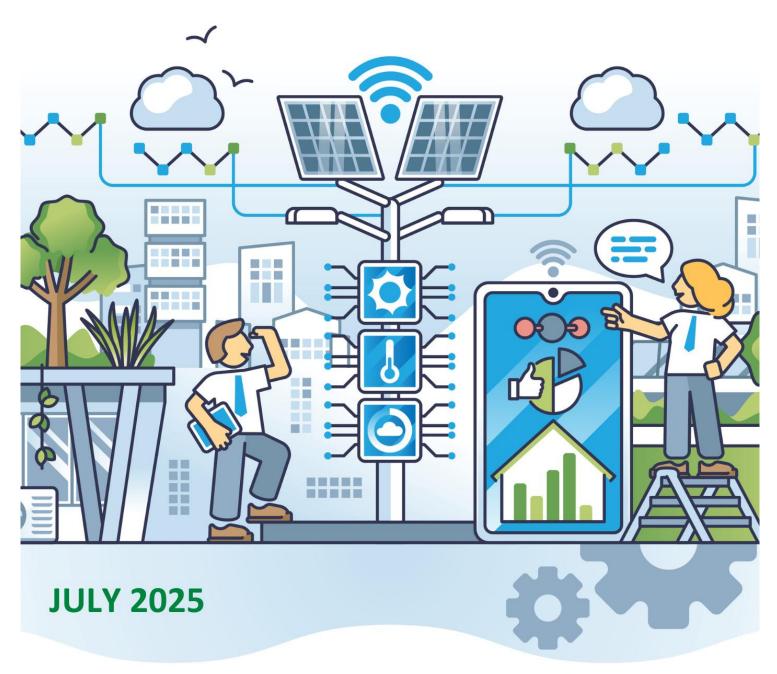
# RISE PA FREQUENTLY ASKED QUESTIONS

Medium- and Large-Scale Award Track Applicants







### **Table of Contents**

Useful Emails	2
Useful Links	2
Questions about the Grant Program	3
Questions about Applicant Eligibility	3
Questions about Project Eligibility	5
Questions About Solar Projects	9
Questions about Greenhouse Gas (GHG) Emissions	.10
Questions about the Application Process	.12
Questions about Bonus Awards	.16
Questions about Funding, Reimbursement and Cost Share Requirement	.18
Questions about Implementation, Measurement, Monitoring, and Verification (MMV).	. 20

### **Useful Emails**

- RISE PA: RA-EP-CPRG@pa.gov
- Louie Krak, Implementation Lead: <a href="mailto:lkrak@pa.gov">lkrak@pa.gov</a>
- Egrants application support: <a href="mailto:egrantshelp@pa.gov">egrantshelp@pa.gov</a>

### **Useful Links**

- RISE PA Website
- MAT/LAT Program Guidance Document
- Medium- and Large-Scale Application
- Online Application Guide
- Mock Application Example
- Mock Budget Example
- EPA Simplified Greenhouse Gas Emissions Calculator
- Prevailing Wage

### Questions about the Grant Program

#### Q: What is RISE PA?

A: RISE PA is a \$396 million statewide industrial decarbonization grant program that will award up to \$360 million to substantially reduce greenhouse gas and co-pollutant emissions by funding small-, medium-, and large-scale decarbonization projects at industrial facilities across the Commonwealth.

#### Q: What are the Medium- and Large-Scale Award Tracks?

A: Medium-scale and Large-scale Award Tracks (MAT and LAT, respectively) will be administered by DEP and Applicants must achieve at least a 20% annual facility-wide reduction in GHG emissions per project. All awards issued under RISE PA will include a Base Grant Award (BGA) that is a portion of the total eligible project costs (TPC), requiring the Grantee share in the additional cost. The Award Tracks, available funding, BGA percentage, and award size, are detailed in Table 1 of the Program Guidance document.

### Questions about Applicant Eligibility

#### Q: Who is eligible to apply for Medium-scale and Large-scale RISE PA grants?

A1: Eligible applicants include:

- An owner of an Industrial Facility, defined as:
  - An owner or operator of one or more Industrial Facilities or equipment used for producing, processing, or assembling goods. An Industrial Facility encompasses the following types of activity: manufacturing (North American Industry Classification System (NAICS) codes 31-33); agriculture, forestry, fishing and hunting (NAICS code 11); mining, including oil and gas extraction (NAICS code 21); and construction (NAICS code 23).
  - An owner or operator of one or more facilities that produces industrial process emissions. See page 5 of the Program Guidance document for examples.
  - An owner or operator of one or more active underground or surface coal mines, abandoned underground mines, or coal processing operation.
  - An owner or operator of one or more natural gas or oil systems, which include facilities and equipment involved with natural gas production, transmission, and distribution as well as oil production.
- Energy-as-a-Service companies, Sustainability-as-a-Service companies, or other "As-a-Service" providers, landlords of industrial facilities, and others, may be eligible to apply

for funding provided the project is conducted at an eligible Industrial Facility and all application materials are completed.

