

High Energy Cost Grant Program

Fiscal Year 2025

Notice of Funding Opportunity

Funding Opportunity Number: RD-RUS-HECG25

Publication Date: December 30, 2024

Application Due Date: February 28, 2025

PROGRAM SOLICITATION INFORMATION

Federal Awarding Agency: Rural Utilities Service

Funding Opportunity Title: High Energy Cost Grant Program

Funding Opportunity Number: RD-RUS-HECG25

Announcement Type: Notice of Funding Opportunity (NOFO)

Assistance Listing Number: 10.859

Dates: Completed electronic applications must be filed through www.grants.gov by 11:59 pm Eastern Time (ET) on February 28, 2025.

Completed paper application must be hand delivered or postmarked and mailed, shipped, or sent overnight, no later than 4:30 pm ET on February 28, 2025. Applicants intending to mail, ship or overnight applications must allow sufficient time to permit delivery on or before the deadline. Acceptance by the USPS or private mailer does not constitute delivery.

Executive Summary:

The Rural Utilities Service (RUS or the Agency), a Rural Development (RD) agency of the United States Department of Agriculture (USDA), announces funding availability under the High Energy Cost Grant (HECG) Program for fiscal year (FY) 2025. These grant funds will be made to qualified types of applicants to acquire, construct, extend, upgrade, or otherwise improve energy generation, transmission, or distribution facilities serving communities in which the average residential expenditure for home energy is at least 275 percent of the national average. Grants may also be used for programs that install on-grid and off-grid renewable energy systems and energy efficiency improvements in eligible communities. Funding for FY 2025 will not be known until Congress passes an appropriations act. The Agency estimates that \$8 to \$10 million will be available based on FY 2023 and FY 2024 amounts. All applicants are responsible for any expenses incurred in developing their applications.

Addresses: Electronic Applications must be filed through www.grants.gov.

Paper applications must be postmarked and mailed through the United States Postal Service (USPS) or shipped through an overnight commercial delivery service or hand delivered to the Electric Programs at RUS headquarters in Washington, D.C. located at Rural Utilities Service, Electric Programs; USDA; 1400 Independence Avenue, SW, STOP 1560; Room 4121-South Building; Washington, D.C. 20250-1560. Mark the outside of the envelope: "Attention: High Energy Cost Grant Program."

Instructions and additional resources, to include the HECG Program Application Guide, are available at <https://www.rd.usda.gov/programs-services/electric-programs/high-energy-cost-grants>, under the "To Apply" tab.

APPLICATION CHECKLIST

The application must include the documents in the checklist located below. Failure to submit all required documents will result in the application being deemed ineligible for the grant program. Please review [Section 4.2](#) of this notice for more information and details on the required documents, supporting information, and format for a complete application.

Document	Details
<input type="checkbox"/> Part A. Form SF 424, “Application for Federal Assistance”	
<input type="checkbox"/> Part B. Project Abstract and Eligibility Statement (up to 3 pages total)	
Part C. Project Narrative Proposal	
<input type="checkbox"/> I. Table of Contents	
<input type="checkbox"/> II. Executive Summary (1 page)	
<input type="checkbox"/> III. Project Description (up to 25 pages) (A) Community Eligibility and Assessment of Community Needs, (B) Project Design, Technical Feasibility and Responsiveness to Community Needs, (C) Applicant Organization and Eligibility, (D) Organizational Capabilities and Project Management Plan, (E) Organizational Experience, (F) Key Staff Experience, (G) Project Goals, Objectives, and Performance, (H) Project Reporting Plan, (I) Project Budget and Financial Capability, (J) Rural Economic Development Initiatives, and (K) Priority Consideration.	
Part D. Additional Required Forms and Certifications	
<input type="checkbox"/> Either Form SF 424A (for non-Construction Programs) OR Forms SF 424C and SF 424D (For Construction Programs)	
<input type="checkbox"/> Form SF LLL, “Disclosure of Lobbying Activities”	
<input type="checkbox"/> Evidence of Active and Unexpired System for Award Management Registration	https://www.sam.gov/SAM

Document	Details
<input type="checkbox"/> Form RD 400-1, Relating to a prescribed equal opportunity clause in construction contracts where Federal financial assistance exceeds \$10,000	
<input type="checkbox"/> Form RD 400-4, Assurance Agreement	
<input type="checkbox"/> HECG Program Environmental Questionnaire	
<input type="checkbox"/> Part E. Supplementary Materials (up to 10 pages)	

TIPS FOR APPLICANTS

- To do business with the Federal Government and to submit your application electronically using Grants.gov, you must—
 - Have a Unique Entity Identifier (UEI) and a Taxpayer Identification Number (TIN);
 - Be registered in SAM.gov (System for Award Management), the Government's primary registrant database;
 - Provide your UEI number and TIN on your application; and
 - Maintain an active SAM registration with current information throughout the application review period and, if you are awarded a grant, during the project period.
- Register and submit applications early. **DO NOT WAIT UNTIL THE DAY OF THE APPLICATION DEADLINE.**
- Thoroughly read this Notice of Funding Opportunity (NOFO) and follow all the instructions.
- Thoroughly review the guidelines and policies as outlined in this notice to ensure the application is received and eligible for consideration, and to understand allowable and unallowable costs.
- Apply for the correct grant program, Assistance Listing number **"10.859"** and Funding Opportunity Number **"RD-RUS-HECG25"**
- Make sure you have the most recent copy of Adobe Reader installed on your computer and that it is compatible with [Grants.gov](https://www.grants.gov) software. Grants.gov supports Adobe Reader version 9.0.0 and higher.
- Limit Application File Name Characters (50 or less).
- When uploading attachments, click the "Add Attachments" button (do NOT use the "paperclip" icon in Adobe Reader). Acceptable file types include .doc, .docx, .pdf, .jpg, .jpeg, .png, .gif, .xls, .xlsx, .txt, .ppt, and .pptx. If you would like to submit another file type, please contact the program office first for approval.
- Do not password-protect your documents and make sure all tracked-changes are "accepted".
- Avoid Special Characters in File Names (\$, %, &, *, Spanish "ñ", etc.).
- Input the correct UEI number on the SF-424 cover page.
- Review the Grants.gov Applicant User and Registration Guides:
 - <https://www.grants.gov/applicants/applicant-faqs>
 - <https://www.grants.gov/applicants/workspace-overview>

TABLE OF CONTENTS

1.0	Program Description	6
1.1	RD Key Priorities.....	6
1.2	Purpose of the Program	6
1.3	Statutory and Regulatory Authority.....	6
1.4	Definitions	6
1.5	Application of Awards	7
2.0	Federal Award Information.....	7
3.0	Eligibility Information	8
3.1	Eligible Applicants, Communities, and Projects.....	8
3.2	Cost Sharing or Matching.....	11
3.3	Other	12
4.0	Application and Submission Information	12
4.1	Address to Request Application Package.....	12
4.2	Content and Form of Application Submission	12
4.3	System for Award Management and Unique Entity Identifier	21
4.4	Submission Dates and Times.....	21
4.5	Intergovernmental Review	22
4.6	Funding Restrictions.....	22
4.7	Other Submission Requirements	24
5.0	Application Review Information	25
5.1	Criteria.....	25
5.2	Review Selection Processes	33
5.3	Anticipated Announcement and Federal Award Dates	35
6.0	Federal Award Administration Information	36
6.1	Federal Award Notices.....	36
6.2	Administrative and National Policy Requirements	36
6.3	Reporting.....	38
7.0	Federal Award Agency Contacts.....	39
8.0	Buy America, Buy America Requirements	39
9.0	Other Information	39
9.1	Paperwork Reduction Act	39
9.2	National Environmental Policy Act	40
9.3	Federal Funding Accountability and Transparency Act	40
9.4	Civil Rights Act.....	40
9.5	Equal Opportunity for Religious Organizations	40
9.6	Nondiscrimination Statement.....	40

1.0 PROGRAM DESCRIPTION

1.1 RD Key Priorities

The Agency encourages applicants to consider projects that will advance the following key priorities (more details available at <https://www.rd.usda.gov/priority-points>):

- *Creating More and Better Markets.* Assist rural communities recover economically through more and better market opportunities and through improved infrastructure;
- *Advancing Racial Justice, Placed-Based Equity, and Opportunity.* Ensure all rural residents have equitable access to RD programs and benefits from RD funded projects; and
- *Addressing Climate Change and Environmental Justice.* Reduce climate pollution and increase resilience to the impacts of climate change through economic support to rural communities.

1.2 Purpose of the Program

The purpose of this program is to provide financial assistance for a broad range of energy facilities, equipment, and related activities to offset the impact of extremely high home energy costs on eligible communities. The grants help communities provide basic energy needs by financing energy infrastructure supporting rural prosperity and job creation.

1.3 Statutory and Regulatory Authority

The HECG Program is authorized under section 19 of the Rural Electrification Act of 1936, as amended (the RE Act) (7 U.S.C. 918a), and implemented by [7 CFR part 1709](#).

[7 CFR part 1700, subpart D](#) establishes the policies and procedures for the RUS implementation of the Substantially Underserved Trust Areas (SUTA) initiative under section 306F of the RE Act ([7 U.S.C. 936f](#)).

1.4 Definitions

The definitions applicable to this notice are published at [7 CFR 1709.3](#), [7 CFR 1700.101](#), and provided below.

Btu is the abbreviation for British thermal unit, a standard energy measure. A Btu is the quantity of heat needed to raise the temperature of one pound of water 1 degree Fahrenheit at or near 39.2 degrees Fahrenheit.

Environmental and Historic Preservation Requirements include the following authorities and any amendments thereto: the National Environmental Policy Act of 1969, (NEPA) (42 U.S.C 4321, et seq), Section 7 of the Endangered Species Act (16 U.S.C. 1531 et seq.), and Section 106 of the National Historic Preservation Act (NHPA)(54 U.S.C. 300101 et seq.), as well as their implementing regulations at 7 CFR part 1970, Environmental Policies and Procedures (including Farmland Protection Policy Act Implementation Policy), 50 CFR part 402, Interagency Cooperation, and 36 CFR part 800, Protection of Historic Properties.

Force Account is when the owner uses their own employees to construct the project. Skilled laborers are often brought in from around the state and others are hired locally. An outside engineering firm is often involved in project management, construction and grant management.

Narrative means a written statement, description, or other written material prepared by the applicant, for which no form exists.

Owner furnished materials + contractor method is when the owner purchases materials and bids out all construction to a contractor.

1.5 Application of Awards

The Agency will review, evaluate, and score applications received in response to this notice based on the provisions found in [7 CFR part 1709](#) and as indicated in this notice. Awards under the HECG Program will be made on a competitive basis using specific selection criteria contained in [7 CFR part 1709](#). The Agency advises all interested parties that the applicant bears the full burden in preparing and submitting an application in response to this notice regardless of whether or not funding is appropriated for the HECG Program in FY 2025.

2.0 FEDERAL AWARD INFORMATION

Type of Awards: Grants

Fiscal Year Funds: FY 2025

Available Funds: The Agency currently estimates that approximately \$8 to \$10 million will be available for FY 2025. RUS may, at its discretion, increase the total level of funding available in this funding round (or in any category in this funding round) from any available source, including future appropriations, provided the awards meet the requirements of the statute which made the funding available to the Agency.

Award Amounts: The maximum amount of grant assistance that will be considered for funding per grant application under this notice is \$3,000,000. The minimum amount of grant assistance that will be considered for funding per grant application under this notice is \$100,000.

Anticipated Award Date: Award dates will vary depending on the timing of environmental reviews. We expect selected finalists will be determined within 6 months of the deadline for submitting applications.

