

Empowering Energy Partnerships in Indiana Communities (EPIC)

FAQs



The Indiana Office of Energy Development announces a \$2.5 million funding opportunity for Indiana's Empowering Energy Partnerships in Indiana Communities (EPIC) program. The purpose of the grant is to support a comprehensive energy solutions program tailored to communities and serve as a model for other communities across Indiana. This competitive grant program is aimed at addressing impactful energy needs and priorities at a community or regional level. Collaboration and partnerships among community entities are vital aspects of the program.

Below are Frequently Asked Questions associated with the EPIC Funding opportunity. This list is not exhaustive and will be updated periodically. For all other questions, please reach out to grants@oed.in.gov.

1. What is the difference between a subcontractor and a subrecipient?

Subcontractor/Subrecipient/Beneficiary Distinction

The distinction between subrecipients and subcontractors may be difficult to identify, but it is ultimately up to OED to interpret Federal regulations, assess the proposed relationship, and determine whether the relationship falls under a subaward versus a subcontract, or whether the party is a beneficiary of such assistance.

Both subawards and subcontracts involve the exchange of [Federal Financial Assistance](#). Federal Financial Assistance is defined as assistance that non-federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions or donations of property, direct appropriations, food commodities, or other financial assistance. This includes both direct transfers of funds and in-kind contributions, such as performing a service or providing property.

The entity receiving financial assistance is considered a subrecipient if it receives a [subaward](#). A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. Characteristics which support the classification of the non-Federal entity as a subrecipient include when the non-Federal entity:

- 1) Determines who is eligible to receive what Federal Assistance;
- 2) Has its performance measured in relation to whether objectives of a Federal program are met;
- 3) Has responsibility for programmatic decision-making;
- 4) Is responsible for adherence to applicable Federal program requirements specified in the Federal Award; and
- 5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in the authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

The entity receiving financial assistance is considered a subcontractor if the contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Characteristics indicative of a procurement relationship between the non-Federal entity and a contractor are when the contractor:

- 1) Provides the goods and services within normal business operations;
- 2) Provides similar goods and services to many different purchasers;
- 3) Normally operates in a competitive environment;
- 4) Provides goods and services that are ancillary to the operation of the Federal program; and
- 5) Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

The Department of Energy (DOE) gave us clarification that if no funds are transferred, there is not a subrecipient relationship. For example, if one entity pays for the labor and equipment involved in an installation project for another entity, the second entity is a beneficiary of the project and not a subrecipient.

2. **Does Davis Bacon Act apply to single family buildings for decarbonization projects?** Yes, OED has not received any authorization from DOE excluding any of the EPIC projects from Davis Bacon.
3. **Can you please provide examples of what would constitute an unallowable subaward?** As stated in the distinction between subcontractors and subrecipients, a subrecipient relationship is only established if funds are transferred between entities. An example of a tiered subrecipient relationship would be if an entity applied for EPIC funds, and then sent the funds to a partner entity who is not performing work for the prime applicant. The second entity is to hire the contractors and purchase the equipment necessary for the project, so the prime applicant is functioning as a pass-through entity, which is unallowable. To make this allowable, according to DOE guidance, the prime applicant would have to contract with the subcontractors and purchase the equipment directly, and the partner would be a beneficiary of the work itself, rather than a recipient of funds to complete the work.
4. **What are planning activities?** Planning activities are activities that do not involve an upgrade or energy efficiency investment. For example, an energy audit is a planning activity that assesses the potential savings to a property owner for an energy efficiency investment; however, the energy audit itself does not involve or require an energy upgrade or investment. Technical assistance activities related to projects also fall under planning activities. For example, community engagement meetings or information sessions would also fall under this 10% cap.
5. **Can EPIC funds be combined with other federal funds?** Federal funds are not allowed to be “blended” together; they may only be “braided” or “stacked”. Braiding means funding separate activities. For example, staff time can be separated based on each hour worked, and each hour could be funded by separate sources based on the work performed. Blending means funding a single activity. If the labor or equipment cannot be easily separated, it cannot be braided. For example, a piece of equipment cannot be divided (i.e. it doesn’t make sense to refer to one half of an air-conditioning unit or a solar panel). Therefore, only one federal source can be used to fund the equipment. However, non-federal sources can be blended with federal funds, such as cash match.

- 6. Part of our project includes conducting an energy audit to identify potential upgrades for which we would use the funds. How much flexibility is there to change the project scope based on the energy audit conducted during the project period?** A: There is no flexibility in the eligibility of activities or restrictions on planning (i.e. conducting audits without pursuing the upgrades). However, we are flexible in allowing applicants to design a project that is predicated on the audits to be performed. A project that has specific goals and outcomes that are dependent on the audit can be included in the project. OED encourages applications to include as much detail as possible regarding the intended projects and resulting impacts, with the understanding that projects may vary slightly based on the audit. Ultimately, the scope of the project should not be radically changed by the audits if the application sufficiently explains the project, and as little as possible of the application materials should be left blank.
- 7. For the applicant percent match, can an existing program's budget count as the match or does it need to come from a different source of funding?** An existing project cannot count as match. Federal funds with a match component are designed to leverage additional investments. Using existing project funds would not count as the federal award would essentially be "supplanting" the matching funds that are intended to be leveraged, which is not allowable under federal requirements. All matching funds must be in addition to current activities; in other words, the funds spent on the EPIC award have to be for a new project, including the matching dollars.
- 8. How do we account for third party match if we have not identified partners?** All projects must have selected their partners (though we understand that some changes to project partners may occur) at the time of application submission. Projects that intent to conduct a solicitation during the project period will be disqualified as the key element of the application is the community partnerships that are established. Please refer to the question regarding third party match above for instruction on accounting for matching funds.