A2: The total project costs (TPC) must exceed \$1M to be considered a Medium- or Large-scale project.

A3: Industrial Facilities must be located within Pennsylvania (PA). If a company is headquartered outside of PA, but has an Industrial Facility or Facilities located in PA, the PA locations would be eligible to apply.

#### Q: How do I determine which Award Track to apply to?

A: Based on the Total Project Cost, a Medium-scale Award Track (MAT) project would have a Total Project Cost of \$1,000,001 to \$66,666,666. A Large-scale Award Track (LAT) project would have a Total Project Cost of greater than \$66,666,666.

#### Q: Are companies headquartered outside the United States eligible to apply?

A: As long as the project is located in Pennsylvania and the parent company is not a Foreign Entity of Concern, a company that is headquartered outside of the United States would be eligible to apply.

#### Q: Are U.S. companies headquartered outside PA eligible to apply?

A: Similar to the above question, if a company is headquartered in the U.S. outside of Pennsylvania but has a facility or facilities located in PA, they would be eligible to apply. The project must occur at a location in PA to be eligible.

#### Q: Can a company with more than one location apply for a grant for all its locations?

A: No, each location must submit their own application.

#### Q: Is there an employee count restriction for MAT/LAT projects?

A: No. Only the Small-Scale Award Track (SAT) requires a maximum of 500 full-time employees (FTE) onsite.

### Questions about Project Eligibility

#### Q: What types of projects are eligible for funding?

A1: Eligible projects must involve technologies such as electrification, energy efficiency, industrial process emissions reductions, fugitive emissions reductions, fuel-switching to low-carbon fuels, on-site renewable energy generation, and carbon capture, utilization, and storage. Refer to page 5 of the Program Guidance document for a detailed description.

A2: Other technology not explicitly listed that reduces industrial GHG emissions may also be eligible as determined by RISE PA.

A3: Projects submitted to the MAT and LAT must reduce the total Scope 1 and Scope 2 GHG emissions at an Industrial Facility by at least 20% annually, once operational.

#### Q: Are there any ineligible projects?

A1: Projects required for compliance with federal, state, or local laws, those receiving funding under the IRS's Advanced Energy Project Credit Allocation Program, or those involving well plugging are ineligible. Refer to <u>page 7</u> of the Program Guidance document for more information.

A2: Used or refurbished equipment is not eligible for grant funding. Equipment must be new and support decarbonization of the process and/or facility.

A3: If the project location is subject to any federal, state, or local laws and the Applicant demonstrates that all resulting air pollutant and/or energy reduction benefits are in excess of existing reduction or efficiency requirements, or that the reductions will occur at least one year before the requirements mandate, then the project is eligible.

### Q: How long will Grantees have to complete projects?

A: Medium/Large-scale projects will be granted a Period of Performance of up to 3 years, beginning on the date that the award agreement is fully executed. This means the Grantee will have up to three years to operationalize the project and do the necessary MMV after the project is completed to verify the emissions reductions. However, we recognize that unforeseen setbacks and delays may occur once the period of performance has started. If this happens, we can extend the period of performance up to five years total.

#### Q: Is a project to build a new facility or expand an existing facility eligible to apply?

A: Projects must reduce existing industrial sector emissions. New build or expansion projects would only be eligible if an existing facility or part of an existing facility that is currently in operation is being decommissioned. Projects must show that the new or expanded facility will

result in at least a 20% reduction in Scope 1 and Scope 2 emissions compared to the baseline emissions in the original facility.

#### Q: Can I define a facility as a process unit within a building?

A: No. The facility boundary must be drawn around the entire building.

## Q: Can the 20% facility-wide emissions reduction requirement apply to a portion of a facility's entire footprint?

A1: Yes, the Applicant is responsible for defining the boundaries of the Industrial Facility and account for all the Scope 1 and Scope 2 emissions within the identified boundaries.

A2: If an Applicant has more than one building within the footprint of their property, the boundaries of the Industrial Facility can include a single, multiple, or all the buildings within the footprint of the property. If an Applicant is the owner or operator of an active underground or surface coal mine, abandoned underground mine, or coal processing operation, the Industrial Facility can include a single, multiple, or all the boreholes or ventilation shafts within the footprint of the Applicant's property.

### Q: If my project will reduce 20% of Scope 2 emissions at the facility, does this meet the 20% emissions reduction threshold?