Performance Period: The performance period will be three-years from the date of the Grant Agreement. Approvals of any extensions to the original grant terms are the sole discretion of the Agency.

Renewal or Supplemental Awards: There will be no reconsideration of applications submitted under previous funding announcements. All applicants must apply under this FY 2025 notice.

Type of Assistance Instrument: Grant Agreement

Approximate Number of Awards: The number of grants awarded will depend on the number of complete applications submitted, the total grant funds requested, the quality and competitiveness of applications, and the availability of funds. There were thirteen (13) selected finalists for awards under the FY 2023 NOFO and these award amounts ranged from \$780,000 to \$3,000,000.

3.0 ELIGIBILITY INFORMATION

3.1 Eligible Applicants, Communities, and Projects

(a) *Eligible Applicants.* Applicant eligibility under this program is established by [7 CFR 1709.106](#) and this notice. A State or local government may include municipal utility or public power authority. Any of the entities listed in [7 CFR 1709.106](#) and this notice located in a U.S. Territory or other area authorized by law to participate in RUS programs or under the RE Act may be an eligible applicant.

All applicants must demonstrate the legal authority and capacity to enter into a binding grant agreement with RUS at the time of the award and to carry out the proposed grant funded project according to its terms to be an eligible applicant. The application must include information and/or documentation supporting the applicant's eligibility, legal existence, and capacity to enter into a grant agreement.

Individuals are eligible grant applicants under this program. However, any proposed grant project must provide community benefits and not be for the primary benefit of an individual household. As a practical matter, because this program addresses community energy needs and to more readily facilitate compliance with Federal grant requirements, individuals will likely find it preferable to establish an independent legal entity, such as a corporation, to complete the grant project if the project is selected.

If the project proponent contemplates a structured financing where the grantee of record or the primary entity managing or providing grant services under contract to the grantee, has not yet been established, this must be fully disclosed and explained in the original application. Grant awards are not transferable. The new entity must be in existence and legally competent to enter into a grant agreement with RUS under appropriate State and Federal laws before a final grant award can be approved.

Corporations that have been convicted of a federal felony within the past 24 months are not eligible applicants. Any corporation that has any unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, is not eligible for financial assistance.

In addition, under program regulations at [7 CFR 1709.7](#), an outstanding judgment obtained against an applicant by the United States in a Federal Court (other than in the United States Tax Court), which has been recorded, shall cause the applicant to be ineligible to receive a grant under this program until the judgment is paid in full or otherwise satisfied.

(b) *Eligible Communities.* Eligible communities under this program are established by [7 CFR 1709.107](#) and this notice. To establish community eligibility, the application must (1) clearly identify and define the geographic area that will be included in the grant project and (2) demonstrate that each of the communities in the proposed area meets one or more of the high energy cost benchmarks identified in this notice. The smallest area that may be designated as an area is a 2020 Census block unless otherwise satisfactorily delineated in the application such that data for eligibility determinations is credibly supported. Projects must serve eligible communities and not be for the primary benefit of an individual or business.

RUS periodically establishes community eligibility benchmarks based on the latest available information from the Energy Information Administration (EIA) of the U.S. Department of Energy. Home energy cost benchmarks are calculated for total annual household energy expenditures; total annual expenditures for individual fuels; annual average per unit energy costs for primary home energy sources and are set at 275 percent of the relevant national average household energy expenditures. RUS has

revised the eligibility benchmarks for FY 2025 based on the latest EIA data. The new benchmarks are shown in Table 1 below.

The EIA's Residential Energy Consumption and Expenditure Surveys (RECS) and reports provide the baseline national average household energy consumption data that were used for establishing extremely high energy cost community eligibility criteria for this grant program. The RECS data base and reports provide national and regional information on residential energy use, expenditures, and housing characteristics. The EIA published its latest available RECS home energy expenditure survey results for 2020. RUS used the latest EIA data for 2023 residential energy prices to estimate national average household energy costs to establish the benchmarks shown in Table 1:

Table 1
National Average Annual Household Energy Expenditures and
Extremely High Energy Cost Eligibility Benchmarks
Effective for Applications Submitted on or after the FY 2025 NOFO Publication Date

AVERAGE ANNUAL HOUSEHOLD EXPENDITURE ¹		
Type of Fuel	Estimated national annual average household expenditure Per year	RUS extremely high energy cost benchmark (275% of national average) Per year
Electricity	\$1,380	\$3,795
Natural Gas	\$630	\$1,733
Fuel Oil	\$1,224	\$3,366
LPG/Propane	\$735	\$2,021
Total Household Energy Use	\$1,884	\$5,181

¹ EIA Residential Energy Consumption Survey, 2020 data released March 2023 and revised March 2024. Table CE2.6

ANNUAL AVERAGE PER UNIT RESIDENTIAL ENERGY COSTS		
Fuel (units)	2023 national average unit cost Per unit	RUS extremely high energy cost benchmark (275% of national average) per unit
Electricity (Kilowatt hours) ²	\$0.1634	\$0.4494
Natural Gas (thousand cubic feet) ³	\$13.83	\$38.03
Fuel Oil (gallons) ⁴	\$4.12	\$11.33
LPG/Propane (gallons) ⁵	\$2.50	\$6.88
Total Household Energy (per million Btus) ⁶	\$24.53	\$67.46

² EIA Electric Power Monthly Table 5.3, 2023 7-month year-to-date (YTD) average as of July 2024.

³ EIA Natural Gas Monthly Table 3, 2023, 6-month YTD average as of June 2024.

⁴EIA Petroleum & Other Liquids, U.S. No 2 Heating Oil, average of 6 winter months for which data was collected October 2023 through March 2024.

⁵EIA Petroleum & Other Liquids, U.S. Propane Residential Price, average of 6 winter months for which data was collected October 2023 through March 2024.

⁶EIA Residential Energy Consumption Survey, 2020 data released March 2023 revised March 2024 Table CE1.1.

(c) *High Energy Cost Benchmarks.* The benchmarks discussed below are used to establish threshold energy costs which are a fundamental threshold for determining community eligibility. These benchmarks were calculated by RUS using EIA's latest estimates of national average residential energy consumption and energy prices. The benchmarks recognize the diverse factors that contribute to extremely high home energy costs in rural communities. In some cases, there may be limited available published data on local community energy consumption and expenditures. High energy cost communities may demonstrate their eligibility by using one or more benchmarks. A choice of benchmarks is allowed to reduce the burden on potential applicants in meeting this requirement for quantifying the high cost of energy in their area.

Communities may qualify based on total annual household energy expenditures; total annual expenditures for commercially-supplied primary home energy sources, *i.e.*, electricity, natural gas, oil, or propane; or average annual per unit home energy costs.

A community or area will qualify as an extremely high-cost energy community if it meets one or more of the energy cost eligibility benchmarks described below.

(1) *Extremely High Average Annual Household Expenditure for Home Energy.* The area or community exceeds one or more of the following:

- Average annual residential electricity expenditure of \$3,795 per household;
- Average annual residential natural gas expenditure of \$1,733 per household;
- Average annual residential expenditure on fuel oil of \$3,366 per household;
- Average annual residential expenditure on propane or liquefied petroleum gas (LPG) as a primary home energy source of \$2,021 per household; or
- Average annual residential energy expenditure (for all non-transportation uses) of \$5,181 per household.

(2) *Extremely High Average per unit Energy Costs.* The average residential per unit cost for major commercial energy sources in the area or community exceeds one or more of the following:

- Annual average cost per kilowatt hour for residential electricity customers of \$0.04494 per kilowatt hour (kWh);
- Annual average residential natural gas price of \$38.03 per thousand cubic feet;
- Annual average residential fuel oil price of \$11.33 per gallon;
- Annual average residential price of propane or LPG as a primary home energy source of \$6.88 per gallon; or
- Total annual average residential energy cost on a Btu basis of \$67.46 per million Btu.

(d) *Supporting Energy Cost Data.* Benchmark data for each community in the designated area must be submitted in support of their eligibility under this program. Grant applicants are expected to provide supporting information sourced in the local community, or specific to that community, to support their applications. The source(s) for these data must be identified or referenced to allow RUS to verify

representations in the application. Generally, the applicant will be expected to use historical residential energy cost or expenditure information for the local energy provider serving the community or area to determine eligibility. Other potential sources of home energy related information include Federal and State agencies, local community energy providers such as electric and natural gas utilities and fuel dealers, and commercial publications. The 2025 Application Guide includes a list of EIA resources on residential energy consumption and costs that may be of assistance.

Where information is unavailable or does not adequately reflect the actual costs for average home energy use in a local community, RUS will consider estimated commercial energy costs. The 2025 Application Guide includes examples of circumstances where estimated energy costs can be used.

In many instances, historical community energy cost information can be obtained from a variety of public sources or from local utilities and other energy providers. For example, EIA publishes monthly and annual reports of residential prices by state and by service area for electric utilities and larger natural gas distribution companies. Average residential fuel oil and propane prices are reported regionally and for major cities by government and private publications. Many state agencies also compile and publish information on residential energy costs to support state programs.

(e) Use of Estimated Home Energy Costs. An applicant may substitute estimates of home energy costs based on engineering standards where historical community energy cost data are incomplete or lacking or where community-wide data does not accurately reflect the costs of providing home energy services in the area. The estimates should use available community, local, or regional data on energy expenditures, consumption, housing characteristics and population. Estimates are also appropriate where the area does not presently have centralized commercial energy services at a level that is comparable to other residential customers in the State or region. For example, local commercial energy cost information may not be available where the area is off grid because of the high costs of connection. Engineering cost estimates reflecting the incremental costs of extending service could reasonably be used to establish eligibility for areas without grid-connected electric service. Estimates also may be appropriate where historical energy costs do not reflect the cost of providing a necessary upgrade or replacement of energy infrastructure to maintain or extend service that would raise costs above one or more benchmarks. Information supporting high energy cost eligibility is subject to independent review by RUS.

Applications that contain information not reasonably based on credible sources of information and sound estimates will be rejected. Where appropriate, RUS may consult standard sources to confirm the reasonableness of information and estimates provided by an applicant in determining eligibility, technical feasibility, and adequacy of proposed budget estimates.

(f) Eligible Projects and Activities. Eligible projects must serve and benefit an eligible community that meets the extremely high energy cost eligibility requirements described in this notice. Projects that primarily benefit a single household or business are not eligible. Eligible project criteria are located at [7 CFR 1709.109](#). Additional information and examples of eligible project activities are contained in the 2025 Application Guide.

3.2 Cost Sharing or Matching

This grant program has no cost sharing or matching funds requirement as a condition of eligibility. However, RUS will consider other financial resources available to the grant applicant and any voluntary pledge of matching funds or other contributions in assessing the applicant's commitment and financial capacity to complete the proposed project. If a successful applicant proposes to use matching funds or other cost contributions in its project, the grant agreement will include conditions requiring

documentation of the availability of the matching funds and actual expenditure of matching funds or cost contributions. RUS may require the applicant to provide additional documentation confirming the availability of any matching contribution offered prior to approval of a project award. If an applicant fails to provide timely documentation of the availability of matching contributions, RUS may, in its sole discretion, decline to award the project if uncertainties over the availability of the match render the project financially unfeasible or impose additional conditions.

