

# Notice of Availability of Grants

New Jersey Department of Environmental Protection

## **LOCAL GOVERNMENT GREENHOUSE GAS REDUCTION GRANT PROGRAM**

(Revised August 19, 2009)

<b>Effective Date:</b>	<b>June 18, 2009</b>
<b>PRELIMINARY APPLICATION DUE DATE:</b>	<b>September 4, 2009</b>
<b>FULL APPLICATION DUE DATE:</b>	<b>December 11, 2009</b>

The NJ Department of Environmental Protection's (NJDEP) Office of Planning and Sustainable Communities announces the availability of funds through the **Local Government Greenhouse Gas (GHG) Reduction Grant Program**. This announcement describes this new competitive funding program as well as eligibility requirements, grant application procedures and project review criteria. This announcement and application forms can also be found at <http://www.nj.gov/dep/opsc/ghggrant.html>.

### **PROGRAM ENABLING STATUTE, RULE AND PURPOSE:**

The *Local Government Greenhouse Gas Reduction Grant Program* (Grant Program) was created by the NJ Global Warming Solutions Fund Act (Act) (P.L. 2007, Chapter 340; N.J.S.A. 26:2C-50 et seq.) which established the Global Warming Solutions Fund from which this Grant Program is funded.

The rules implementing this Grant Program are at N.J.A.C. 7:27D-4.

In accordance with the Act, the purpose of the Grant Program is to *support program areas designed to promote local government agencies' efforts to plan, develop and implement measures to reduce greenhouse gas emissions, or that implement energy efficiency, renewable energy, distributed energy programs, or land use planning, each of which is expected to result in a measurable reduction in greenhouse gas emissions or energy demand.*

The Act allocates ten percent (10%) of the proceeds derived from the auction of carbon allowances under the Regional Greenhouse Gas Initiative (RGGI) to local government projects and other actions that result in a measurable reduction of greenhouse gases, as well as NJDEP efforts that assist local governments' ability to reduce GHG. This 10% is the *Local Government Greenhouse Gas Reduction Grant Program*.

### **GRANT PROGRAM SCHEDULE**

This is the first announcement of the *Local Government Greenhouse Gas Reduction Grant Program*. It is anticipated that a second announcement requesting a new round of local government project proposals will be issued approximately six (6) months from the date of

this announcement. Future Grant Program announcements will be dependent on funding availability and may be on an annual rather than semi-annual basis.

**AMOUNT OF FUNDS TO BE ALLOCATED IN THIS CALL FOR APPLICATIONS:**

Auctions of RGGI allowances are held quarterly. The December 2008 and March 2009 auctions generated combined proceeds in the amount of approximately \$32 million. Of this total amount, approximately \$2.5 million is initially available for grant funding through the *Local Government Greenhouse Gas Reduction Grant Program*.

**APPLICANT ELIGIBILITY:**

Only local government agencies are eligible to apply for funding under this Grant Program. A local government agency must be:

- a contracting unit under the Local Public Contracts Law<sup>1</sup>, i.e., municipality, county or local authority;
- a board of education under the Public School Contracts Law<sup>2</sup>; or
- a county college under the County College Contracts Law<sup>3</sup>.

<sup>1</sup> (N.J.S.A. 40A:11-2(1))

<sup>2</sup> (N.J.S.A. 18A:18A-2a)

<sup>3</sup> (N.J.S.A. 18A:64A-25.2b)

**ELIGIBILITY REQUIREMENTS FOR PROPOSED PROJECTS:**

In accordance with N.J.A.C. 7:27D-4.1(c), projects and programs eligible for funding are those that “conduct and implement energy efficiency programs, renewable energy programs, distributed energy programs, or land use planning where the grant or assistance results in a measurable reduction of the emission of greenhouse gases or a measurable reduction in energy demand.”

**PROGRAM REQUIREMENTS:**

The attached **Eligible Project Table**

([http://www.nj.gov/dep/opsc/docs/eligible\\_project\\_table.pdf](http://www.nj.gov/dep/opsc/docs/eligible_project_table.pdf)) specifies which types of projects are eligible this funding period, brief descriptions and the associated funding limits within the following project categories:

- Greenhouse Gas Action Planning & Implementation
- Land Use Planning & Transportation
- Transportation System Efficiency
- Green Infrastructure, Sequestration & Resource Conservation
- Strengthening Local Economies
- Outreach & Educational Campaigns
- Other (including Highly-Warming Gases; Micro-grants; Innovations)

These categories represent types of projects for which other funding sources are of limited availability in New Jersey. The specific projects identified under these categories are **examples** and applicants may propose other projects not listed on the Eligible Project Table.

