Funding Opportunity includes costs for fund raising as an allowable cost. 2 CFR § 200.442 provides coverage on allowable fund raising costs, with additional details contained in Item 4 of the [EPA Guidance on Selected Items of Cost for Recipients](#).
- For this competition, allowable fund raising costs must be in support of the Greenhouse Gas Reduction Fund's third program objective to mobilize financing and private capital. This includes costs that are reasonable and necessary to raise capital from private-sector investors (such as travel expenses and transaction fees). EPA will further define allowable fund raising costs in the terms and conditions of the grant agreement.
- Funds a recipient raises with costs borne by an EPA financial assistance agreement are considered program income under 2 CFR § 200.1 and 200.307. As provided at 2 CFR § 1500.8(b), program income must be added to direct EPA funding and used under the purposes and conditions of the award. In accordance with 2 CFR § 1500.8(d) as supplemented by the terms and conditions of the grant award, each grantee will only be authorized to use program income once the grant award is fully drawn down, at which point EPA will enter into a closeout agreement with the grantee.
- When fund raising costs are paid for by both the grant agreement as well as other sources, a portion of the funds raised equal to the share of fund raising costs charged to the grant agreement will be treated as program income.
- Refer to Section VI.C: Program Income Requirements of the Notice of Funding Opportunity.

### **If a grantee uses grant funds (e.g., \$200,000 in grant funds) to raise capital (e.g., \$100 million in capital), then is the capital raised treated as program income? How does the treatment change if only \$100,000 in grant funds was used to raise the capital, with the other \$100,000 coming from other sources?**

- If a grantee uses grant funds as the sole means of raising capital, then all of the capital raised is treated as program income. 2 CFR § 200.442 provides coverage on allowable fund raising costs, with additional details contained in Item 4 of the [EPA Guidance on Selected Items of Cost for Recipients](#).
- If a grantee raises \$100 million in capital at a cost of \$200,000—but only uses \$100,000 of grant funds to cover those costs (with the rest of the costs coming from other sources)—then only \$50 million in capital raised is treated as program income and is added to direct EPA funding and used under the purposes and conditions of the award. The grantee is not obligated to conduct any particular activities with the other \$50 million in capital raised.

- Refer to the question entitled “What types of fund raising costs are allowable costs that may be charged to the grant award, and how will funds raised be treated by EPA?” for additional details.

### **Do tax equity investments (e.g., Low-Income Housing Tax Credits) from private sources count as private capital mobilization?**

- As noted in Section I.D: Competition Terminology, applicants may define their own methodologies to set goals and targets for capital mobilization for the purposes of their applications.
- Consequently, applicants may choose to consider tax equity investments from private sources as private capital mobilization.

### **Can a grantee or a subgrantee use funds for qualified projects within its own operations, such as deploying rooftop solar at its headquarters?**

- No. Grantees and subgrantees must use funds in accordance with Section III.D: “Allowable and Unallowable Costs” of the Notice of Funding Opportunity. Funds are available for grantees and subgrantees to provide financial assistance for qualified projects. EPA does not intend for funds to be used for improvements to grantees’ or subgrantees’ own facilities.
- A grantee or subgrantee could receive financial assistance (such as a loan) to deploy a qualified project at its own facility through another grantee or subgrantee under the Greenhouse Gas Reduction Fund, although this financial transaction would be subject to [EPA’s Final Financial Assistance Conflict of Interest Policy](#).

### **Can subrecipients use grant funds for program administration activities?**

- It depends on the type of subrecipient.
- Coalition members, which receive subawards to carry out a portion of the grant’s activities, may use a portion of the subaward for program administration activities.
- Other types of subrecipients (i.e., those receiving financial assistance to qualified projects) may only use the subaward for qualified projects. However, administrative expenditures that are reasonable and necessary for the qualified projects are allowable costs. The subrecipient could not use subaward funding for the direct costs of operating expenses for unrelated business activities, as that practice would be inconsistent with 2 CFR 200.403(a) absent an appropriate adjustment pursuant to 2 CFR 200.405(a).

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# **Application Components and Evaluation Criteria**

## **Application Components**

### **Are there any match or cost-sharing requirements?**

- No, there are no match nor cost-sharing requirements. Applicants do not need to secure other funding sources to apply to this competition.