3.3 Other

(a) Substantially Underserved Trust Area (SUTA) Applicants. An eligible SUTA community is located on trust lands as defined at [7 CFR 1700.101](#). An applicant seeking consideration under provisions of [7 CFR part 1700, subpart D](#) must submit a letter to the RUS Administrator. The letter must be accompanied by a copy of the application package submitted in response to this notice. The request must include all information required by the SUTA regulations establishing that the project is for an eligible trust area, documenting its need for HECG Program funds, and identifying the discretionary authorities that it seeks to have applied to its application. More information on how to document eligibility for SUTA consideration may be found in the FY 2025 Application Guide and at the following USDA website: <https://www.rd.usda.gov/about-rd/initiatives/substantially-underserved-trust-area-suta> and [7 CFR part 1700, subpart D](#).

(b) Consideration of Prior Performance. RUS may consider prior performance of an applicant under any other USDA grant in deciding whether an application will be reviewed and scored under this notice. Where the track record of an applicant (or principals of an applicant) reflects historically inadequate performance, RUS may decide to not consider or score additional applications from the same party. Inadequate performance may consist of a disallowance of grant funds that were never recovered by the Government; failure to complete a project; failure to respond to USDA's request for information relating to a project; failure to timely report significant changes in the budget or schedule of performance; failure to comply with audit requirements; or suspension or termination of grant funding for material failures to comply with the terms and conditions of the grant award.

4.0 APPLICATION AND SUBMISSION INFORMATION

4.1 Address to Request Application Package

The 2025 Application Guide, copies of required forms, and other information on the HECG Program are available at <http://www.rd.usda.gov/programs-services/high-energy-cost-grants>. The applicant may also request information from the point of contact listed in Section 7.0 Federal Award Agency Contact of this notice.

4.2 Content and Form of Application Submission

(a) *Application Format*. The completed application should be assembled in the order specified below with all pages numbered sequentially or by section. Application sections and attachments should be formatted for 8½ by 11-inch paper (letter size) with 1-inch margins. Preferred type faces are *Times New Roman* 12, *Calibri* 11, *Arial* 11, *Verdana* 10 or *Courier* 10.

Narratives may be single or double spaced and all pages must be numbered. Only numbered pages will be reviewed. Project Narratives should not exceed 25 pages in length (exclusive of required forms

and Project Summary) with not more than 10 pages of attachments.

(b) *Application Requirements.* Applications must contain all of the required elements outlined in [7 CFR 1709.117](#) and this notice. The 2025 Application Guide contains additional information on the grant programs, sources of information for use in preparing applications, examples of eligible projects, and copies of the required application forms. The Application Checklist above lists the required content and form of a complete application. Applicants may use this section and the provided checklist to assure that their applications are complete and assembled in order. Narrative sections should be formatted as indicated above and assembled in the sequence specified.

(1) *Application Part A - Completed Form SF-424, "Application for Federal Assistance".* This form must be signed by a person authorized to submit the proposal on behalf of the applicant. Note: All applicants, except individuals, must include a Unique Entity Identifier (UEI) number on the SF-424 to be considered complete. See [Section 4.3](#) below for information on obtaining a UEI number. Copies of this form are available through www.grants.gov, or by request from the Agency point of contact listed in [Section 7.0](#) Federal Award Agency Contact of this notice.

(2) *Application Part B - Project Abstract and Eligibility Statement.* The Project Summary and Eligibility Statement is a short narrative section that establishes the application's eligibility. It describes the applicant, the eligible high energy cost community, the proposed project, and all requested priority considerations. The Project Summary should be no longer than three (3) pages.

This summary will be used by RUS for initial screening purposes only to make an initial determination of eligibility without reference to other sections of the application. After review of this Part B, RUS will decide whether to accept the application for further review and scoring.

Part B of the application will not be referred to for purposes of scoring the application. All information relating to eligibility and scoring must be included in the full project narrative proposal more fully discussed below.

In Part B applicants must provide a summary of the proposed project. The project must be described in enough detail to establish that it is an eligible project as outlined in [7 CFR 1709.109](#) and this notice. Applicants should take great care in preparing this Part B summary to include all necessary elements relating to eligibility.

Part B of the Application must include the following information:

(i) *Applicant Eligibility.* This section of Part B must briefly describe the applicant, its capabilities, and provide information demonstrating that the applicant is an eligible entity under program regulations at [7 CFR 1709.106](#) and this notice. Part B of the application must also state that the applicant is free of any debarment or other restriction on its ability to contract with the Federal government as identified in [Section 3.1\(a\)](#) of this notice and must also state that the applicant has an active and unexpired registration with <https://www.sam.gov/SAM>

(ii) *Community Eligibility.* This summary must describe the eligible community or communities to be served by the project including name, location, and population based on the 2020 Census. Also required is the name and population of the local government division (e.g., city, town, Federally recognized Tribe, or county for unincorporated areas) where the project is located. The Part B Summary must specifically identify the average

community residential energy costs that exceed one or more of the benchmark criteria for extremely high energy costs as described in this notice. Local energy providers and sources of high energy cost data and estimates should be clearly identified.

(iii) Project Eligibility. Provide a brief overview of the project including the project title, total project costs, the amount of grant funds requested, amount and source of matching contributions, major project goals and tasks, and the location of project activities and facilities to be supported with grant funds. It must state how the grant project will provide benefits to the eligible community and offset or reduce the target community's extremely high energy costs. The summary should briefly identify any state, local or Tribal rural development initiative that the project supports.

(iv) Priority Considerations. List all priority considerations for which the applicant is seeking additional points in project scoring. Priority points to be awarded under this notice are set forth in Part E of this notice. Further discussion of priority considerations should be reserved for Application Part C - Proposed Project Narrative.

(v) Contact Information. The project summary should list the applicant's name, address, telephone number, and email address and the contact person for the application. Include the contact person's address, telephone number and email address if different from the applicant.

(3) Application Part C - Proposed Project Narrative. The proposed project narrative describes in detail the proposed grant project, the project benefits, and the proposed budget. Part C follows sequentially after Parts A and B in assembling the package and contents should be assembled and paginated in the order described below.

In preparing the proposed project narrative, applicants must address individually and in narrative form each of the proposal evaluation and selection criteria contained in Table 2 found in [Section 5.1](#) of this notice. The project narrative will be scored competitively, and the results used to rank applications for finalist selections.

The narrative proposal should be formatted according to the instructions in [Section 4.2\(a\)](#) of this notice for Part C of the Application. The narrative proposal should not exceed 25 pages, exclusive of required forms. Applicants may use the Supplementary Materials section to include up to ten (10) pages of letters of support and other information for reviewers. Letters from Members of Congress and senior State government officials will not count against this page limit.

The project narrative proposal includes the following sections assembled in the order indicated.

(i) Table of Contents (TOC). Part C of the application package must include a TOC immediately before the Executive Summary. The TOC must provide page numbers for all sections, forms, and supplemental materials. The TOC will help reviewers assure that all submitted materials are included in the application package and in correct, intended order. This section will not be scored or counted against proscribed page limits.

(ii) Executive Summary. The Executive Summary is a one-page introduction to the project that briefly identifies the applicant, project title, amount of grant funds requested, eligible communities, the activities and facilities to be supported, and how the grant project will

(iii) benefit the community and offset or reduce the community's extremely high energy costs. Any priority considerations requested should be listed. The Executive Summary will be used by RUS to prepare project descriptions for press releases and other announcements and should include a key contact person for the application with a telephone number, mailing address and e-mail address. The Executive Summary is a required component of the application ([7 CFR 1709.117\(b\)\(1\)](#)), but it will not be scored. The Executive Summary immediately follows the TOC.

(iv) *Project Description.* The narrative project description should be no longer than 25 pages in total and should be prepared using the formatting instructions above in [Section 4.2\(a\)](#) of this notice.

(A) *Community Eligibility and Assessment of Community Needs.* Identify the area to be served by the project and the community or communities within the identified area that will benefit from the project. Identify the local government division that administers each community and the community population. Identify the location of the proposed project. Show that the proposed project's beneficiaries are communities where the average annual residential energy costs exceed one or more of the benchmark criteria for extremely high energy costs listed in Table 1 of this notice and further described in [Section 3.1\(c\)](#) of this notice. Local energy providers and sources of high energy cost data and estimates must be clearly identified. Neither the applicant nor the project is required to be physically located in the extremely high energy cost community, but the funded project must serve an eligible community.

The population estimates should be based on the 2020 Census available from the U.S. Census Bureau. Additional information and exhibits supporting eligibility and community energy sources may be obtained from the U.S. Census, the Energy Information Administration, other Federal and State agencies, or private sources.

Identify and analyze the major energy challenges that the eligible community faces and how their extremely high energy costs impair their ability to meet these needs or adversely affect other aspects of community wellbeing. The applicant may, for example, describe how socioeconomic, environmental, or public policy considerations may affect the community's ability to meet its energy needs or influence the choices that they may make.

Address any community characteristics or extraordinary conditions that reviewers should consider in weighing the need for assistance. The narrative should address any circumstances that qualify the application for one or more of the priority scoring considerations established in [Section 5.0](#) of this notice. Priority considerations include high poverty areas, rurality, and extraordinary circumstances.

(B) *Project Design, Technical Feasibility, and Responsiveness to Community Needs.* The project description narrative must describe the proposed project in detail enough to establish that it is an eligible project under program regulations at [7 CFR 1709.109](#), [7 CFR 1709.110](#), [7 CFR 1709.111](#), the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at [2 CFR part 200](#), and this notice.

The applicant must describe the project in detail enough to support a conclusion by reviewers of the project's eligibility and technical feasibility as

required by [7 CFR part 1709](#) and this notice. Proposed projects involving construction, repair, replacement, or improvement of electric generation, transmission, and distribution facilities must generally be consistent with the standards and requirements for projects financed with loans and loan guarantees under the RE Act as set forth in RUS's Electric Program Regulations and Bulletins and may reference these requirements.

The applicant's proposed scope of work must include major tasks to be performed, any services to be provided directly to beneficiaries, a proposed timeline for completing each task, and an estimate of the overall project duration.

In describing the project plan and schedule, applicants must specifically identify any regulatory and other approvals required by Federal, State, local, or Tribal agencies, or by private entities (as a condition of financing), that are necessary to carry out the proposed grant project. Failure to list required permits and approvals and an estimated schedule may lead to the conclusion by the reviewers that the project proponent does not have expertise enough to develop the project. The applicant must provide an estimated schedule for obtaining the necessary approvals.

It is essential that the applicant describe and quantify how the proposed grant project is responsive to the community challenges or needs described in the preceding section of the application.

(C) *Applicant Organization and Eligibility.* In this section the applicant must describe its organizational structure and capacity to carry out the project. The applicant must establish that it is an eligible applicant under this program as provided in [Section 3.1](#) in this notice. Additionally, the applicant must confirm that it and the project are in the United States, its territories, or an eligible insular area.

This section of the application is expected to include a description of the applicant entity's ownership, as applicable, when it was established, where it operates, its sources of funding, whether it is regulated, and in addressing the organizational structure, identify all subsidiaries, affiliates, or parent entities. Describe the financial management system that will be used for grant activities. Provide evidence that the applicant has or will have the legal authority to enter into a grant agreement with RUS. Examples of supporting evidence of applicant's legal existence and eligibility include: a reference to or copy of the relevant statute, regulation, executive order, or legal opinion authorizing a State, local, or Tribal government program, articles of incorporation or certificates of incorporation or good standing for corporate applicants, partnership or trust agreements, and board resolutions. (These documents will not be counted towards any page limitation and should be included at the end of the Application Package with Supplementary Materials.)

(D) *Organizational Capabilities and Project Management Plan.* Provide a narrative describing the applicant's plan for implementing the proposed project. Describe the organization's organizational structure, method of funding and the expertise on the payroll that is relevant to the project. Describe by whom and how the project will be managed during construction and all phases of operation. The availability of financial statements and other supporting documentation about applicant financial and legal capacity to carry out the project should be referenced

here. Identify key staff that will be responsible for managing the grant project and indicate whether outside consultants or contractors will be used and for what purposes. Describe the capabilities of outside consultants or contractors that will have a primary role in executing the grant project.