Preference will be strongly given to projects for which alternative funding sources are unavailable and for which multiple entities of a local government (e.g., town council *and* a school district) file a joint application, as well as multiple entities from different local governments file a joint application with a single lead contractual entity.

### **Supplemental Project Funding**

If the applicant has received, or is seeking, supplemental funding for the proposed project from other sources, the amounts received or requested must be identified, and whether they are confirmed, and the source of funding. This requirement includes any proposed project funding from the NJ Clean Energy Program (NJ Board of Public Utilities).

### **On-going Projects**

Applications may request funding for proposed project expenses incurred (or committed to be incurred) after the date of this Grant Program Announcement. Projects must meet all other program eligibility criteria and will be subject to this Grant Program's funding conditions and limitations.

### **Local Government Funding Limit**

The maximum award to one local government agency in the current funding period is **\$300,000**. Regional projects (joint applications by two or more local government agencies from different municipalities) are capped at **\$700,000**.

### **Allowable Costs**

In order to maximize the effectiveness of the Grant Program's limited funds, eligible project costs include: equipment, materials, supplies, printing and professional services. Ineligible costs include: costs for acquisition of real property and charges for time spent by local government employees and volunteers.

Applicants may contract with private, public and non-profit organizations to obtain relevant professional planning and other technical expertise and assistance.

### **Project Duration**

It is anticipated that most projects will be completed within one year, though some may extend up to two years in length. For funded projects, the actual project period will be defined as a part of the final scope of work and grant agreement.

### **Disclosure of Information**

All grant applications, preliminary applications of interest and other submittals become part of the public record and, as such, the Department will make them available to persons who request their release to the extent required by New Jersey law.

## APPLICATION PROCEDURE AND DEADLINES

### **PRELIMINARY APPLICATION OF INTEREST**

**Due Date: September 4, 2009**

Local government agencies interested in applying for funding must first submit a **Preliminary Application of Interest (Pre-Application)** outlining the proposed project. This information will only be used to determine if the proposed project meets the eligibility requirements of the Grant Program and does not necessarily imply any intention to fund the proposed project. Projects deemed eligible by the Department will be invited to submit a full grant application.

#### Pre-Application

The Pre-application found at [http://www.nj.gov/dep/opsc/docs/ghg\\_pre\\_application.pdf](http://www.nj.gov/dep/opsc/docs/ghg_pre_application.pdf) should be completed.

#### **Please include the following:**

- a. The name of the local government agency and contact information, including e-mail address and phone number;
- b. A project/program summary, including:
  - 1) general description of proposed action(s)
  - 2) consistency with program and project priorities defined in this grant announcement; and
  - 3) a general description of how the proposed project will reduce greenhouse gases.
- c. The amount of funding requested broken out by general budget categories, if possible (note that projections are not binding); and
- d. Name and title of local government representative authorized to submit application on behalf of the local government agency

Pre-Applications must be received electronically or postmarked by **September 4, 2009** to be considered for funding. All grants received or postmarked after **September 4, 2009** may be returned unopened. Pre-applications may be hand-delivered but must be received by the Office of Planning and Sustainable Communities by **4:00 PM, September 4, 2009**.

If submitting the Pre-Application electronically, please send to [GHGGrants@dep.state.nj.us](mailto:GHGGrants@dep.state.nj.us)  
**The Subject line should read: Pre-Application Submittal.**

If providing in hard copy, an original and one (1) paper copy of the **Pre-Application** should be mailed to:

Local Government Greenhouse Gas Reduction Grant Program  
NJ Department of Environmental Protection  
Office of Planning and Sustainable Communities  
P.O. Box 402  
401 East State Street  
Trenton, NJ 08625-0402

Pre-Applications may be hand delivered but must be received by the Office of Planning and Sustainable Communities no later than 4:00 PM, September 4, 2009. Notification of pre-application acceptance or rejection will be provided approximately four (4) weeks after receipt of pre-application; accepted applicants will be invited to submit their full project applications within ninety (90) days of this notification.

## **FULL APPLICATION**

**Due Date: DECEMBER 11, 2009**

► ***Only those local governments that submit an acceptable Preliminary Application of Interest will be invited to submit a Full Application for a Project/Program.***

### **Full Application Submittal Guidelines -- APPLICATION**

All requests for grant funding must follow the **Full Application Form**. The form includes essential information that the Department needs to evaluate the project, such as a detailed project description, anticipated project benefits, project team qualifications and project budget. The application must also include additional information that relates to other objectives of the NJ Global Warming Solutions Act, such as to what extent the project will create jobs, and whether the project can be replicated by other local government agencies. To ensure that the governing body of the applying local government agency supports the application, a **local government agency governing body resolution** is also required.