## **Should applicants name all subrecipients that they plan to provide subawards to over the period of performance?**

- No. The only types of subrecipients that applicants should name in their applications are organizations that would receive subawards (in the form of subgrants) to carry out a portion of the grant's activities. These are non-lead coalition members.
- Applicants should discuss potential individuals and/or organizations that would receive financial assistance for qualified projects in the "current transaction pipeline" application component, but applicants should not designate these individuals and/or organizations as named subrecipients for the purposes of the application.

## **In the application, how should applicants treat community lenders and other transaction partners?**

- Applicants should discuss potential community lenders and other transaction partners in the "transaction partnerships plan" application component.
- Applicants should not designate these organizations as named subrecipients for the purposes of the application, even if they are eligible for subawards under the EPA Subaward Policy. Applicants should also not designate these organizations as named contractors for the purposes of the application, unless these organizations are "procurement contractor(s) to conduct work proposed in this application;" as a result, private capital providers, such as for-profit commercial banks and asset managers, will not necessarily be treated as named contractors for the purposes of the application. Applicants should still, however, be careful when naming for-profit organizations within the transaction partnerships plan, as failure to demonstrate compliance with competition requirements for named contractors in the application will result in rejection of the application.
- Note that transfers of EPA funds awarded through this competition must comply with the Procurement Standards in 2 CFR Parts 200 and 1500 (see [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#)), [EPA Subaward Policy](#), and [EPA Guidance on Participant Support Costs](#), depending on the vehicle that the grantee uses to transfer funds, as well as the [Participation by Disadvantaged Business Enterprises in EPA Programs](#) requirements in 40 CFR Part 33. If the applicant intends to transfer funds to these partners, then the applicant will need to meet the requirements.

## **For coalition applications, which application components are required for non-lead coalition members?**

- Coalition applications should describe the lead applicant's program plan and organizational plan, incorporating the activities of coalition members as well as the lead applicant's management and oversight of those activities. Refer to Section I.D: Competition Terminology of the Notice of Funding Opportunity.
- The following additional application materials are required for lead applicants to submit on behalf of non-lead coalition members:
  - Non-lead coalition member names and contact information, proposed subaward amounts, and explanations of eligibility for subawards under the [EPA Subaward Policy](#) as well as supporting evidence of such eligibility
  - Memorandum of Agreement signed by all coalition members

- Financial statements for each coalition member that would receive a subaward of greater than \$10 million
- Financial projections for each coalition member that would receive a subaward of greater than \$10 million
- Refer to the Notice of Funding Opportunity for full details.

**For coalition applications, how should the program budget reflect the activities of coalition members?**

- The program budget is the program budget of the lead applicant only—not the coalition members.
- As such, it should include subawards made to coalition members for the purposes of carrying out the grant’s activities—but should not further disaggregate the activities that coalition members will conduct with those subawards into different cost categories (e.g., personnel, fringe, etc.).

**Should the organizational plan reflect the current state of the organization (such as its current board and management), or plans for the future state of the organization during the period of performance?**

- As described in the Notice of Funding Opportunity, the organizational plan should describe the applicant’s organizational capacity necessary to carry out the program plan over the entire period of performance, with additional granularity over the first three years.

**What is the time horizon for the “first 6 months after receiving the grant award” for the current transaction pipeline in the grant application?**

- For the purposes of the application, the first 6 months is July 1, 2024 to December 31, 2024.

**Can applicants include additional attachments that are not listed in the application materials in Section IV.B: Application Materials?**

- Yes. Applicants may include additional attachments that are not listed in the application materials in Section IV.B: Application Materials.

**Do applicants have to use 12-point Times New Roman font for any graphics or tables included in the application?**

- Yes.
- The Cover Page and Narrative Proposal must be 8 1/2 x 11” typed, single-spaced pages in 12-point Times New Roman font with one column per page, without indenting paragraphs, and with one-inch page margins.
- Graphics or tables may be used in place of text within the page limits and conforming to these requirements, including 12-point Times New Roman font.

**Is an application allowed to include visuals? If so, can those visuals include fonts other than Times New Roman?**

- Graphics or tables may be used in place of text within the page limits and conforming to the stated requirements, including 12-point Times New Roman font. Refer to the following question: “Do applicants have to use 12-point Times New Roman font for any graphics or tables included in the application?”

- As a result, visuals must exclusively use 12-point Times New Roman font.