If the applicant proposes to use equipment or design, construction or other services from non-affiliated entities, the application must describe how it plans to contract for such equipment or services. The financial assistance regulations at [2 CFR part 200](#) require that procurements will be competitively bid except in accordance with 2 CFR 200.320(c). If the applicant does not intend to competitively bid for project management and/or equipment, but rather utilize the services of a pre-selected entity or item of equipment for implementing the project, the application must make express a request for this and justify the request to not compete. As part of the due diligence conducted between the time of identifying a selected finalist and making an award, the Agency may require a modification to the planned procurement process. Absent any required modification, the Agency's action in making an award shall constitute the necessary authorization contemplated by [2 CFR 200.320\(c\)\(4\)](#).

The application must include a representation that all procurements will comply with the Build America, Buy America Act (BABAA) and the Buy American requirements found in [7 CFR part 1787](#) which are outlined below in Section 8.0.

Describe the identities, relationship, qualifications, and experience of these affiliated and contracted entities. The experience and capabilities of these affiliated and/or contracted entities will be reviewed by the rating panel. Indicate whether a force account method to deliver the project is planned, an owner furnished materials + contractor method, or another arrangement for accomplishing the project is planned.

Applicants are encouraged to review the financial management requirements for Federal grantees in [7 CFR part 1709](#) and government-wide financial assistance regulations at [2 CFR part 200](#), and to address their ability to comply with these requirements in their applications.

Overall, this section should provide information that will support a finding that the overall combination of management experience, financial management capabilities, resources and project structure will enable successful completion of the project.

(E) *Organizational Experience*. This subsection should include a detailed description of the applicant's relevant prior experience and that of any other organization that will carry out the proposed project. Information should be included on past projects, success rates, long-term results, and community and individual consumer benefits. If the applicant has received any prior HECGs or other Federal funding, a detailed description of these awards and past performance is required in this section.

(F) *Key Staff Experience*. Key managers and staff for the project are to be identified in the application component that addresses the implementation plan (above). In this section, provide more detail on their qualifications and experience relating to the work they are intended to perform for the project. If the applicant has identified affiliated entities, contractors, or subcontractors to provide services under the grant, in this section the applicant must describe the identities,

relationship, qualifications, and experience of these affiliated entities, contractors or subcontractors. The rating panel will consider the experience and capabilities of these entities in scoring the proposal. If the application is selected for funding, key personnel provisions may be included in the grant agreement as a condition of the award.

(G) *Project Goals, Objectives, and Performance Measures.* Federal grant regulations provide that each grant award must include establishment of performance goals defined as “a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared” (2 CFR [200.211](#). See also 2 CFR [200.301](#), and 7 CFR [1709.117](#)).

Identify and quantify appropriate measures of project performance and success for this project. These proposed performance measures should relate to representations in Part B of the application that describe how the project will meet the needs identified for the community and they should be quantified. Target performance results for these benefits may include, for example, quantified expected reductions in home or community energy costs, the amount by which cost increases otherwise projected will be avoided, a quantified projection of enhanced reliability, or economic or social benefits from improvements in energy services available to the community. Include documentation or references to support the quantified amounts for projected project benefits.

RUS may use these proposed performance measures and reporting plans to establish the performance measures incorporated in the grant agreement in the event the proposal is selected for an award. The performance criteria submitted are not, however, binding on the Agency.

(H) *Project Reporting Plan.* Provide a progress reporting plan that describes how the effectiveness of the project in delivering its projected benefits will be monitored and measured periodically and once it is complete. This plan should specify who will be doing the monitoring and to whom the results will be reported.

(I) *Project Budget and Financial Capability.* In this subpart the applicant must present its proposed project budget for the expected life of the project and provide information about its own financial capability to support the project and manage it in compliance with requirements for federal assistance.

The budget narrative must provide a detailed breakdown of all estimated costs and allocate these costs among the listed tasks in the work plan. The narrative and budget exhibits and forms must itemize and explain major proposed project cost components such as, but not limited to, the expected costs of design and engineering and other professional services, personnel costs (salaries/wages and fringe benefits), equipment, materials, property acquisition, travel (if any), and other direct costs, and proposed recovery of indirect costs, if any. The budget must document that planned administrative and other expenses of the project sponsor that are not directly related to the project will not total more than 4 percent of grant funds.

The applicant must explain the basis for any cost estimates. A pro forma operating budget for the three years of operations must be included as an exhibit in this section.

The applicant must clearly identify the source and amount of any other Federal or non-Federal contributions of funds or services that will be used to support the proposed project, including any program income.

The applicant must include a 5-year operation and maintenance (O&M) plan, together with the estimated cost and identify how the O&M plan during this period will be funded. Grant funds may not be used for these expenses.

The detailed budget narrative must be accompanied by SF-424A, “Budget Information—Non-Construction Programs,” or SF-424C “Budget Information—Construction Programs,” as applicable. All applicants that submit applications through Grants.gov must use SF-424A.

Consistent with the requirements of [2 CFR 200.205](#), RUS must review the financial risk posed by applicants. In support of this review, applicants must provide additional narrative regarding the financial capability of their organization including, for example:

(1) Financial stability

(2) Quality of management systems and ability to meet the management standards prescribed under Federal grant regulations in [2 CFR part 200](#);

(3) History of performance in managing any other Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards;

(4) Reports and findings from audits performed for other Federal assistance under [2 CFR part 200, subpart F](#)—Audit Requirements or the reports and findings of any other available audits; and/or

(5) Any contracts with parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities.

Applicants may cross reference relevant discussions elsewhere in the application in support of their financial stability and financial management capability.

- (J) *Rural economic development initiatives.* The applicant must address how the project will support rural economic development in the target area and identify whether and how the proposed project will support any rural economic development initiatives funded by or carried out in cooperation with a State or local agency, or an Indian Tribe as required by 7 CFR 1709.117(b)(11). If it is represented that the project supports a rural development initiative, the application should include confirming documentation from the appropriate rural development agency. The application must identify the extent to which its proposed project performance is dependent upon or tied to other rural development initiatives, funding, or approvals. If the project is independent of and not coordinated with a state or rural development initiative, the applicant should clearly indicate this. Project narratives that do not address this requirement will receive zero points under this evaluation criterion.

(K) *Priority Considerations.* The Administrator has approved certain priority considerations in scoring and ranking applications consistent with program regulations at [7 CFR 1709.123](#). These priority scoring considerations and points to be awarded are described in Part E of this notice.

To assure that applicants receive all of the priority points for which they are eligible, this section should identify each priority consideration that the applicant is requesting and (apart from SUTA) provide a brief statement of the circumstances that make them eligible for the priority criterion. Applicants may cross reference more detailed information elsewhere in the application package. Applicants should carefully read Part E on priority point considerations before writing this section.

- Note: Projects that serve Substantially Underserved Trust Areas (Identifying this requested priority in the application is not enough in itself to receive SUTA priority points. A separate letter and supporting documentation as described in [Section 3.3\(a\)](#) of this notice is a prerequisite for receiving SUTA priority points.)

(4) *Application Part D - Additional Required Forms and Certifications.* The following forms and certifications must be executed and included as part of the application:

- SF 424A, for a project that does not involve construction,
OR
SF 424C and SF 424D, for a project that involves construction.

Applicants are put on notice that they may be asked to file equivalent assurances as part of the registration maintenance requirements with <https://www.sam.gov/SAM>.

- SF LLL, “Disclosure of Lobbying Activities.” All applicants must file this disclosure form [2 CFR 418.110](#). The applicant should complete name and address information. If no expenditure, indicate \$0, “none,” or “not applicable” in the reporting section.
- Form RD 400-1 “Equal Opportunity Agreement” relating to a required clause in construction contracts exceeding \$10,000.
- Form RD 400-4 “Assurance Agreement” relating to Civil Rights Requirements.
- A completed HECG Program Environmental Questionnaire. This RUS HECG Environmental Questionnaire solicits information about project characteristics and site-specific conditions that may involve environmental, historic preservation, and other resources. The information will be used by RUS’s environmental staff to determine what, if any, additional environmental analyses may be necessary before a final grant award may be approved. A copy of the HECG Program Environmental Questionnaire and instructions for completion are included in the Application Guide and may be downloaded from <https://www.rd.usda.gov/programs-services/electric-programs/high-energy-cost-grants#to-apply> or under this funding opportunity announcement at www.grants.gov.
- Applicants are also required to submit evidence of an Active and Unexpired SAM Registration with <https://www.sam.gov/SAM>.

(5) *Application Part E - Supplementary Materials (not to exceed 10 pages).* Applicants

may include additional information for reviewers such as letters of support and any other supplementary materials not included as exhibits in the project narrative that support eligibility, or priority considerations. Letters from Members of Congress and senior State Officials will not be counted against any page limitations.

(c) *SUTA Consideration Requests.* Requests and supporting documentation for SUTA consideration are not to be included in the application package to be reviewed by the rating panel under this notice. Other than listing SUTA consideration as a line item in the list of requested priority points in the grant application, there is no provision for a duplicate discussion of the merits of SUTA eligibility in the required content and form of the application package. See discussion of SUTA in Section 3.3(a) of this notice and SUTA regulations at [7 CFR 1700.108](#) for additional information on what is required in the separate SUTA request.

(d) *Additional Information.* RUS reserves the right to require the Applicant to provide additional information or documentation in support of its application.

4.3 System for Award Management and Unique Entity Identifier

(a) At the time of application, each applicant must have an active registration in the System for Award Management (SAM) before submitting its application in accordance with 2 CFR part 25. In order to register in SAM, entities will be required to obtain a Unique Entity Identifier (UEI). Instructions for obtaining the UEI are available at <https://sam.gov/content/entity-registration>.

(b) Each applicant must maintain an active SAM registration, with current, accurate and complete information, at all times during which it has an active Federal award or an application under consideration by a Federal awarding agency.

(c) Each applicant must ensure they complete the Financial Assistance General Certifications and Representations in SAM.

(d) Applicants must provide a valid UEI in its application, unless determined exempt under [2 CFR 25.110](#).

(e) The Agency will not make an award until the applicant has complied with all SAM requirements including providing the UEI. If an applicant has not fully complied with the requirements by the time the Agency is ready to make an award, the Agency may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

4.4 Submission Dates and Times

(a) *Application Technical Assistance.* Prior to official submission of applications, applicants may request technical assistance or other application guidance from the Agency, if such requests are made prior to February 13, 2025. Agency contact information can be found in Section 7.0 Federal Award Agency Contact of this notice.

(b) *Application Deadline Date.* Applicants may submit completed grant applications on paper or electronically according to the following deadlines:

(1) *Electronic Application Submittals.* Electronic applications must be submitted through www.grants.gov no later than 11:59 P.M. ET February 28, 2025, to be eligible under this notice.

(2) *Paper Application Submittals.* Paper applications must be postmarked and mailed, shipped, sent overnight, or hand delivered to the address in the ADDRESSES section no later than 4:30 P.M. ET on February 28, 2025, to be eligible under this notice.

Applicants intending to mail, ship or overnight applications must allow sufficient time to permit delivery on or before the deadline. Acceptance by the USPS or private mailer does not constitute delivery.

Late or incomplete applications will not be eligible for FY 2025 grant funding. If the submission deadline falls on Saturday, Sunday, or a Federal holiday, the application is due the next business day.

The Agency will not solicit or consider extra scoring or eligibility information that is submitted after the application deadline. RUS also reserves the right to ask applicants for clarifying information and additional verification of assertions in the application.