A: MAT and LAT projects must reduce total Scope 1 and Scope 2 emissions by at least 20%. If there are no Scope 1 emissions, then reducing Scope 2 emissions by 20% would meet this requirement.

#### Q: Are projects that reduce Scope 3 emissions eligible?

A: Projects that are eligible can demonstrate that they will reduce Scope 1 and Scope 2 emissions by at least 20%. Applicants may include information about Scope 3 emissions reduction in other areas of the application, such as the Project Innovation/Transformative Impact section.

#### Q: Can a company have more than one type of project in their application?

A: A location can have more than one project in their MAT or LAT application (i.e. boiler electrification and on-site solar) in the same application.

## Q: Can a company split their projects into separate MAT and SAT applications if one project is greater than \$1M and the other is less?

A: A company can submit two separate applications if their projects are unrelated systems (for instance solar in the MAT category vs. energy-efficient lighting in the SAT category). If the two

projects are related (for instance solar and new electrical upgrades to support the solar installation) then these would need to be submitted within the same application.

## Q: Does the facility have to be unionized? If contractors are completing work on the project, do they have to be unionized?

A: Unionization is not a requirement, though it can contribute toward the Community Benefits Bonus or Fair Labor Bonus.

#### Q: Do I have to pay prevailing wage for project construction work?

A1: Yes, all projects must meet the prevailing wage requirement as most recently determined by the U.S. Department of Labor under the <u>Prevailing Wage Rate Requirements</u>.

A2: In addition, all awarded projects must comply with Federal requirements including Build America, Buy America, Foreign National Participation, Transparency or Foreign Connections, Davis Bacon Act, Environmental Review in accordance with National Environmental Policy Act, and Flood Resilience as applicable.

#### Q: What is considered an eligible cost?

A1: Eligible costs for the Base Grant Award include:

- Labor and capital costs associated with project implementation, including materials, equipment, delivery, software, construction, installation, retrofitting, tools, and contractual work directly related to the project.
- Travel costs are only eligible expenditures if considered integral to the purpose of the Applicant's proposed project, as determined by DEP.

A2: The following costs are eligible to be included in the Total Project Cost (TPC) and cost share, but are not eligible for reimbursement:

 Reasonable costs associated with planning, development, and design of the project and bonus awards, including feasibility and engineering studies, that are incurred after October 1, 2024.

A3: Grantees are required to complete measurement, monitoring, and verification (MMV) over the duration of the project. Project costs associated with MMV should not be factored into an Applicant's total project costs. Instead, Applicants can apply for reimbursement of up to 1% of total project costs or \$70,000, whichever is less, to offset MMV costs. If an Applicant already has source monitoring in place that complies, then they cannot apply for this additional funding.

#### Q: What is considered an ineligible cost?

A: The following types of costs are ineligible for MAT and LAT reimbursement or cost share:

- Land acquisition, permits, or landscaping
- Advertising or business start-up costs
- Indirect costs (i.e., general administrative and overhead, contingency funds, etc.)
- Construction costs unrelated to the project
- Plant or facility closure costs
- Travel not integral to the purpose of the proposed project, lodging, subsistence, or conference or meeting expenses including catering, conference equipment and room rental
- Legal fees or fees associated with securing financing
- Supplies or equipment under \$1,000
- Costs incurred prior to October 1, 2024.

## Q: Can projects that qualify for Act 129 or other applicable utility incentive programs also apply to RISE PA?

A: A project could include Act 129 or utility rebate program funding as part of the capital stack for meeting the cost share requirement if the funding has already been secured. The Applicant must include documentation with their budget information that shows the value of the funding and that it has been approved.

## Q: My project is required for compliance with local, state, and/or federal law. Is my project still eligible?

A1: Projects are ineligible if they are required for compliance, however, the project may still be eligible if the applicant can demonstrate one of the following:

- If the applicant can demonstrate that all resulting air pollutant and/or energy reduction benefits are in excess of existing requirements.
- If the applicant can demonstrate that the reductions will occur at least one year before the requirements mandate.

A2: Projects required for compliance that would be ineligible include the following:

- EPA's Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review.
- Local building standards and codes.
- Environmental requirements such as the Air Pollution Control Act (35 P.S. §§ 4001-4015).

### **Questions About Solar Projects**

#### Q: What is considered "on-site" generation?

A: On-site generation occurs if the project is within 2 miles of the facility, which would make it eligible to be net metered in Pennsylvania.

#### Q: Is sub-metering allowed?

A: Yes, if necessary.

#### Q: Are virtual Power Purchase Agreement projects eligible?

A: No. Virtual Power Purchase Agreements are a part of a facility's operational cost, so they would be ineligible for funding. A list of eligible and ineligible costs can be found on page <u>8</u> of the Program Guidance document.