### **Can applicants include a cover letter and table of contents to the Project Narrative that do not count toward the 70-page limit?**

- Applicants may include a table of contents that would not count toward the 70-page limit for the Project Narrative.
- However, a cover letter would count toward the 70-page limit.
- Note that the Cover Page is separate from the Project Narrative and has a two-page limit.

### **Can private capital providers offer non-binding letters of support as part of the NCIF and CCIA application materials?**

- Yes. As detailed in the NOFOs, within their applications, applicants may provide non-binding letters of support from private capital providers.
- For example, in the NCIF NOFO, the “Transaction Partnerships Plan” application component states: “Describe your plan to use partnerships to build and execute on a robust, national transaction pipeline. Include existing and/or planned partnerships to deploy financial assistance to qualified projects by working with intermediating institutions, including community lenders and other similar institutions; non-profit organizations; for-profit businesses; private capital providers; and others. If applying as a coalition, include partnerships as reflected in your coalition. You may attach any letters of commitment that reflect these partnerships.”
- Please note that selection of an application that contains such letters would not constitute an endorsement of any non-federal entity, or its products, services, or enterprises.

### **Can an application name for-profit transaction partners that would co-invest in qualified projects but would not receive grant funds?**

- Yes. For-profit transaction partners that co-invest in qualified projects but would not receive grant funds from a recipient or subrecipient can be named in the application and would not be considered either named subrecipients or named contractors. Letters from these types of transaction partners can be included in the application, such as through 1.2.4.2 Current Transaction Pipeline Letters of Commitment.
- For example, if a for-profit company finances a qualified project and a grantee lends to the qualified project in a subordinated position, then the for-profit company financing the qualified project would not be considered either a contractor or a subrecipient.

### **Can an application name for-profit partners that would market or distribute financial products but would not be engaged in direct financing and would not receive grant funds?**

- Yes. For-profit partners that would market or distribute financial products but would not receive grant funds from a recipient or subrecipient can be named in the application and would not be considered either named subrecipients or named contractors. This guidance presumes that the for-profit partners would not be sub-contractors to an undisclosed procurement contractor that was selected out of compliance with the competition requirements in the 2 CFR Part 200 Procurement Standards.
- However, if the for-profit partner would receive grant funds, then these activities (i.e., marketing and distributing financial products) would likely be considered services that are available in the commercial marketplace. If an applicant wishes to name a for-profit partner as a contractor in the

application, then it would need to demonstrate compliance with the requirements in Section III.B: Named Contractors and Named Subrecipients of the Notice of Funding Opportunity. As stated in that section: “Applicants must describe the procurement procedures that were followed to hire any contractor(s) named in the application and include information on where and when the Request for Proposals/Request for Qualifications were posted in the applicant’s Cover Page... Failure to demonstrate compliance with these requirements for named contractors in the application will result in rejection of the application.”

## Evaluation Criteria

### **Will an application that only focuses on a subset of qualified projects (such as particular sectors or market segments) be disadvantaged compared to other applications that cover a broader set of qualified projects?**

- An application that only focuses on a subset of qualified projects is still able to earn all 1,000 points described in Section V.A: Evaluation Criteria.
- There are no evaluation criteria that require a particular scope of qualified projects to earn points in the scoring process. Notably, within the “project categories” application component, applications must either describe how their project categories cover all three priority project categories or, alternatively, provide a rationale for why any of the priority project categories are not covered—and any application with such a rationale will not be penalized and will instead be awarded points based on the strength of the rationale.
- Section V.A: Evaluation Criteria describes the evaluation criteria that review panels will use to review and score applications in accordance with the process described in Section V.B: Review and Selection Process of the Notice of Funding Opportunity.
- The evaluation criteria within the NOFO are identical to the evaluation criteria that review panels will use, so EPA does not have additional information to provide prospective applicants on how they will score against the evaluation criteria. All applications will be scored against this criteria, regardless of their particular scope of qualified projects.

### **Will applicants who identify specific priority projects receive additional points from EPA in the application evaluation and selection process?**

- Please refer to page 10 of the Notice of Funding Opportunity. EPA is not requesting that applicants identify specific priority projects that they intend to fund. Rather, applications must either describe how their project categories cover the types of projects described in all three priority project categories or, alternatively, provide a rationale for why any of the priority project categories are not covered—and any application with such a rationale will not be penalized and will instead be awarded points based on the strength of the rationale.
- Refer to the following question for additional details: “Will an application that only focuses on a subset of qualified projects (such as particular sectors or market segments) be disadvantaged compared to other applications that cover a broader set of qualified projects?”