4.5 Intergovernmental Review

The HECG Program is not subject to Executive Order 12372, “Intergovernmental Review of Federal Programs” as implemented by USDA in [2 CFR part 415](#). Applications do not have to be submitted to any State agencies for review before submittal.

4.6 Funding Restrictions

HECG Program funds are subject to certain limitations established by Federal statutes, regulations, and policies. These restrictions may preclude awards or reimbursements to certain applicants or for certain proposed activities and expenditures.

(a) *Ineligible purposes.* Grant funds cannot be used for:

- (1) Preparation of the grant application; payment of any finder’s fees or incentives for assisting in the preparation or submission of an application;
- (2) Purchases of fuel or payment of utility bills;
- (3) Payment of applicant’s planning and administrative costs that exceed 4 percent of the grant award;
- (4) Routine maintenance or other operating costs;
- (5) Purchase of equipment, structures, or real estate not directly associated with provision of residential energy services;
- (6) Project construction costs incurred prior to the date of the grant award, except as provided in [7 CFR 1709.10\(d\)\(1\)](#);
- (7) Costs of project development and feasibility analyses exceeding 10 percent of total project costs;
- (8) Projects that primarily or only consist of educational, outreach, and audit or assessment activities and do not include a substantial investment in physical infrastructure or energy saving improvements;
- (9) Projects that primarily benefit a single household or business;

- (10) Projects that primarily benefit areas outside of eligible communities;
- (11) Research, development, demonstration, or commercialization activities;
- (12) Refinancing or repayment of the applicant's outstanding loans or loan guarantees under the RE Act (7 U.S.C. 901 et seq.);
- (13) Funding of political activities;
- (14) Payment of any judgment or debt owed to the United States;
- (15) Providing any share or benefit to a member of Congress except as provided in [7 CFR 1709.20](#); or
- (16) Procurements that do not meet the BABAA or Buy American requirements at [7 CFR 1787](#) as outlined below in Section H.

In general, grant funds may not be used to support projects that primarily benefit areas outside of eligible communities. However, grant funds may be used to finance an eligible community's proportionate share of a larger energy project.

(b) *Limits on indirect charges and markups.* The program statute expressly caps soft costs such as planning studies and administrative expenditures at four (4) percent of the grant amount. The program regulation expressly states that development fees are not an eligible purpose. The legislative history for this program is clear that program dollars are for the primary benefit of the ultimate beneficiaries of the program. Equipment markups, project and grant management fees, indirect costs and other soft costs to be paid to third party participants are not included as identified items on the standard forms SF-424A or D, and such identification of costs is typically required in applying for a Federal grant award. The details behind these SF-424 budget categories often become apparent only when the grantee is submitting an updated budget as a selected finalist or supporting documents for each draw request. This program has a variety of program applicants and developers. Some are institutional, others are more entrepreneurial, such as outside engineering firms who oversee and manage projects in addition to providing design services. Some of these program participants typically expect that a percentage of each grant will fund indirect overhead, others may levy surcharges on equipment purchased for the project, and some may charge fixed or variable project management fees. These arrangements result in less grant budget dollars being spent directly for the benefit of the ultimate project beneficiaries.

The Agency recognizes that the program and ultimate beneficiaries are enriched by the diversity of project sponsors, and that these parties are not expected to work for free. Nevertheless, applicants are put on notice that the Agency will not fund soft costs that exceed the following parameters:

Indirect overhead charges may not exceed four (4) percent (this is differentiated from the four (4) percent discussed elsewhere that relates to planning and administrative costs that are directly charged to the project.).

Equipment markups may not exceed ten (10) percent inclusive of any exclusive distribution rights and may not be levied unless the service provider provides purchase credit to bridge receipt of grant disbursements.

Project management services may not exceed the lower of eight (8) percent of the grant or the actual cost of management services calculated as a function of time and hourly pricing.

Engineering design fees may not exceed ten (10) percent.

Soft costs must not exceed fifteen (15) percent of the grant budget, and the Agency reserves the right to not fund anything that is not disclosed and approved in advance. The standard language in the RUS form of grant agreement requires submitting an updated budget and implementation plan to be approved by the Agency as a condition to the first advance of grant funds. The budget submitted as part of the application is not binding on the Agency.

(c) *Combination with Other Financial Assistance.* Consistent with USDA policy and program regulations, grant funds awarded under this program generally cannot be used to replace other USDA assistance or to refinance or repay outstanding loans under the RE Act. Grant funds may, however, be used in combination with other federal assistance programs including RUS electric loans, provided such combinations are otherwise permitted by law or regulation. For example, an applicant may propose to use grant funds to offset the costs of electric system improvements in extremely high-cost areas by increasing the utility's contribution for line extensions or system expansions to its distribution system financed in whole or part by an electric loan under the RE Act.

(d) *Eligible Technologies.* Grant funds under this program may only be used for projects using proven and commercially available technology. Activities or equipment that would commonly be considered as research, development, or demonstration, or commercialization activities are not eligible. RUS, in its sole discretion, will determine if a project consists of ineligible research, development, demonstration, or commercialization activities or relies on unproven technology, and that determination shall be final.

4.7 Other Submission Requirements

(a) This program does not require or accept pre-applications. Application packages that do not comply with the eligibility and content provisions of this notice will be rejected.

(b) *Multiple Applications.* Eligible applicants must include only one project per application, but the project can include many locations. Applicants may submit applications for multiple projects; however, an applicant can only be awarded funding for one project under this notice. The award will be made to the highest ranked application submitted by an applicant; other applications from the same applicant or project will remain unfunded under this notice.

(c) *Electronic Application Packages.* Electronic applications must follow formatting directions, including acceptable file attachment types specified on [Grants.gov](https://www.grants.gov). Electronic applications must also contain all required parts in the order indicated in [Section 4.2 "Content and Form of Application Submission"](#) and the Application Checklist. RUS will not directly accept applications via fax or electronic mail submissions.

Applicants are encouraged to file electronic applications in advance of the deadline. See the Tips for Applicants section of this notice for additional information on filing electronically thru [Grants.gov](https://www.grants.gov).

Applicants encountering difficulty filing applications electronically must contact [Grants.gov](https://www.grants.gov) for assistance by using the customer support resources. In case of an electronic filing difficulty that cannot be resolved, applicants may download application materials and complete forms online through Grants.gov without completing the [Grants.gov](https://www.grants.gov) registration requirements. Application materials prepared online may be printed and submitted in paper to RUS.

(d) *Paper Application Packages.* Paper application packages will be scanned; they should be printed single-sided on white letter size paper. Applications should be marked "Attention: High Energy Cost Grant Program." Paper application packages submitted to RUS must include the original signed application and one (1) copy. RUS will not provide notifications acknowledging receipt of paper applications. Applicants should retain proof of mailing or shipping.

For the purposes of determining the timeliness of an application RUS will accept the following as valid postmarks: the date stamped by the USPS on the outside of the package containing the application delivered by U.S. Mail; the date the package was received by a commercial delivery service as evidenced by the delivery label; the date received via hand delivery to RUS headquarters. Late applications will be rejected.

Applicants are advised that regular mail deliveries to Federal Agencies, especially of oversized packages and envelopes, are frequently delayed by increased security screening requirements that include irradiation which may damage contents. Applicants may wish to consider using Express Mail or a commercial overnight delivery service instead of regular mail. Applicants wishing to hand deliver or use courier services for delivery should contact a RUS representative in advance to arrange for building access. If an applicant wishes to submit such materials, they should contact a RUS representative for additional information.

5.0 APPLICATION REVIEW INFORMATION

5.1 Criteria

The Administrator of RUS has established the merit selection and priority consideration criteria for evaluating and scoring the applications submitted under this notice pursuant to program regulations at [7 CFR 1709.102](#) and [1709.123](#). The criteria set forth below will be used by one or more rating panels to be selected by the Assistant Administrator, Electric Programs.

The maximum number of points to be awarded is 100. The maximum points available under project design and technical merit criteria are 65. The maximum number of points to be awarded under priority considerations that support USDA and RUS program priorities is 35.

Table 2 shows the selection criteria and weights that will be used in scoring the FY 2025 applications:

Table 2: Project Merit and Priority Consideration Criteria for the FY 2025 NOFO

Criteria	Maximum Points
<i>Project Design and Technical Merit (up to 65 Points):</i>	—
Assessment of Community Needs	15
Project Design, Technical Feasibility and Responsiveness to Community Needs	10
Management Plan and Schedule	10
Organizational Experience	5
Key Staff Experience	5
Project Goals, Objectives and Performance Measures	3
Project Reporting Plan	2
Project Budget and Financial Feasibility	10
State, local, or Tribal rural development initiatives	5
<i>Priority Considerations (up to 35 points):</i>	—
Rural Development Priorities	10
Rurality (Population)	10
(A) 50 States and Puerto Rico:	
1. 2,500 or less, 10 points;	

2. Between 2,501 and 5,000, inclusive, 7 points; 3. Between 5,001 and 10,000, inclusive, 5 points; 4. Between 10,001 and 20,000, inclusive, 3 points; and 5. Above 20,000, 0 points. (B) Virgin Islands and Pacific Insular Areas, 10 points.	
Waste heat or energy recovery projects that incorporate commercially proven technology. – OR – Energy efficiency projects that result in no less than a 25% increase in energy efficiency for generation assets, which may include projects that repower aging diesel plants.	5
Extraordinary circumstances or conditions	5
Approved SUTA Determinations	5
Total Points	100

(a) *Project Design and Technical Merit Criteria (Up to 65 points total)*. Reviewers will consider the soundness of the applicant's analysis of community needs and benefits, the adequacy of the proposed project plan, the technical feasibility of the project, the adequacy of financial and other resources, the competence and experience of the applicant and its team, project goals and objectives, and performance measures. Project proposals will be evaluated on how well the proposal addresses application content requirements and evaluation criteria and how well the application compares to other applications. A total of 65 points may be awarded under the following criteria.

(1) *Assessment of Community Needs (Up to 15 points)*. Under this criterion, reviewers will consider the applicant's assessment of community needs and how the grant project addresses those needs and how the severity of identified needs compares to other applications. Reviewers will consider the identification and documentation of eligible communities, their populations, and assessment of community energy needs targeted by the grant project. Information on the severity of physical and economic challenges affecting eligible communities will be considered. Reviewers will weigh: (1) the applicant's analysis of community energy challenges and (2) why the applicant's proposal presents a greater need for Federal assistance than other competing applications. In assessing the applicant's demonstration of community needs, the rating panel will consider information in the narrative proposal addressing the following:

- (i) The burden placed on the community and individual households by extremely high energy costs, which may be evidenced by such quantitative measures as, for example, total energy expenditures, per unit energy costs, energy cost intensity for occupied space, or energy costs as a share of average household income, and persistence of extremely high energy costs compared to national or statewide averages;
- (ii) The hardships created by limited access to reliable and affordable energy services;
- (iii) The availability of other resources to support or supplement the proposed grant funding; and

(iv) Indications of community support for the proposed project solution to their energy challenges.

(2) *Project Design, Technical Feasibility and Responsiveness to Community Needs. (Up to 10 points).* Reviewers will assess the technical and economic feasibility of the project, the likelihood that it will be completed and how well it addresses the challenges of the community to be served. They will review the proposed design, construction, equipment, and materials for the community energy facilities in establishing technical feasibility. Reviewers may propose additional conditions on the grant award to assure that the project is technically sound. Reviewers will consider the adequacy of the applicant's budget and resources to carry out the project as proposed and how the applicant proposes to manage available resources such as other grants, program income, and any other financing sources to maintain and operate a financially viable project once the grant period has ended. Reviewers may give higher scores to projects that are substantially ready to proceed with construction or implementation than to those that are early in the project development process.