The following are the required sections of the *Full Application Form*:

#### **Identification of the local government agency**

##### **A. Total amount of funding requested**

##### **B. Detailed description of the project/program**

- 1) Project title
- 2) A statement of project objectives
- 3) Project Details
- 4) Project Team
- 5) Proposed Budget
- 6) Project Context -- A description of how the requested project relates to any larger or similar effort being undertaken by the local government agency and any other funding being allocated to carry out the proposed project, including funding from the NJ Clean Energy Program (Board of Public Utilities);

##### **C. Project Measurability** – The Global Warming Solutions Fund rule (N.J.A.C. 7:27D-2.4) requires that:

projects to be funded from the Global Warming Solutions Fund shall include in their design a method to ensure that the reductions of greenhouse gas emissions or energy use, or other benefits that are achieved or are expected to be achieved by the project or program area for its duration, are measurable.

► **Applicants should quantify, to the extent possible, the reduced or avoided energy use and greenhouse gas emissions attributable to the project over the duration of its implementation.**

*The method to ensure that reductions or other benefits are measurable may be based on existing or otherwise readily available information, such as records of fuel or electricity use, and to the extent feasible as determined by the funding agency, shall:*

- *Be sufficient to allow the funding agency to assess baseline quantities, quantitative reduction goals, and quantities of reductions resulting from, or expected to result from, the project ...: and*
- *Include an estimate of the uncertainty associated with measured or estimated baseline quantities, quantitative reduction goals, and quantities of reductions.*

**NOTE: NJDEP Guidance regarding Project Measurability --**

NJDEP is presently compiling guidance information to be made available to potential applicants to assist in the determination of a proposed project's GHG reduction. Use of this guidance is recommended but not required if the applicant believes it has a more credible method for estimating anticipated GHG reductions and can provide documentation as to that method. The ability to credibly measure a net reduction or avoidance in GHG relative to the cost of the proposed project will be considered by the Department in its project funding determinations. As understanding and experience improve, NJDEP will provide more up-to-date approaches for calculating GHG reductions attributable to specific projects and programs. When available, guidance can be found at: <http://www.nj.gov/dep/opsc/ghggrant.html>

- D. **Governing Body Resolution** -- A resolution passed by the local government agency authorizing the filing of an application and identifying the individual authorized to execute any funding agreement with the Department. If more than one local government agency is applying funding through a single application, a resolution is required from each;
- E. **Permits and Approvals** -- An identification of all permits and approvals required for completion of the project, and anticipated dates that the permits and approvals will be obtained;

- F. **Job Creation** -- Description of and estimate of the number of jobs that the project will create;
- G. **Project Replicability** -- Whether the project can be replicated by another local government agency;
- H. **Project Educational Value** -- A description of any educational value the project may offer; and
- I. **Other Information** -- Any other information as the local government agency would like the Department to consider in reviewing its application.

**Full Application – SUBMISSION**

**DUE DATE: DECEMBER 11, 2009**

Three (3) paper copies (one original, 2 copies), double-sided, of the **Application** should be mailed to:

Local Government Greenhouse Gas Reduction Grant Program  
NJ Department of Environmental Protection  
Office of Planning and Sustainable Communities  
P.O. Box 402  
401 East State Street  
Trenton, NJ 08625-0402

Full Applications must be postmarked by **December 11, 2009** to be considered for funding. All Applications postmarked after December 11, 2009 may be returned unopened. This Grant Program reserves the right to request an electronic copy of the Application if that format will assist in application review. Applications may be hand delivered but must be received by the Office of Planning and Sustainable Communities no later than 4:00 PM, December 11, 2009.

**DUE DATE:** Complete Applications are due no later than **December 11, 2009**.

**APPLICATION EVALUATION CRITERIA AND SCORING PROCESS**

Each grant application shall be subject to three (3) review steps:

1. A preliminary **administrative completeness review** of the grant application to confirm inclusion of all required information. This review includes ensuring substantial consistency of the proposed project with the concept described in the accepted pre-application. Grant applications determined to be administratively incomplete may be rejected, no further review will be conducted, and the submitting local government agency will be notified of the rejection.

2. A **program and technical evaluation** to apply the criteria established by the rule governing this program (see N.J.A.C. 7:27D-2.2), as well as other selection criteria deemed essential to judging a project's success.

**Priority Scoring System:**

The Global Warming Solutions Fund rule has established the following project award criteria and associated maximum points:

- ❖ A project can score up to **50 points** based on the extent to which it will:
  - a. Produce a net reduction in greenhouse gas emissions in the State or produce a net reduction in greenhouse gas emissions from electricity produced out of the State, but consumed in the State;
  - b. Result in a significant, measurable reduction in greenhouse gas emissions relative to the cost of the project and the reduction of impacts on ratepayers;
  - c. Significantly contribute to the achievement of the State's 2020 greenhouse gas emissions limit established by the Global Warming Response Act, relative to the cost of the project; and/or
  - d. Significantly contribute to the achievement of the State's 2050 greenhouse gas emissions limits established by Global Warming Response Act, relative to the cost of the project.
  