#### Q: Is battery storage eligible?

A: Yes, battery storage is an eligible project cost.

#### Q: Is remote net crediting allowed?

A: Yes, if the meter and building that is producing the credits is included in the defined boundaries and included in the scope of the emissions calculations.

A2: The credits must be directed to a meter also located within the defined boundaries and included in the scope of emissions calculations.

## Q: If solar projects are below 1MW AC output, are they exempt from the prevailing wage requirement?

A: Paying prevailing wage is a requirement for all RISE PA projects because it involves federal funding from EPA that is subject to Davis Bacon. So even if a project is under 1 MW, it still must pay prevailing wage.

#### Q: Can a project be oversized beyond current operations or for planned future growth?

A: No. If a system is expected to produce more than 100% of the annual capacity, the only eligible cost is the portion of the system that supplies up to 100% of the facility's annual capacity. If the system is expected to consistently produce more than 100% of the facility's annual capacity, the facility must not include the cost associated with the portion of the system producing over 100%.

Q: If a solar array will power two of the five buildings at a location, but those two buildings do not have enough roof space for all the panels, can excess panels be placed on the rooves of the buildings that will not receive power from the array?

A: Yes. In this scenario, the building(s) hosting the excess solar panels do **not** need to be included within the boundary of the industrial facility, and the Scope 1 and Scope 2 emissions in those building(s) do not need to be included in the baseline emissions calculation.

Q: Are additional structural improvements eligible to be included in the total project cost (TPC) if required by the project? For example, a rooftop solar installation requires additional structural support of the building to accommodate it.

A: Yes, this expense can be included in the total project cost.

### Questions about Greenhouse Gas (GHG) Emissions

#### Q: What are Scope 1 & Scope 2 GHG emissions?

A: Scope 1 Emissions are direct GHG emissions that occur from sources that are controlled or owned by an organization. Scope 2 Emissions are indirect GHG emissions associated with the purchase of electricity or steam, and heat. Facilities must describe the boundaries of the Industrial Emissions and provide a baseline calculation of emissions for the past three years. More information can be found on page 12 of the Program Guidance document. Use EPA's <a href="Simplified GHG Emissions Calculator">Simplified GHG Emissions Calculator</a> to determine Scope 1 and Scope 2 GHG emissions. Use EPA's Simplified GHG Emissions Calculator to determine Scope 1 and Scope 2 GHG emissions.

#### Q: Are projects that reduce Scope 3 emissions eligible?

A: Projects that are eligible can demonstrate that they will reduce Scope 1 and Scope 2 emissions by at least 20%. Applicants may include information about Scope 3 emissions reduction in other areas of the application, such as the Project Innovation/Transformative Impact section.

## Q: Can the 20% facility-wide emissions reduction requirement apply to a portion of a facility's entire footprint?

A1: Yes, the Applicant is responsible for defining the boundaries of the Industrial Facility and account for all the Scope 1 and Scope 2 emissions within the identified boundaries.

A2: If an Applicant has more than one building within the footprint of their property, the boundaries of the Industrial Facility can include a single, multiple, or all the buildings within the footprint of the property. If an Applicant is the owner or operator of an active underground or

surface coal mine, abandoned underground mine, or coal processing operation, the Industrial Facility can include a single, multiple, or all the boreholes or ventilation shafts within the footprint of the Applicant's property.

### Q: If my project will reduce 20% of Scope 2 emissions at the facility, does this meet the 20% emissions reduction threshold?

A: MAT and LAT projects must reduce total Scope 1 and Scope 2 emissions by at least 20%. If there are no Scope 1 emissions, then reducing Scope 2 emissions by 20% would meet this requirement.

### Q: Are there any resources available to help me calculate the greenhouse gas emissions baseline?

A1: MAT and LAT applicants must submit a technical appendix detailing how their estimates of GHG emissions reductions were calculated. It is ultimately up to the facility how they wish to calculate their Scope 1 and Scope 2 emissions; however, you need to provide 3 years of baseline data and show all of your work and methodology along with references to back it up. See <a href="Appendix A: GHG Emission Calculation Guidance">Appendix A: GHG Emission Calculation Guidance</a> in the Program Guidance document for further details.

#### Q: How can I calculate the emissions associated with the electricity purchased from the grid?

A: EPA's <u>Emission Factor Hub</u> provides emission factors by fuel and US regional electricity emission factors which can help with calculation of the emissions associated with electricity that is purchased from the grid (Scope 2).