The applicant must provide a narrative description of the project including a proposed scope of work identifying major tasks and proposed schedules for task completion, a detailed description of the equipment, facilities and associated activities to be financed with grant funds, the location of the eligible extremely high energy cost communities to be served, and an estimate of the overall duration of the project. The Project Design description should be sufficiently detailed to support a finding of technical feasibility. Proposed projects involving construction, repair, replacement, or improvement of electric generation, transmission, and distribution facilities must generally be consistent with the standards and requirements for projects financed with loans and loan guarantees under the RE Act as set forth in the Agency's Electric Programs Regulations and Bulletins and may reference these requirements.

(3) *Management Plan (Up to 10 points).* Reviewers will assess the adequacy of the proposed management plan against the content requirements in this notice and compare it to plans received with other applications. Applicants should take care to address all the required content materials. Points will be awarded for robust management plans, and realistic succinct schedules. If the applicant proposes to secure equipment, design, construction, or other services from non-affiliated entities, the applicant must briefly describe how it plans to procure and/or contract for such equipment or services consistent with Federal requirements. Reviewers will award the highest points to applications that fully include all required information and support a finding that the combination of management team's experience, financial management capabilities, resources and project structure will enable successful completion of the project.

(4) *Organizational Experience (Up to 5 points).* Reviewers will assess the applicant's demonstrated experience in successfully administering and carrying out projects comparable to the grant proposal, or, in the absence of direct experience, the capabilities of other proposed participants. The Agency will consider the experience of the project team and the effectiveness of the program design in compensating for lack of historic experience on the part of the applicant itself. If the applicant has received any HECG Program funding or other Federal funding, a detailed description of past performance is required in this section. Points will be awarded to organizations with proven track records or that have established a management structure and team with capacity and experience to carry out the project. Points will be awarded based on how well the applicant addressed the content requirements of this notice,

the quality of the proposed project organizational capacity and how the proposal compares with other applications.

(5) *Key Staff Experience (Up to 5 points)*. Reviewers will assess the quality and capacity of the project team to carry out the proposal. Reviewers will consider whether the key project staff members possess demonstrated experience in successfully administering and carrying out projects that are comparable to the grant proposal. Reviewers may consider whether the project team includes staff or other identified consultants, or contractors needed to successfully complete the project. If the applicant proposes to use affiliated entities, contractors, or subcontractors to provide services funded under the grant, reviewers will consider the identities, relationship, qualifications, and experience of these affiliated entities. Points will be awarded based on how well the applicant addressed the requirements in this notice and how the applicant's proposal compares to other applications.

(6) *Project Goals, Objectives and Performance Measures (Up to 3 points)*. Applicants must clearly identify project goals, objectives and performance measures to track the progress and measure the success of their proposed project. These goals and performance measures must be quantitative and empirically verifiable. These performance measures will be incorporated in the grant agreement under ongoing reporting requirements and used, together with other such data, to assess the overall benefits achieved as a result of the grant award. Examples of quantitative and verifiable results include but are not limited to gallons of diesel fuel saved annually, together with the related (quantified) emission reductions, annual reductions in the typical household electric bill within the community or annual fuel expense realized by the utility serving the community. Such measures may also include projections of avoided costs achieved as a result of the project. Qualitative descriptions of the benefits to be achieved which are not empirical in nature will not qualify for these points. No points will be awarded for this criterion if the application fails to identify quantitative, empirically verifiable performance measures for the proposed project. In the event a project proposes to serve previously unserved beneficiaries, the project performance measures should be quantitative in nature as well. Reviewers will assess the applicant's plan to evaluate and report on the success and cost-effectiveness of financed activities. Reviewers will also assess whether applicant's proposed measures provide a quantitative basis for tracking project success and whether the application provides documentation or references to support its statements about cost-effectiveness savings and improved services. Reviewers will award points based on how well the applicant meets the requirements of the notice, the effectiveness of the proposed measures to monitor performance, and how the application compares against performance objectives incorporated in other proposals.

(7) *Project Reporting Plan (Up to 2 points)*. Reviewers will consider the applicant's description of the reporting plan and how it contributes to tracking progress and performance and the consequences if the project falls behind schedule. Reviewers will assess points based on the adequacy of the plan and how well the plan compares with plans submitted in other applications.

(8) *Project Budget, Financial Feasibility and Matching Contributions (Up to 10 points)*. Reviewers will consider whether the applicant has fully responded to requirements of this notice and whether the narrative, forms and exhibits provide enough information to assess the adequacy of the project budget and the financial feasibility of the project.

The budget materials must document that planned administrative and other expenses of the project sponsor that are not directly related to performance of the grant will not total more than 4 percent of grant funds. The application must also identify the source and amount of any other Federal or non-Federal contributions of funds or services that will be used to support completion of the proposed project. Points will be awarded for completeness, realistic budget costs, and feasibility. Reviewers may consider total grant funds requested as a share of total project costs in assessing feasibility. All matching contributions must be clearly identified. No additional points will be awarded for matching contributions; however, reviewers will consider them in assessing feasibility and commitment to completing the project. Reviewers will score the proposal based on how well the applicant's budget submission fully complies with requirements of the notice and whether project resources, including the grant request and identified matching contributions, are adequate to complete the project as proposed. Reviewers will also assess how well the applicant's proposal compared with other applications. All applications for grants equal to or greater than \$1,000,000 must identify funding for the single audit requirement imposed by the Uniform Administrative Requirements for Federal Awards at [2 CFR 200.501](#) where a recipient expends \$1,000,000 or more in federal award assistance (from all federal sources) in any one year. It may be that the applicant funds required audits using internally generated funds or another source of funds as a routine matter and if so, this must be stated. If no other funds are so identified, however, the application must include a provision in the grant budget for this cost. Failure to address this issue will result in fewer points.

Funding for the required 5-year operation and maintenance budget must be identified in this section.

(9) *State, local, or Tribal rural development initiatives (Up to 5 points).* The reviewing panel will assess how effectively the proposed project is coordinated with State or Tribal sponsored rural development initiatives, if any, and to the extent it is consistent with and supports these efforts. (Note: The term "State rural development initiatives" refers to state or Tribal programs and not to USDA Rural Development programs.) RUS will consider the documentation submitted for coordination efforts, community support and matching contributions, and State or local government recommendations. Applicants should identify the extent to which the project is dependent on or tied to other rural development initiatives, funding, and approvals. Applicants are advised that they should address this criterion explicitly even if only to report that the project is not coordinated with or supporting a State rural development initiative. Failure to address this criterion will result in zero points awarded.

(b) *Priority Considerations (up to 35 points total).* In addition to the points awarded for project design and technical merit, all proposals will be reviewed and awarded additional points based on certain characteristics of the project or the target community. USDA RD Mission Area policies generally encourage agencies to give priority in their programs to rural areas of greatest need and to support other Federal policy initiatives. In furtherance of these policies, RUS will award additional points for the priorities identified in this notice. The priority criteria and point scores used in this notice are consistent with the program regulations in [7 CFR part 1709](#). The Agency will give priority consideration to distressed and disadvantaged communities and to smaller rural and remote communities. Projects serving communities experiencing extraordinary circumstances affecting their ability to provide energy services may also receive priority points. Priority points are also available for applications that the Administrator has accepted for consideration under Substantially Underserved Trust Area regulations at

[7 CFR part 1700, subpart D](#). A maximum of 35 total points may be awarded under the following priority criteria:

(1) *Rural Development Priorities (up to 10 points)*. Points will be awarded to applicants as follows:

- (i) Assisting rural communities recover economically through more and better market opportunities and through improved infrastructure. Applicant would receive priority points if the project is located in or serving a rural community whose economic well-being ranks in the most distressed tier (distress score of 80 or higher) of the Distressed Communities Index using the Distressed Communities Look-Up Map available at <https://www.rd.usda.gov/priority-points>.
- (ii) Ensuring all rural residents have equitable access to RD programs and benefits from RD funded projects. Using the Social Vulnerability Index (SVI) Look-Up Map (available at <https://www.rd.usda.gov/priority-points>), an applicant would receive priority points if the project is:
 - 1. The project is located in or serving a community with score 0.75 or above on the SVI;
 - 2. The applicant is a Federally recognized Tribe, including Tribal instrumentalities and entities that are wholly owned by Tribes; or
 - 3. Is a project where at least 50 percent of the project beneficiaries are members of Federally Recognized Tribes and non-Tribal applicants include a Tribal Resolution of Consent from the Tribe or Tribes that the applicant is proposing to serve.
- (iii) The application is from or benefiting a Rural Partner's Network's (RPN) community network. Currently RPN Networks exist in Alaska, Arizona, Georgia, Kentucky, Mississippi, Nevada, New Mexico, North Carolina, Puerto Rico, West Virginia and Wisconsin. Use the Community Look-Up map (available at <https://www.rd.usda.gov/priority-points>) to determine if your project qualifies for priority points.
- (iv) Reducing climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities. Using the Disadvantaged Community and Energy Community Look-Up Map (available at <https://www.rd.usda.gov/priority-points>), applicants will receive priority in one of the three ways:
 - 1. If the project is located in or serves a Disadvantaged Community as defined by the Climate and Economic Justice Screening Tool (CEJST), from the White House Council on Environmental Quality (CEQ);
 - 2. If the project is located in or serves an Energy Community as defined by the Inflation Reduction Act of 2022 (Public Law No. 117-169) (IRA); and
 - 3. If applicants can demonstrate through a written narrative how the proposed climate-impact projects will improve the livelihoods of community residents and meet pollution mitigation or clean energy goals.

(2) *Rurality (Up to 10 points).* It is USDA RD policy to target resources to smaller rural communities with significant needs and recognizing that smaller and remote communities are often comparatively disadvantaged in seeking assistance. Accordingly, RUS has established a sliding scale for awarding points based on population. RUS has also determined to award the full 10 points to applications from the Virgin Islands and eligible Pacific Insular areas. Reviewers will award points based on the rurality (as measured by population) of the project communities to be served with grant funds under one of two options below.

(i) *Applications from the Fifty States and Puerto Rico.* Applications from any one of the fifty States or Puerto Rico, will be scored based on the population of the largest incorporated cities, towns, or villages, or census designated places included within the grant's proposed project area. Points will be awarded based on the population of the largest target community within the proposed target area as follows:

- (A) 2,500 or less, 10 points;
- (B) Between 2,501 and 5,000, inclusive, 7 points;
- (C) Between 5,001 and 10,000, inclusive, 5 points;
- (D) Between 10,001 and 20,000, inclusive, 3 points; and
- (E) Above 20,000, 0 points.

Applicants must use the latest available population figures from the 2020 U.S. Census available at <https://data.census.gov/> for every incorporated city, town, or village, or Census designated place included in the project community area.

(ii) *Applications from the Virgin Islands and Pacific Insular Areas (10 points).* The priority scoring criteria are intended to carry out RD policy to give priority to areas most challenged by extremely high energy costs and those without access to substantial alternative economic and institutional resources to address these challenges, particularly rural, remote, and substantially-underserved areas. U.S. Census population and economic data have been used as proxy measures for rurality, remoteness, and economic challenges. It has become evident that comparable, up to date U.S. Census population and economic information are not easily available or are unavailable for communities in the Virgin Islands or Pacific insular areas. After consideration, RUS has decided to adopt an alternative methodology for scoring eligible applications from these areas. RUS will assign a rurality score of "10" to applications from the Virgin Islands and eligible insular areas in the Pacific. This policy will place these applications on an equal footing with competing applications from other rural and remote areas.