- ❖ A project can score up to **30 points** based on the extent to which it will result in benefits other than direct reductions of greenhouse gas emissions, as follows:
  - a. A measurable reduction in energy use (certain combined heat and power project exclusions apply);
  - b. A net sequestration of carbon;
  - c. Co-benefits<sup>1</sup> to the State; and/or
  - d. Responsiveness to the recommendations submitted by the Department to the Legislature pursuant to the Global Warming Response Act.

("Co-benefits" are benefits that result or are expected to result from a project or program other than a net reduction in greenhouse gas emissions, net reduction in energy use, or net sequestration of carbon. Co-benefits include, but are not limited to, the creation of job opportunities, reduction of air pollutants other than greenhouse gases, reduction of the costs of electricity or natural gas to consumers, improvements in local electric system reliability, and the contribution to regional initiatives to reduce greenhouse gas emissions.)

- ❖ A project can score up to **20 points** based on the extent to which the project provides an added benefit because:
  - a. The project has not been previously funded in whole or in part by the State, the Federal government, or other entity;
  - b. The project is expected to produce results that could be readily replicated by others in New Jersey and elsewhere;
  - c. The project is expected to provide measurable data or quantitative information important to future efforts to reduce greenhouse gas emissions or energy use;
  - d. The project demonstrates readiness to proceed through achievement of milestones including, but not limited to control of land, permitting, and financial commitments;
  - e. The developer or owner of the project demonstrates the experience and capacity to complete the project;
  - f. The project is financially feasible and sustainable and demonstrates ability to leverage funding from the Fund with private investment; and/or
  - g. The project accomplishes or is expected to accomplish other results that are consistent with the agency's mission in accordance with its enabling statutes.
  
- ❖ A project may receive up to **10 (ten) additional points** based on the local government's documented participation in the *Sustainable Jersey Program*, i.e., the local government agency (if a municipality) is registered with the *Sustainable Jersey Program* ([www.sustainablejersey.com](http://www.sustainablejersey.com)) and the governing body of the local government agency has passed a resolution stating its intention to seek "certification" according to the *Sustainable Jersey Program* requirements;
- ❖ A project may receive up to **10 (ten) additional points** if it a cooperative project between two or more local government agencies from different municipalities. A cooperative project must clearly demonstrate and describe significant and active roles for each of the participating local government agencies.
- ❖ A project may receive up to 10 (ten) additional points if the applying local government agency is, or is located within, a municipality eligible for the Municipal (Urban) Aid Program for CY 2008/FY2009 (per N.J.S.A. 52:27D-178) and/or is low income community that is disproportionately affected by environmental impacts, as determined by NJDEP. The list of eligible Urban Aid municipalities can be found at: [http://www.nj.gov/dca/lgs/muniaid/08\\_aid/ua\\_fy09\\_pub\\_notice.htm](http://www.nj.gov/dca/lgs/muniaid/08_aid/ua_fy09_pub_notice.htm) .

3. A **budget evaluation** to enable the Department to determine whether the proposed project or program costs are eligible, reasonable, applicable, and allowable.

#### **GRANT AWARD NOTIFICATIONS**

To the extent possible, applicants will be notified regarding award decisions within ninety (90) days of the project application due date.

#### **GRANT AWARD CONDITIONS**

1. All grant awards will be made via a NJDEP Grant Agreement and associated grant conditions. See [http://www.nj.gov/dep/opsc/docs/o69g\\_form\\_v306.pdf](http://www.nj.gov/dep/opsc/docs/o69g_form_v306.pdf) for a copy of this agreement form.
2. All grant award recipients will be required to submit periodic project progress reports, a project final report and expenditure reports. The content and schedule for these will be defined in the final grant agreement. Generally, progress reports must describe the project implementation success and actual or expected greenhouse gas reductions resulting from project completion, and include financial reports describing and justifying project expenditures relative to the approved project budget.
3. Grant agreements must be signed by the appropriate local government agency official and returned within 30 calendar days. The Department may, at its discretion, extend the time for execution for an additional 30 days.
4. Generally, grant awards will be structured such that payments will be deliverable- based, that is, payments are contingent on submission of the required progress and final reports.

#### **Questions? Comments?**

If you have any questions or comments, please send an email to [GHGGrants@dep.state.nj.us](mailto:GHGGrants@dep.state.nj.us).