### Q: What if I have less than three years of emissions data available to calculate the GHG emissions baseline?

A: The applicant would have to calculate the baseline based on however many years of emissions data they have available. See <u>Appendix A: GHG Emission Calculation Guidance</u> in the Program Guidance document for further details.

## Q: Is an energy assessment or Technical Assistance Report required for the MAT and LAT application?

A: No. A Technical Assistance Report (TAR) is only required for the Small-scale Award Track (SAT). MAT and LAT applicants must submit a technical appendix detailing how their estimates of GHG emissions reductions were calculated. See <u>Appendix A: GHG Emission Calculation Guidance</u> in the Program Guidance document for further details.

### Q: What are co-pollutant emissions? Are they factored into the application?

A: Co-pollutant emissions include criteria air pollutants (Ozone, Particulate Matter, Carbon Monoxide, Lead, Sulfur Dioxide, Nitrogen Dioxide, Volatile Organic Compounds) and hazardous air pollutants (Hydrogen sulfide, Benzene, Toluene, Ethylbenzene, Xylene, Hexane, Ethane, Pentane, Formaldehyde, Butane, Dichlorobenzene, Propane). These are defined in detail in the guidelines provided in the current version of the <u>BAQ Source Testing Manual</u> as well as the current version of the <u>Source Testing Frequently Asked Questions (FAQ)</u>. Co-pollutants emissions must be listed in the application and are considered in the evaluation.

### Questions about the Application Process

#### Q: How do I apply for a RISE PA grant?

A: RISE PA MAT/LAT applications must be submitted through the <u>DCED Enterprise eGrants</u> <u>System</u>. Step-by-step instructions are provided on the RISE PA website and at <u>this link</u>. More information about application requirements can be found on page 9 of the Program Guidance document.

#### Q: Can I schedule a meeting to discuss my application or project with the RISE PA team?

A: Yes. Send an email to Ellie Cadden (<u>ecadden@pa.gov</u>) and Tim Laseinde (<u>olaseinde@pa.gov</u>) with a list of your questions to request a 30-minute meeting.

#### Q: Can I submit Prescreening Materials?

A: Yes, pre-screening materials help RISE PA to better understand potential applicants. Though we cannot provide direct feedback on the project, we can help to make any additional clarification and tailor prescreening support. To submit pre-screening materials, email the following information to <a href="mailto:RA-EP-CPRG@pa.gov">RA-EP-CPRG@pa.gov</a>

- a. Brief description of intended project and technology.
- b. The selected Award Track
- c. Bonus Awards sought
- d. Estimated total project cost
- e. Subsector emissions source(s) the project will reduce and estimated reductions.

#### Q: What information is required in the application?

A1: The application consists of the Primary Grant Application, Supplemental Application, Project-specific Questions, Technical Appendix, Detailed Budget Information, and Property

Owner and Operator Consent. Details can be found on page 9 of the Program Guidance document.

A2: Applicants pursuing the Community Benefits Bonus must submit a Community Benefits Plan. Applicants pursing the Fair Labor Bonus must complete the Good Neighbor Agreement Application, Collective Bargaining Commitment Application, and/or the Commonwealth Workforce Transformation Program (CWTP) Letter of Intent.

#### Q: Once I've submitted an application, can I go back and make changes to it?

A1: No, once you have submitted an application, that submission is final, so we encourage you to be as accurate and thorough as possible before submitting it. You do not have to submit until the **August 29**<sup>th</sup> deadline.

A2: As a part of the MAT and LAT selection process, RISE PA may determine that pre-selection clarifications are necessary. Pre-selection clarifications may occur before, during, or after the application evaluation process. Pre-selection clarification will typically be carried out through written response to RISE PA's written questions. Information provided by Applicants through this process will be incorporated into their application and contribute to the evaluation process. Information provided by the Applicant that is not directly addressing the clarification questions will not be considered.

If RISE PA contacts an Applicant for pre-selection clarification, it does not signify that the Applicant has been selected for award. RISE PA may invite one or more Applicants to a virtual or in-person meeting to discuss the proposed project. Being invited to a meeting does not mean the Applicant is selected for an award. RISE PA will not reimburse Applicants for travel and other expenses relating to pre-selection clarification, nor will these costs be eligible for Applicant cost share.

#### Q: Can I submit multiple applications?

A1: Yes. There is no limit to the number of applications a company can submit, provided each application has a Total Project Cost of greater than \$1 million.

A2: However, if multiple projects are submitted on separate applications, then the applicant will be competing with themselves, limiting their odds. This is a competitive grant and therefore, applicants are encouraged to submit their best decarbonization project or bundle all the projects into a single application.

A3: If the applicant has different locations, then each location must submit their own application.

A4: Please note that there will be one guaranteed round of funding for the MAT and LAT award tracks. The application deadline is **August 29**, **2025**.