### **Can de novo applicants (i.e., newly established organizations that apply for grant funding) score the full 1,000 points possible in the evaluation criteria?**



- There may be select areas where an application that is submitted by a de novo applicant (whether as an individual applicant or a lead applicant of a coalition application) is not able to earn all 1,000 points described in Section V.A: Evaluation Criteria. For example, de novo applicants are unlikely to have federally or non-federally funded assistance agreements performed within the last five years, which could result in a neutral score for 1.3.3 Past Performance and Reporting History.
- Section V.A: Evaluation Criteria describes the evaluation criteria that review panels will use to review and score applications in accordance with the process described in Section V.B: Review and Selection Process of the Notice of Funding Opportunity.
- The evaluation criteria within the NOFO are identical to the evaluation criteria that review panels will use, so EPA does not have additional information to provide prospective applicants on how they will score against the evaluation criteria. All applications will be scored against this criteria, regardless of whether or not they are de novo applicants.

### **Can past performance and reporting history on non-lead coalition members be used to support the evaluation criteria for 1.3.3 Past Performance and Reporting History?**

- No. Only past performance and reporting history on an individual applicant or a lead applicant to a coalition application will be considered to support the evaluation criteria for 1.3.3. Past Performance and Reporting History. As such, coalition applications should not submit such information as part of their applications.

### **What are the requirements for the “approach, procedures, and controls” within the “Expenditure and Disbursement of Awarded Funds” application component?**

- Applications must describe their approach, procedures, and controls for ensuring that the grant award will be expended and disbursed in a timely and efficient manner. The description will be evaluated in accordance with the criteria listed in Section V.A: Evaluation Criteria of the Notice of Funding Opportunity.
- The evaluation criteria within the NOFO are identical to the evaluation criteria that review panels will use, so EPA does not have additional information to provide prospective applicants on how they will score against the evaluation criteria. All applications will be scored against this criteria.
- Any requirements on the approach, procedure and controls for the expenditure and disbursement of awarded funds will be included in the terms and conditions of the grant agreement.

### **What does EPA mean by a board with “appropriate” size and composition?**

- Section V.A: Evaluation Criteria of the Notice of Funding Opportunity defines evaluation criteria for a board of “appropriate” size and composition under 2.2.1 Governance Plan.
- Factors that may determine appropriate size include whether the board’s size in terms of its membership is commensurate with the proposed scope of oversight and monitoring activities and the size, complexity, risk profile, and program plan of the applicant, among other factors.
- Factors that may determine appropriate composition include the size, complexity, risk profile, and program plan of the applicant; the expertise, skills, and track record of each individual board member, including any board chair, to support the organization’s success (including but not limited to its proposed activities under the grant program), as well as the cumulative expertise, skills, track record, and diversity represented on the board. Appropriate composition also includes consideration of the

role of the board chair, if there is a board chair, and their involvement in the board's day-to-day operations, as well as whether there is dominant control of the board by a member(s) or senior management.

- Given the period of performance, the scope includes how the size and composition may evolve over time and, as a result, includes the extent to which there are processes to identify, nominate, and select qualified individuals for board membership and proposed terms for board members.

### **What does EPA mean by a board with “adequate” committee structures?**

- Section V.A: Evaluation Criteria of the Notice of Funding Opportunity defines evaluation criteria for a board of “adequate” committee structures and lists a number of potential committees under 2.2.1 Governance Plan.
- The first set of factors that may determine whether committee structures are “adequate” is robust coverage of the committees in the Notice of Funding Opportunity (investment or credit, risk management, audit, nomination/governance, and compensation). While applicants need not adhere to this exact naming convention, each of the responsibilities (e.g., “to oversee the integrity of reporting and internal controls and the performance of audit functions”) should be covered by board-level committees to support scoring against this evaluation criterion.
- The second set of factors is the quality and extent of each committee's oversight and monitoring responsibilities; their membership, including but not limited to the percentage of each that will be independent; and how each committee obtains information from management, auditors, or other third parties necessary to discharge its duties. For example, the audit committee may be fully independent and its responsibilities may include overseeing or implementing an internal control system that plans for, and responds to materially inaccurate, incomplete, or unauthorized transactions; unreliable financial or regulatory reporting; deviations from laws, regulations, and other internal policies; and more.