For purposes of this priority category, Virgin Islands refers to the U.S. Virgin Islands. Pacific insular areas refers to US territories in the Pacific Ocean and the other insular possessions in the Pacific Ocean (including any area within the Federated States of Micronesia, the Marshall Islands, and the Republic of Palau) that are not one of the 50 states nor of a Federal district.

(3) *Waste Heat or Energy Recovery Projects or Energy Efficiency Projects (Up to 5 points).* Reviewers will award up to 5 points for waste heat or energy recovery projects where the project budget does not include the cost of new or re-powered generation. Waste heat recovery project costs may include duct and other delivery infrastructure up to but not within a structure wherein the recovered heat will be used. Waste heat recovery projects must incorporate commercially proven technology.

Energy efficiency projects are also eligible for priority points, but only those which achieve the twenty-five (25) percent improvement threshold set by the Agency. The purpose of this threshold is to reserve priority points for projects that meet a reasonably high bar rather than award points to projects that achieve only nominal improvements. To receive these priority points the project scope must demonstrate that the efficiencies achieved at the point of generation will not be subsequently dissipated in distribution; such projects may well include distribution and weatherization improvements to assure the reviewers that efficiency improvements will be realized at the retail level.

A project that proposes to repower an aging diesel plant with a new generator that incorporates waste heat recovery could receive up to 5 points, but not more than 5 points. The purpose of this priority category is to allow priority points for one or another priority, but not allow double points for projects that combine both.

(4) *Extraordinary Circumstances or Conditions (Up to 5 points)*. The Administrator may, at their sole discretion, award up to 5 points for project applications for communities that exhibit one or more extraordinary circumstances or conditions that affect the community's ability to provide energy services or to make investments to reduce energy use or costs. This priority includes considerations that were recognized separately under prior notices as well as allowing for recognition of other extraordinary circumstances adversely impacting eligible high energy cost communities. The 2025 Application Guide has more detail on situations that may qualify an application for priority points under this criterion. Reviewers may award up to a total of 5 points, based on their assessment of the hardship presented, for the following extraordinary circumstances:

(i) *Disaster*. The community has suffered a natural or other disaster that affected critical community energy facilities. The application must provide details of when the disaster occurred, the extent of damage, and available resources for disaster recovery, including assistance from other agencies.

(ii) *Unserved Energy Needs*. Projects that meet unserved or underserved energy needs may be awarded points under this criterion. Examples of proposals that may qualify under this priority include projects that extend or improve electric or other energy services to communities and customers that do not have reliable centralized or commercial service or where many homes remain without such service because the costs are unaffordable.

(iii) *Imminent Hazard*. Reviewers may award priority consideration for any applications including a project to correct a condition posing an imminent hazard to public safety, welfare, the environment, or to a critical community or residential energy facility. Examples include community energy facilities in immediate danger of failure because of deteriorated condition, capacity limitations, damage from natural disasters or accidents, or other conditions where impending failure of existing facilities or absence of energy facilities creates a substantial threat to public health or safety, or to the environment.

(iv) *Extreme Economic Hardship*. Reviewers may award additional priority points for projects serving communities with conditions creating a severe economic hardship to the community or the energy provider. The hardship must be adequately described and documented by the applicant. Examples include but are not limited to, financially

distressed local industry, and loss of major local employer, persistent poverty, outmigration, or other conditions adversely affecting the local economy, or contributing to unserved or underserved energy infrastructure needs that affect the economic health of the community. Applications from eligible areas that are not States will be scored under this alternative using information provided in the Application. The rating panel may assign points under this criterion, in lieu of awarding points based on the percentage of median household income. Award of priority points under this criterion is in addition to any that may be awarded for high poverty counties. Applicants may qualify under this criterion that do not meet the USDA Rural Development high poverty counties priority above.

(5) *Substantially Underserved Trust Areas (5 points).* Under SUTA regulations at [7 CFR part 1700, subpart D](#), eligible entities may request special consideration for applications for communities in trust areas that lack adequate levels or quality of service and are in high need of grant assistance. The Administrator, in his sole discretion, has determined to award 5 points to any application from an eligible SUTA entity for projects serving eligible areas that are also eligible for the HECG Program. To receive these points, the entity must submit a separate application and request for consideration under SUTA as provided in Section 3.3(a) of this notice and program regulations at [7 CFR part 1700, subpart D](#). The decision to award SUTA points to an eligible application is solely at the discretion of the Administrator.

(c) There is no requirement for matching contributions under the HECG Program. The Agency has determined not to make applicant/project contributions a separate scoring criterion, however, applicant/project contributions may be considered by the rating panel in assessing the applicant's financial capacity to complete the project, the sufficiency of the project budget, and any state, local or Tribal rural development initiatives in support of the project.

5.2 Review Selection Processes

(a) *Determining Eligibility.* RUS will review all application packages received to determine if they were submitted on or before the deadline published in the DATES section of this notice. All timely received application packages will be reviewed for eligibility and completeness. Application packages that are late, incomplete or ineligible will be rejected. Project proposals that contain all required application package content in acceptable format and that meet eligibility criteria will be accepted for consideration. The Agency will look only at the three-page narrative in Part B of the application package during the initial screening process to determine if the applicant, community and project meet program eligibility requirements established in this notice and program regulations.

Applicants will be notified if they were found to be ineligible when selected finalists are announced. The determinations on timeliness, completeness, and eligibility will be final. The rejection notice will provide information on any appeals that may apply with respect to rejections based on eligibility.

After the application closing date, RUS will not consider any unsolicited information from the applicant. The Agency may contact the applicant for additional information or to clarify statements in the application required to establish applicant or community eligibility and completeness. RUS will not

accept or solicit any additional information relating to the technical merits and feasibility of the grant proposal after the application closing date.

(b) *SUTA Review.* The Administrator will review the request to determine whether the applicant is eligible to receive consideration under SUTA. RUS will notify the applicant in writing whether (1) the application has been accepted to receive special SUTA consideration or (2) the application has not been accepted for consideration under the SUTA regulation. If the SUTA request is not granted, the applicant may withdraw its application. If the application is still eligible without SUTA consideration and the applicant does not withdraw the application, RUS will review and score the application along with others received under this notice.

(c) *Evaluation and Scoring of Eligible Applications.* The Agency will use one or more rating panels composed of Agency employees to review and score eligible applications. The panel will evaluate and score the applications using the selection criteria and weights established in this notice. As part of the proposal review and ranking process, panel members may make comments and recommendations for appropriate conditions on grant awards to promote successful performance of the grant or to assure compliance with other Federal requirements. The decision to include panel recommendations on grant conditions in any grant award will be at the sole discretion of the RUS Administrator.

The rating panel members' individual scores for each application will be consolidated with those from other members to create a total score for each application. The panel will forward their individual scores and the ranked list of projects to the Assistant Administrator, Electric Programs, for review of consistency with this notice and program regulations. The Assistant Administrator may refer the ranked list or individual project scores back to the rating panel or to an individual member to correct any apparent error or inconsistency (such as awarding a higher number of points than allowed) or for questions about scoring of individual projects. The Assistant Administrator will then prepare a selection memo for the Administrator along with a list of ranked projects.

(d) *Review and Selection of Applications.* The RUS Administrator will review the application rankings and recommendations of the rating panel. The Administrator may return any application to the rating panel with written instruction for reconsideration if, in his sole discretion, he finds that the scoring of an application is inconsistent with this notice and the directions provided to the rating panel. Furthermore, the Administrator has wide discretion such that he or she is not obligated to accept the rank order of proposed awards submitted by the rating panel. Following any adjustments to the project in ranking that follows from this reconsideration or exercise of sole discretion, the Administrator will select finalists for grant awards.

The Administrator will consider projects in rank order, considering the applications, the rankings, comments, and recommendations of the rating panel, and other pertinent information, including availability of funds. The Administrator may fund grant requests in rank order to the extent of available funds. Upon consideration of panel recommendations and availability of funds, the Administrator may, in his sole discretion, decide to offer an award of less than the full amount of grant requested by an applicant. If the applicant declines an award, the offer will be withdrawn. If at any point in the selection process enough funds are not available to fund the next ranked project, the Administrator may, in his sole discretion, offer a partial award to the next project, or skip over that project to the next ranking project that can be supported with available funding. The Administrator may, in his sole discretion, make additional awards to unfunded applications in rank order if additional funds become available.

Because of the limited amount of funds available, no applicant or project will receive more than one award under this notice. If two projects from the same applicant score high enough to potentially receive funding, the Administrator will select the project with the higher score.

The Administrator may decide based on the recommendations of the rating panel, or in his sole discretion, that a grant award should be made contingent upon the applicant satisfying certain

conditions. For example, RUS will not obligate funding for a selected project—such as projects requiring preparation of detailed site-specific engineering studies and designs, requiring local permitting, supplemental financing—until any such additional conditions are satisfied and adequate funds remain available. If any selected finalist fails to comply with all pre-award conditions within the deadlines set by RUS, the award selection will be withdrawn.

RUS reserves the right not to award all the funds made available under this notice.

(e) *Notice to Applicants regarding Certain Grant Awards.* This notice may result in awards where the total Federal share will be greater than the simplified acquisition threshold (See 2 CFR 200.1 and 48 CFR part 2, subpart 2.1) on any Federal award under this notice over the period of performance). Therefore, applicants are advised that:

- (1) RUS, prior to making a Federal award with a total amount of Federal share greater than the simplified acquisition threshold, is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through <https://www.sam.gov/SAM/> (see 41 U.S.C. 2313);
- (2) An applicant, at its option, may review information in the designated integrity and performance systems accessible through <https://www.sam.gov/SAM/> and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through <https://www.sam.gov/SAM/>; and

RUS will consider any comments by the applicant, in addition to the other information in the designated integrity and performance system, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in [2 CFR part 200](#).

(f) *Appeals.* As discussed above, RUS will reject any application that, in its sole discretion, is not complete or that does not demonstrate that the applicant, community or project is eligible under the requirements of this notice and applicable program regulations. Applicants will be notified in writing of RUS's decision. Applicants may appeal the eligibility rejection pursuant to program regulations on appeals at [7 CFR 1709.6](#) for the HECG Program. Applicants must appeal in writing to the RUS Administrator within 10 days after the applicant is notified of the determination to reject the application. The applicant's submission must state the basis for the appeal. Appeals must be directed to the Administrator, Rural Utilities Service, United States Department of Agriculture, 1400 Independence Ave., SW, Room 4121-S, STOP 1500, Washington, DC 20250–1500. The Administrator will review the appeal to determine whether to sustain, reverse, or modify the original determination by the Assistant Administrator. The Administrator's decision shall be final. A written copy of the Administrator's decision will be furnished promptly to the applicant.

5.3 Anticipated Announcement and Federal Award Dates

After the Administrator's decision, RUS will notify successful applicants that they have been selected as finalists for a grant award. This selection is subject to continued availability of funds and compliance with all requirements including but not limited compliance with all Environmental and Historic Preservation Requirements and execution of a grant agreement satisfactory to RUS. This selection does not bind RUS to make a final grant award. Only a RUS grant agreement executed by the Administrator

will constitute a binding obligation and commitment of Federal funds. Grant funds will not be obligated, awarded, or disbursed until all requirements have been satisfied and are contingent on the continued availability of funds at the time of the award. RUS will advise selected applicants of any additional requirements or conditions.

RUS anticipates that award decisions will be made within six (6) months of the closing date, depending on availability of funds.