#### Q: Can I submit one application for different projects at multiple locations?

A: No. RISE PA currently does not allow for a portfolio approach. An applicant would need to submit a separate application for each location.

#### Q: Is there an advantage to applying earlier in this program as opposed to later?

A: No, all applications will be reviewed at the close of the application. The application deadline is **August 29, 2025**.

#### Q: Will there be subsequent funding opportunities for MAT and LAT?

A: No. RISE PA anticipates that all available funding will be awarded in one round, so applicants are encouraged to apply by the **August 29, 2025** deadline.

#### Q: What is the RISE PA MAT and LAT application timeline?

A1: There will likely be only one application round for MAT and LAT projects. The application will close at midnight on **August 29, 2025.** Awards will be notified and announced by December 2025.

A2: Please note that the SAT will have multiple rounds of funding. The first application round closes on August 15, 2025. The next round is anticipated to open in September 2025 and close on December 15, 2025.

A3: All awarded MAT and LAT projects must be completed by April 2029 to allow ample time for Measurement, Monitoring, and Verification (MMV).

#### Q: How do projects compete for funding?

A: Projects will be evaluated based on a set of criteria and list of program policy factors that can be found on page 14 of the Program Guidance document.

#### Q: Will applications be reviewed and approved on a rolling basis?

A: No. RISE PA is a competitive grant program, and DEP will not review any applications until after the deadline on **August 29, 2025.** 

#### Q: Can RISE PA review application drafts and provide feedback on applications?

A: RISE PA will not review draft application materials, nor will feedback be provided on those materials. RISE PA is available via email or a call to discuss application-related questions. To

request a 30-minute meeting, send an email to Ellie Cadden (<a href="mailto:ecadden@pa.gov">ecadden@pa.gov</a>) and Tim Laseinde (<a href="mailto:olaseinde@pa.gov">olaseinde@pa.gov</a>) with a list of your questions.

#### Q: Do all necessary permits have to be secured before I apply?

A: No, however, you will need to specify the permits required within the application and the expected dates that the permits will be secured. There is a Permitting section of the application in which the applicant will provide a complete list of all federal, state, and local permits, including environmental authorizations (if applicable) or reviews necessary to commence construction of the project.

### Q: What are Scope 1 & Scope 2 GHG emissions?

A: Scope 1 Emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization. Scope 2 Emissions are indirect GHG emissions associated with the purchase of electricity or steam, and heat. Facilities must describe the boundaries of the Industrial Emissions and provide a baseline calculation of emissions for the past three years. More information can be found on page 12 of the Program Guidance document. Applicants may use EPA's <u>Simplified GHG Emissions Calculator</u> to determine Scope 1 and Scope 2 GHG emissions.

### Q: Are there any resources available to help me calculate the greenhouse gas emissions baseline?

A1: MAT and LAT applicants must submit a technical appendix detailing how their estimates of GHG emissions reductions were calculated. Applicants must provide 3 years of baseline data and show all of your work and methodology along with references to back it up. Resources are available to help calculate the GHG emission baseline in <a href="Appendix A: GHG Emission Calculation Guidance">Appendix A: GHG Emission Calculation Guidance</a> of the Program Guidance.

#### Q: How can I calculate the emissions associated with the electricity purchased from the grid?

A: EPA's <u>Emission Factor Hub</u> provides emission factors by fuel and US regional electricity emission factors which can help with calculation of the emissions associated with electricity that is purchased from the grid (Scope 2).

### Q: What if I have less than three years of emissions data available to calculate the GHG emissions baseline?

A: The applicant would have to calculate the baseline based on however many years of emissions data they have available. See <u>Appendix A: GHG Emission Calculation Guidance</u> in the Program Guidance document for further details.

#### Q: What are co-pollutants? Are they factored into the application?

A: Co-pollutants include particulate matter, sulfur compounds, nitrogen compounds, carbon monoxide, halogenated compounds, heavy metals, and organic compounds. These are defined in detail in the guidelines provided in the current version of the <u>BAQ Source Testing Manual</u> as well as the current version of the Source Testing Frequently Asked Questions (FAQ). This information can be found on the Department's Source Testing and Natural Gas Industry Testing Section homepage which can be accessed at the following link: <u>Natural Gas Industry Testing and Source Testing Section</u>. Co-pollutants are considered in the evaluation of an application. The application asks to include co-pollutants in the greenhouse gas emissions baseline.