### **What does EPA mean by an “independent” board and “effective and comprehensive” board policies and procedures?**

- Section V.A: Evaluation Criteria of the Notice of Funding Opportunity defines evaluation criteria for an “independent” board and “effective and comprehensive” board policies and procedures under 2.2.1 Governance Plan.
- An “independent” board helps promote robust oversight and monitoring of management and mitigate a variety of conflicts that may arise; applicants should also consider how any non-independent members' conflicts would be mitigated. Applicants may use an existing definition of independent (e.g., Internal Revenue Service Form 990).
- “Effective and comprehensive” policies and procedures, among others, promote strong ethics and mitigate conflicts of interest throughout the organization and its activities; ensure the board is trained to review and assess internal risk assessments for all of the organization's significant activities (financial, investment, and operational activities, as well as the GGRF program plan); and ensure robust board engagement, including required frequency of meetings and attendance procedures.

### **Can the management of non-lead coalition members, such as resumes of senior management of non-lead coalition members, be used to support the evaluation criteria for 2.2.2 Management Plan?**

- Applicants may submit any information they deem appropriate for review against the evaluation criteria for 2.2.2 Management Plan.

### **Will an applicant score lower on the financial statements evaluation criteria if they do not submit audited financial statements for the past three fiscal years and quarterly (unaudited) financial statements for the current fiscal year?**

- Yes. In Section V.A: Evaluation Criteria of the Notice of Funding Opportunity, there is a specific evaluation criterion to clarify this point: “Provides audited financial statements for the past three fiscal years and quarterly (unaudited) financial statements for the current fiscal year; applicants without such financial statements will score lower, although they can still receive more than a neutral score by providing alternative information and explanations.”

### **Does private capital mobilization factor into the evaluation criteria?**

- Yes. For example, the evaluation criteria for 1.2.2.3 Market Transformation Benefits evaluate applications on “the extent and quality of the goals and targets related to Program Objective 3,” which can include goals and targets for private capital mobilization.
- This evaluation criteria applies across all program funds, including funds managed by a lead applicant as well as non-lead coalition members on a coalition application.

### **Is there any additional information on how EPA will review and score applications?**

- Section V.A: Evaluation Criteria describes the evaluation criteria that review panels will use to review and score applications in accordance with the process described in Section V.B: Review and Selection Process of the Notice of Funding Opportunity.
- The evaluation criteria within the NOFO are identical to the evaluation criteria that review panels will use, so EPA does not have additional information to provide prospective applicants on how they will score against the evaluation criteria.

## **Review and Selection Process**

### **The NOFO states that review panel(s) will include EPA staff and may also include staff from other federal agencies and external subject matter experts who are free from any actual or apparent conflicts of interest. Will EPA use external subject matter experts, and will there be an opportunity to express interest for consideration as an external subject matter expert?**

- EPA may include external subject matter experts who are free from any actual or apparent conflicts of interest in the review panel(s).
- At this time, EPA is not soliciting expressions of interest from external subject matter experts.

### **How would EPA determine the top-ranked applications for interviews?**

- Section V.B: Review and Selection Process of the Notice of Funding Opportunity indicated that EPA “may conduct virtual or in-person interviews with top-ranked applicants.”
- If EPA conducts these interviews, EPA anticipates designating a subset of applications as top-ranked after the review panels score all eligible applications based on the evaluation criteria listed in Section V.A: Evaluation Criteria of the Notice of Funding Opportunity. Specifically, applications would be ranked in order of scores from highest to lowest, with the top applications on this ranking list selected

for interviews if they have a feasible path to selection based on their scores as well as the remaining components of the review and selection process as described in Section V.B: Review and Selection Process of the Notice of Funding Opportunity.

- As described in Section V.B: Review and Selection Process of the Notice of Funding Opportunity, “[a]pplicants designated for such interviews would be provided information regarding the interview process upon designation.”