6.0 FEDERAL AWARD ADMINISTRATION INFORMATION

6.1 Federal Award Notices

RUS will notify all applicants in writing as to the outcome of their application. Successful applicants will be advised in writing that they are a selected finalist. The receipt of a finalist selection letter is not a binding award of Federal funds. The selection letter does not authorize the applicant to commence performance under the award. The Agency will advise the applicant of any additional requirements or pre-award conditions. After the pre-award conditions are satisfied, the Agency will send a conditions letter with all project-specific terms and conditions to be included in the grant agreement. After the applicant indicates acceptance of these terms and conditions the Administrator will approve the award and execute the grant agreement.

Successful applicants will be required to sign a grant agreement acceptable to the Agency and complete additional grant forms and certifications required by USDA as part of the process.

An executed grant agreement and satisfaction of all conditions precedent to funding are a prerequisite to any advance of funds.

6.2 Administrative and National Policy Requirements

(a) *Environmental Review and Restriction on Certain Activities.* Following the announcement, selected applicants will be required to submit the appropriate environmental review documentation, as outlined in the RUS environmental HECG Program Environmental Questionnaire, and to prepare and submit such documentation required by RUS Environmental Policies and Procedures ([7 CFR part 1970](#)). Successful applicants will be advised whether additional environmental review requirements apply to their proposals. All applicants must comply with all applicable Environment and Historic Preservation Requirements. Applicants may not commence construction on any Project until RUS provides the Applicant with written environmental clearance of the Projects as provided in 7 CFR part 1970. RUS will notify the applicant when it is authorized to commence performance using HECG funds.

(b) *Geospatial Data.* Awardee, and any and all contracts entered into by the Awardee with respect to the Award, shall ensure that geospatial data required to be collected and provided to the agency, conforms with the requirements of USDA Department Regulation DR-3465-001 and the Geospatial Metadata Standards set forth in DM 3465-001, which can be obtained online at www.usda.gov/directives/dr-3465-001 and www.usda.gov/directives/dm-3465-001.

(c) *Other Federal Requirements.* The HECG Program Regulation ([7 CFR part 1709](#)), the requirements of this notice, the 2025 Application Guide and accompanying materials establish the appropriate administrative and national policy requirements for awards under this program. These requirements include but are not limited to:

- (1) Executing a Grant Agreement acceptable to the Agency;
- (2) Using the forms specified in the Grant Agreement for requesting advances and reimbursements and submitting and maintaining supporting documentation of expenditures and receipts for use of funds awarded under this grant;
- (3) Providing quarterly project performance activity reports with required forms specified in the grant agreement until the expiration of the project term;
- (4) Ensuring that records are maintained to document all grant supported activities and expenditures and matching contributions;
- (5) Providing a final project performance report after completion of construction and one year's worth of operation;
- (6) Complying with policies, guidance, and requirements as described in f Executive Orders and applicable Federal regulations, and any successor regulations, including but not limited to:
 - [2 CFR part 200](#), Office of Management and Budget, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
 - [2 CFR part 400](#), United States Department of Agriculture, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
 - [2 CFR part 180](#) (Office of Management and Budget Guidelines to Agencies on Governmentwide Debarment and Suspension (NonProcurement));
 - [2 CFR part 416](#) (United States Department of Agriculture, General Program Administrative Regulations for Grants and Cooperative Agreements to State and Local Governments);
 - [2 CFR part 417](#) (United States Department of Agriculture, NonProcurement Debarment and Suspension);
 - [2 CFR part 415](#) (United States Department of Agriculture, General Program Administrative Regulations);
 - [2 CFR part 418](#) (United States Department of Agriculture, New Restrictions on Lobbying);
 - [2 CFR part 421](#) (United States Department of Agriculture, Requirements for Drug-Free Workplace (Financial Assistance));
 - [2 CFR part 25](#) (Office of Management and Budget, Unique Entity Identifier and System for Award Management);
 - [2 CFR part 170](#) (Office of Management and Budget, Reporting Subaward and Executive Compensation Information);
 - [48 CFR 31.2](#) (Federal Acquisition Regulation);
 - [7 CFR part 15, subpart A](#) (United States Department of Agriculture, Nondiscrimination in Federally Assisted Programs of the Department of Agriculture—Effectuation of Title VI of the Civil Rights Act of 1964 (as more fully elaborated below);
 - [7 CFR part 1767](#) Rural Utilities Service (Accounting Requirements for RUS Electric Borrowers); and
 - [7 CFR part 1773](#) Rural Utilities Service (Policy on Audits of RUS Awardees); and

(7) Civil Rights compliance includes, but is not limited to, the following:

- Assurance Agreement. Each prospective recipient must sign form RD 400-4, "Assurance Agreement" which assures USDA that the recipient is in compliance with Title VI of the Civil Rights Act of 1964, 7 CFR part 15, and other Agency regulations; and that no person will be discriminated against based on race, color or national origin, in regard to any program or activity for which the recipient receives Federal financial assistance; and that nondiscrimination statements are in advertisements and brochures.
- Collect and maintain data provided by ultimate recipients on race, sex, and national origin and ensure that ultimate recipients collect and maintain this data. Race and ethnicity data will be collected in accordance with Office of Management and Budget (OMB) Federal Register notice, "Revisions to OMB's Statistical Policy Directive No. 15: Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity" (published March 29, 2024, at 89 FR 22182). Data on the sex of recipients will be collected in accordance with Title IX of the Education Amendments of 1972. These items should not be submitted with the application but should be available upon request by the Agency.
- The applicant and the ultimate recipient must comply with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, the Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Executive Order 12250, and 7 CFR part 1901, subpart E.
- The applicant and the ultimate recipient must comply with Executive Order 13166 "Limited English Proficiency." For information on limited English proficiency and agency-specific guidance, go to <https://www.LEP.gov>.
- Construction Contract Equal Opportunity Clause. Each prospective recipient must execute Form RD 400-1 which assures USDA that the recipient will include the prescribed equal opportunity clause in construction contracts where Federal financial assistance exceeds \$10,000.

Compliance with additional OMB Circulars or government-wide regulations may be specified in the grant agreement.

6.3 Reporting

(a) The grantee must provide periodic financial and performance reports under USDA grant regulations, program rules and the grant agreement. The grantee must submit a final project performance report. The nature and frequency of required reports is established in USDA grant regulations and the project-specific grant agreements.

(b) The applicant must have the necessary processes and systems in place to comply with the reporting requirements for first-tier sub-awards and executive compensation under the Federal Funding Accountability and Transparency Act of 2006 in the event the applicant receives funding unless such applicant is exempt from such reporting requirements pursuant to [2 CFR 170.105](#). The reporting requirements under the Transparency Act pursuant to [2 CFR part 170](#) are as follows:

- (1) First Tier Sub-Awards of \$30,000 or more in non-Recovery Act funds (unless they are exempt under [2 CFR part 170](#)) must be reported by the Recipient to <http://www.fsrs.gov> no later than the end of the month following the month the obligation was made. Please note that a consolidation of eight federal procurement systems is currently underway, including the Sub-

award Reporting System (FSRS), into one system, the System for Award Management (SAM). As a result, the FSRS will soon be consolidated into and accessed through <https://www.sam.gov/SAM>.

(2) Total Compensation of the Recipient's Executives (five (5)) most highly compensated executives) must be reported by the Recipient (if the Recipient meets the criteria under 2 CFR part 170) to <https://www.sam.gov/SAM> by the end of the month following the month in which the award was made.

(3) Total Compensation of the Subrecipient's Executives. The Total Compensation of the Subrecipient's Executives (five (5)) most highly compensated executives) must be reported by the Subrecipient (if the Subrecipient meets the criteria under [2 CFR part 170](#)) to the Recipient by the end of the month following the month in which the sub award was made.

7.0 FEDERAL AWARD AGENCY CONTACTS

For general questions about this notice please reach out to Robin Meigel at energy.grants@usda.gov or robin.meigel@usda.gov, Finance Specialist, Electric Programs, RUS, USDA, 1400 Independence Avenue, SW., Mail Stop 1568, Room 4121-South Building, Washington, D.C. 20250-1568; or call 202-720-9545.

8.0 BUY AMERICA, BUY AMERICA REQUIREMENTS

Awards for infrastructure projects under this announcement must meet the following domestic preference requirements:

(a) *Funding to non-Federal entities.* Borrowers that are Non-Federal Entities, defined pursuant to 2 CFR 200.1 as any State, local government, Indian tribe, Institution of Higher Education, or nonprofit organization, shall be governed by the requirements of 70914 of the Build America, Buy America Act (BABAA) within the Infrastructure Investment and Jobs Act Pub. L. No. 177-58 (2021). Any requests for waiver of these requirements must be submitted pursuant to USDA's guidance available online at <https://www.usda.gov/ocfo/federal-financial-assistance-policy/USDABuyAmericaWaiver>.

(b) *Funding to all other entities.* All other Awardees shall be governed by the Agency's Buy American requirement at [7 CFR part 1787](#). For purposes of BABAA compliance, rural electric cooperatives, for-profit organizations and investor-owned utilities are not considered Non-Federal Entities and shall follow [7 CFR part 1787](#). Any requests for waiver of these requirements must be submitted pursuant to those regulations.

9.0 OTHER INFORMATION

9.1 Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the information collection requirements associated with the program, as covered in this notice, have been approved by the Office of Management and Budget (OMB) under OMB Control Number 0572-0136.

9.2 National Environmental Policy Act

All recipients under this notice are subject to the requirements of [7 CFR part 1970](#).

9.3 Federal Funding Accountability and Transparency Act

All applicants, in accordance with [2 CFR part 25](#), must be registered in SAM and have a UEI number as stated in Section [4.3](#) of this notice. All recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive total compensation in accordance with [2 CFR part 170](#).

9.4 Civil Rights Act

All grants made under this notice are subject to Title VI of the Civil Rights Act of 1964 as required by the USDA (7 CFR part 15, Subpart A -- Nondiscrimination in Federally-Assisted Programs of the Department of Agriculture - Effectuation of Title VI of the Civil Rights Act of 1964) and Section 504 of the Rehabilitation Act of 1973, Title VIII of the Civil Rights Act of 1968, Title IX, Executive Order 13166 (Limited English Proficiency), Executive Order 11246, and the Equal Credit Opportunity Act of 1974.

9.5 Equal Opportunity for Religious Organizations

a) Faith-based organizations may apply for this award on the same basis as any other organization, as set forth at, and subject to the protections and requirements of, this part and any applicable constitutional and statutory requirements, including 42 U.S.C. 2000bb et seq. USDA will not, in the selection of recipients, discriminate for or against an organization on the basis of the organization's religious character, motives, or affiliation, or lack thereof, or on the basis of conduct that would not be considered grounds to favor or disfavor a similarly situated secular organization.

b) A faith-based organization that participates in this program will retain its independence from the Government and may continue to carry out its mission consistent with religious freedom and conscience protections in Federal law. Religious accommodations may also be sought under many of these religious freedom and conscience protection laws.

c) A faith-based organization may not use direct Federal financial assistance from USDA to support or engage in any explicitly religious activities except when consistent with the Establishment Clause of the First Amendment and any other applicable requirements. An organization receiving Federal financial assistance also may not, in providing services funded by USDA, or in their outreach activities related to such services, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

9.6 Nondiscrimination Statement

In accordance with Federal civil rights laws and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race,

color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language) should contact the responsible Mission Area, agency, or staff office or the 711 Relay Service.

To file a program discrimination complaint, a complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form, which can be obtained online at <https://www.usda.gov/sites/default/files/documents/ad-3027.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
- (2) Fax: (833) 256-1665 or (202) 690-7442; or
- (3) Email: program.intake@usda.gov

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