## Q: Is an energy assessment or Technical Assistance Report required for the MAT and LAT application?

A: No. A Technical Assistance Report (TAR) is only required for the Small-scale Award Track (SAT). MAT and LAT applicants must submit a technical appendix detailing how their estimates of GHG emissions reductions were calculated. Applicants are encouraged to include sufficient detail so that DEP can understand the basis for the greenhouse gas (GHG) emission reductions estimated. See <u>Appendix A: GHG Emission Calculation Guidance</u> in the Program Guidance document for further details.

#### **Questions about Bonus Awards**

#### Q: What Bonus Awards are available for MAT and LAT projects and how much are they worth?

A1: MAT and LAT projects can receive the Community Benefits Bonus, Fair Labor Bonus, and Greenhouse Gas Emissions Reduction Bonus.

A2: The Community Benefits Bonus and Fair Labor Bonus are each worth 10% of the Total Project Cost.

A3: The Greenhous Gas Emissions Reduction Bonus is an incremental bonus worth up to 10% of the Total Project Cost depending on how far above the 20% emissions reduction threshold the project can achieve. Information about the GERB can be found in <u>Table 14</u> on page 45 of the Program Guidance document.

#### Q: What is the maximum bonus award for MAT and LAT projects?

A: The combined maximum bonus award for MAT and LAT projects is 30% of the total project cost, which would increase the base grant award to 60% maximum of the base grant award.

#### Q: Where can I find more information about the bonus award requirements?

A: Please refer to the following appendices of the Program Guidance document:

- Community Benefits Bonus (CBB): <u>Appendix B.</u>
- Fair Labor Bonus (FLB): Appendix C.
- Greenhouse Gas Emissions Reduction Bonus (GERB): Appendix D.

#### Q: How can I identify Low-Income and Disadvantaged Communities (LIDACs)?

A: There is updated guidance to identify LIDACs. Applicants are advised to use <u>DEP's</u>

<u>PennEnviroScreen mapping tool</u>. More guidance on how to use the mapping tool can be found <u>here.</u>

## Q: For the Fair Labor Bonus, can applicants obtain funding from the Commonwealth Workforce Transformation Program?

A: If an applicant participates in the Commonwealth Workforce Transformation Program (CWTP), funding from the program will be included in the 10% bonus award amount. To obtain the Fair Labor Bonus, MAT applicants must complete two (2) of the following and LAT applicants must complete all three (3) of the following:

- Good Neighbor Agreements
- Collective Bargaining Commitments
- Commonwealth Workforce Transformation Program (CWTP) Participation
  - The CWTP reimburses up to \$30,000 per trainee, and up to \$10,000 per trainee for supportive services. CWTP will reimburse up to ten trainees. MAT and LAT projects must have at minimum two (2) trainees, plus one (1) additional trainee for every \$20M of the Total Project Cost.

More information about the Fair Labor Bonus can be found in <u>Appendix C</u> of the Program Guidance document.

#### Q: When will Bonus Awards be paid out?

A: Bonus Award funding will be withheld until DEP verifies that the Grantee has met the additional criteria for each bonus. More information about Bonus Awards can be found on page 2 of the Program Guidance document.

### Questions about Funding, Reimbursement and Cost Share Requirement

#### Q: How much funding is available per project?

A1: For Medium-scale projects, \$300,000 to \$20,000,000 is available per project for the base grant award. For Large-scale projects, \$20,000,001 to \$110,000,000 is available per project for the base grant award.

#### Q: How does reimbursement work?

A: MAT/LAT projects can be reimbursed for up to 90% of the BGA as process costs are incurred, meaning that paid invoices can be submitted in a request for reimbursement throughout the grant period. Ex: \$10 million project = \$3 million Base Grant Award, so the Grantee can be reimbursed for up to \$2.7 million. The remaining 10% will be withheld until after Measuring Monitoring and Verification is completed and emissions reductions are verified. RISE PA can reimburse for any eligible costs incurred from October 1, 2024, onward.

#### Q: Can I include the cost of a feasibility study or engineering study in the total project cost?

A: Any costs from preparing the application, including feasibility studies, are not reimbursable but may be included in the total project cost and count toward meeting the cost share requirement.

#### Q: Can RISE PA reimburse for costs already incurred?

A: Eligible project costs incurred from October 1, 2024, may be reimbursed. Reasonable costs associated with planning, development, and design of the project and bonus awards may be factored into the cost share requirement but are not reimbursable.

#### Q: Can I apply for a project that has already begun construction?

A1: Yes, MAT and LAT projects can begin at their own risk prior to the notification of the award. Eligible costs incurred as far back as October 1, 2024, can be reimbursed. Projects that are already completed will not be eligible for funding.

A2: Please note that Small-scale Award Track (SAT) applicants may not begin work on the project prior to its funding.