### **How would EPA conduct the interviews for top-ranked applicants?**

- Section V.B: Review and Selection Process of the Notice of Funding Opportunity indicated that EPA “may conduct virtual or in-person interviews with top-ranked applicants.”
- If EPA conducts these interviews, EPA anticipates creating a review panel that would include EPA staff and may include staff from other federal agencies who are free from any actual or apparent conflicts of interest. This review panel would interview the top-ranked applicants using a standard interview format. The Selection Official would then make selection decisions based on the “Final Selection Process and Other Factors” as described in Section V.B: Review and Selection Process of the Notice of Funding Opportunity.
- How the interview may be taken into account by the Selection Official would be disclosed to all top-ranked applicants selected for interviews. As described in Section V.B: Review and Selection Process of the Notice of Funding Opportunity, “[a]pplicants designated for such interviews would be provided information regarding the interview process upon designation.”

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## **Award Administration**

### **National Policy Requirements**

#### **What implications will the Justice40 Initiative have on grantees?**

- The Justice40 Initiative sets the goal that 40% of the overall benefits from certain federal investments in climate, clean energy, and other areas flow to disadvantaged communities. The Greenhouse Gas Reduction Fund is a covered program under the Justice40 Initiative.
- Consequently, EPA will track and measure program benefits to advance this goal and will include a term and condition specifying reporting of metrics demonstrating the extent to which the grant’s activities advance this 40% goal in each grant agreement.

#### **Does Build America, Buy America apply to the National Clean Investment Fund?**

- Yes, as described in Section VI.D: Administrative and National Policy Requirements of the Notice of Funding Opportunity, Build America, Buy America does apply to this competition. EPA intends to issue additional guidance on how Build America, Buy America applies to this competition at a later date. Certain projects under this competition are subject to the Buy America Sourcing requirements under the Build America, Buy America (BABA) provisions of the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58, §§70911-70917) that apply when using Federal funds for the purchase of goods, products, and materials on any form of construction, alteration, maintenance, or repair of infrastructure in the

United States. The Buy America preference requirement applies to all the iron and steel, manufactured products, and construction materials used for the infrastructure project under an award for identified EPA financial assistance funding programs. Please consider this information when preparing budget information. EPA will provide further guidance on which projects are subject to BABA provisions and will work with grantees to support implementation as necessary, as applicants comply with applicable Buy America preference requirements or apply for a [waiver](#) for each infrastructure project.

### **Does Davis-Bacon and Related Acts apply to the National Clean Investment Fund?**

- Yes, as described in Section VI.D: Administrative and National Policy Requirements of the Notice of Funding Opportunity, Davis-Bacon and Related Acts apply to this competition. EPA intends to issue additional guidance on how Davis-Bacon and Related Acts apply to this competition at a later date. The Davis-Bacon Act (DBA) (42 USC §§ 3141-3144) sets out labor standards, including prevailing wages and fringe benefits, and applies to most federally funded contracts for construction of public works. The DBA labor standards and reporting requirements also apply to projects assisted with grants authorized by the Clean Air Act as provided in Section 314 of the Clean Air Act (DBRA)(42 USC § 7614). The grant agreement will include a term and condition specifying DBRA compliance requirements.

### **Are projects funded under Section 134 of the Clean Air Act subject to review procedures required by the National Environmental Policy Act (NEPA)?**

- It depends. Projects that are carried out with grants awarded under Section 134 of the Clean Air Act are exempt from NEPA pursuant to 15 USC § 793(c)(1). However, if a part of a project is also carried out with funding from another Federal agency, NEPA may apply to that agency's funding. Grantees should consult with an appropriate representative from the other Federal agency to determine whether NEPA applies in such a situation.

## **Fund Drawdown Mechanics**

### **Will all grant funds be immediately available to disburse to the awarded applicants?**

- No. While EPA will have obligated all funds upon award of the grant, in accordance with the [EPA General Terms and Conditions](#), grantees typically draw funds only for the minimum amounts needed for actual and immediate cash requirements; disbursements occurring within 5 business days of drawdown comply with this requirement.
- After an applicant is selected for an award, EPA staff (Project Officer, Grant Specialist, and Financial Specialist) will consider departures from the EPA General Terms and Conditions with each selected awardee on a case-by-case basis, to the extent such departures are reasonable and necessary for performance under each selected application.
- Refer to Section VI.B: Grant Drawdown Schedule of the Notice of Funding Opportunity.

### **The NOFO states a seven-year period of performance to expend and disburse the initial grant award. Are coalition members subject to the same period of performance?**

- Yes. The seven-year period to expend and disburse the initial grant award applies to grantees and subgrantees (including coalition members) equally.