#### Q: When can I start spending money on my project?

A: A facility may start spending money on a project at its own risk prior to award notification. Eligible expenses incurred on or after October 1, 2024, may be reimbursed upon award notification.

## Q: Are the costs associated with performing measurement, monitoring, and verification (MMV) reimbursable?

A: Yes. Project costs associated with MMV should not be factored into an applicant's total project cost (TPC). Instead, applicants can apply for reimbursement of up to 1% of total project costs or \$70,000, whichever is less, to offset MMV costs.

#### Q: How will RISE PA funding be disbursed?

A1: RISE PA is a reimbursement grant program. Applicants will submit reimbursement requests as costs are incurred, and invoices are paid. The payment process may take four to six (4-6) weeks from the approval of the reimbursement request.

A2: Grantees will be required to obtain a vendor identification number through the <u>Vendor Data</u> <u>Management Unit</u> and to submit a Form W-9, Request for Taxpayer Identification Number and Certification. Refer to page 16 of the Program Guidance document for more information.

#### Q: What are the cost share requirements?

A1: MAT and LAT applicants must provide a 70% cost share. Cost share includes cash or in-kind contributions provided by the Applicant, subrecipients, or other project related sources. If the maximum bonus awards are obtained, the cost share would be 40%.

## Q: My project has received grant funding from another source. Can I get RISE PA funding for the same project?

A: Yes, Applicants may include other sources of federal, state, or local funding that have already been secured as part of the cost share.

#### Q: Can tax credits be used toward meeting the cost share requirement?

A1: If the tax credit has already been received, then it can be counted toward meeting the cost share requirement. If the tax credit has not yet been received, it cannot count toward meeting the cost share requirement. However, if a project such as a renewable energy project will generate the Investment Tax Credit upon project completion, a bridge loan could be secured for the value of the tax credit, and that loan could be part of the cost share capital stack.

A2: There is no restriction to apply for the Investment Tax Credit (ITC) in addition to RISE PA funding. Applicants should consult a tax professional to determine whether RISE PA funding is additive to basis.

#### Q: Will the grantee have to pay taxes at the state level on the grant?

A1: For businesses subject to Corporate Net Income Tax, the general rule is if it's included in Federal From 1120 (U.S. Corporation Income Tax Return), Line 28, it's taxable unless specifically excluded by statute.

A2: If a business is not subject to Corporate Net Income Tax and remits taxes from the business under Pennsylvania Personal Income Tax, the grant would not be taxable income.

## Q: How much funding does a grantee ultimately receive if the project comes in lower or higher than the initial cost that was submitted in the application?

A1: If the project comes in lower than the initial cost, the reimbursements of eligible costs will match the percentage of cost share up to actual project costs.

A2: If the project comes in higher than the initial cost, the reimbursements will still only fund the amount specified in the grant agreement.

# Questions about Implementation, Measurement, Monitoring, and Verification (MMV)

#### Q: What kind of Measurement, Monitoring, and Verification (MMV) is required?

A1: Measurement, Monitoring, and Verification (MMV) is the process of comparing the implemented project and/or process against the prior equipment and/or method. This will be unique to the applicant's project and will vary due to the different types of eligible projects.

A2: The Applicant is required to submit a narrative describing how MMV will be conducted for the proposed project. If an applicant is selected to receive an award, they will be required to submit a comprehensive MMV Protocol that will be reviewed for approval by RISE PA. More information about MMV requirements can be found on and page 19 of the Program Guidance document.

## Q: Are the costs associated with performing measurement, monitoring, and verification (MMV) reimbursable?

A: Yes. Project costs associated with MMV should not be factored into an applicant's total project cost (TPC). Instead, applicants can apply for reimbursement of up to 1% of total project costs or \$70,000, whichever is less, to offset MMV costs.

#### Q: How long will Grantees have to complete projects?

A1: Medium/Large-scale projects will be granted a Period of Performance of up to 3 years, beginning on the date that the award agreement is fully executed. This means the Grantee will have up to three years to operationalize the project and do the necessary MMV after the project is completed to verify the emissions reductions.

A2: RISE PA recognizes that unforeseen setbacks and delays may occur once the period of performance has started. If this happens, DEP can extend the period of performance for up to five years total. However, all projects must be completed by the anticipated sunset date of the program on April 1, 2029.

## Q: Is the RISE PA program affected by federal funding cuts in the Reconciliation Law (OBBBA/H.R.1)?

A1: No. The funding for the RISE PA program comes from the EPA's Climate Pollution Reduction Grants program and DEP's funding has been secured and *obligated*.

A2: The Reconciliation Law rescinds the *unobligated* funding for the Climate Pollution Reduction Grants program. However, since the funding for RISE PA is obligated, the recission does not affect the program.