- However, there may also be a brief period of time after the seven-year period of performance for grantees and subgrantees to liquidate obligations made under the period of performance.

**The NOFO states a seven-year period of performance to expend and disburse the initial grant award. Do those receiving financial assistance to qualified projects have to expend funds in this seven-year period as well?**

- Those receiving financial assistance to qualified projects do not necessarily have to expend and disburse funds in this seven-year period. The timeline for those receiving financial assistance to qualified projects to disburse funds will depend on (i) the type of financial assistance and (ii) the terms of the agreement with the entity providing the financial assistance.

**Does a community lender that receives funds from CCIA grantees need to draw down all of those funds prior to receiving funds from NCIF grantees?**

- No; a community lender that receives funds from CCIA grantees does not need to draw down all of those funds prior to receiving funds from NCIF grantees.

**If a grantee has underperforming subrecipients, can the grantee withdraw and redeploy the capital to other subrecipients?**

- Yes. As provided in 2 CFR § 200.332(d), the pass-through grantee has authority to monitor subrecipient performance to verify that the subrecipient achieves performance goals. The pass-through grantee has discretion to take any of the remedial actions described at 2 CFR § 200.339 if the subrecipient is unable or unwilling to take corrective actions, including termination of the subgrant.

## Program Income Requirements

**What is program income, and when will the requirements on the use of program income be defined?**

- Program income is defined in 2 CFR § 200.1 and explained for this competition in Section I.D: Competition Terminology.
- Grantees will earn “program income” (including origination fees, interest payments, principal repayments, dividends, interest from short-term securities (e.g., cash deposits), etc.) over the period of performance, and they will be required to retain and reuse program income for additional capital deployment as required in 2 CFR § 1500.8(b). In accordance with 2 CFR § 1500.8(d) as supplemented by the terms and conditions of the grant award, each grantee will only be authorized to use program income once the grant award is fully drawn down, at which point EPA will enter into a closeout agreement with the grantee.
- The terms and conditions on the use of program income for additional capital deployment after the period of performance will be governed by a separate agreement (a “closeout” agreement) consistent with 2 CFR § 1500.8(d). The process for negotiating closeout agreements will be determined after selection of each grantee and specified in the terms and conditions of each assistance agreement.
- Refer to Section I.D: Competition Terminology and Section VI.C: Program Income Requirements of the Notice of Funding Opportunity.

**If multiple subrecipients in the same grant program generate and retain program income, do each of those subrecipients need to wait until all of the subrecipients have used the initial**



## subawards prior to any of them using program income?

- No; each subrecipient will enter into a closeout agreement with the grantee that provided the subaward.
- By entering into the closeout agreement, the subrecipient will be authorized to use program income once their subaward is fully drawn down, consistent with the requirements in 2 CFR § 1500.8(d).

## Reporting Requirements

### When will EPA provide further guidance on reporting requirements, such as guidance on emissions and other air pollutant reporting as well as any potential updates to the program budget (e.g., annual updates)?

- EPA will include reporting requirements within the terms and conditions of each grant agreement.
- EPA will also include additional guidance for reporting on emissions reductions/avoidances for the grantee's program as well as for reporting on the grantee's organizational Scope 1, 2, and 3 emissions.

### Will EPA consider extending the quarterly performance reporting requirement from 30 days after the end of each reporting period to 45 days?

- No; 2 CFR § 200.329(c)(1) states that such performance reports "submitted quarterly or semiannually must be due no later than 30 calendar days after the reporting period."
- However, the regulation does provide that if "a justified request is submitted by a non-Federal entity, the Federal agency may extend the due date for any performance report." If unanticipated circumstances prevent a recipient from submitting a particular performance report in a timely manner, EPA's Project Officer may extend the due date for that specific report.

## Other

### If a grantee violates any requirement under Section 134 of the Clean Air Act, what remedies may EPA or DOJ (U.S., Department of Justice) seek under the Clean Air Act?

- The grantee may be subject to remedies available to the EPA pursuant to Clean Air Act Section 113, which include, but are not limited to, civil administrative penalties through an EPA administrative enforcement action, civil penalties and/or injunctive relief through a DOJ civil judicial enforcement action, or criminal penalties through a DOJ criminal judicial enforcement action.

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