



BEL PACE LOI Requirements Review

Letters of Interest (LOIs) can be submitted beginning at 11:59 a.m. Eastern Time (ET) on June 30, 2023, until 11:59 a.m. ET September 29, 2023.

The PACE Applicant must demonstrate in its LOI that the consumer benefits and financial benefits resulting from the forgivable portion of the loan will be shared between the Awardee and the Off-Taker. This must be shown through a long-range financial forecast scenario that establishes that the revenue per kilowatt hour (KWh) the PACE Applicant will receive from the sale of the power to the Off-Taker would have been higher but for the loan forgiveness. Additionally, a net present value (NPV) calculation should be performed to demonstrate the financial benefit to the rate payer with the addition of the loan forgiveness versus business as usual without loan forgiveness.

Eligible Service Areas - Electricity generated or stored from facilities shall be provided to “rural and nonrural residents” in eligible service areas. For the FR notice, the minimum rural percentage by the chosen methodology must be at least 50 percent, unless waived by the Administrator based upon a showing that there exist social equity considerations, such as SUTA, significant energy burdens, severe economic needs, or substantial added benefits to rural consumers.

The following are LOI requirements:

(1) LOI submitter’s profile and point of contact information:

- (i) Legal name and status of the LOI submitter.
- (ii) The LOI submitter’s address and principal place of business.
- (iii) The LOI submitter’s tax identification number and its Unique Entity Identifier (UEI) number from the System for Award Management (SAM) registry.
- (iv) Legal structure of LOI submitter (*e.g.*, cooperative, corporation, limited- liability company, State or local government entity, municipality, federally recognized Tribe). If the applicant is a non-governmental entity, a statement as to whether the entity is organized as a non-profit.
- (v) If the LOI submitter is a State or local governmental entity, a certification that it can enter into contracts with the Federal government, incur debt, and provide security for such debt. Federal government entities are not eligible for financing.
- (vi) Name and title of LOI submitter’s manager and/or point of contact, which must include general contact information, as well as an email address to receive RUS’ Invitation to Proceed.
- (vii) The location of the Project and the applicable service area using a digital Shapefile. The applicable service area must demonstrate that the Project will provide economical clean energy to rural residents as outlined in Section C.3(a) of the FR notice.



(viii) The LOI submitter's net assets value.

(ix) A certification as to whether the LOI submitter over the last 10 years has been placed in receivership liquidation, has been under a workout agreement, has declared bankruptcy, or has had a decree or order issued for relief in any bankruptcy, insolvency, or other similar action.

(x) A statement as to whether the Project(s) will serve a SUTA area as defined in Section A.3 of the FR notice.

(2) *Financial Information.* A copy of the LOI submitter's balance sheet and income statements for the shorter of the last three years or the years the LOI submitter has been in operation. If the LOI submitter has no operating history, the LOI submitter must provide RUS with information RUS deems necessary to evaluate the financial strength of the LOI submitter. The LOI submitter must also provide the balance sheet and income statements for the last three years of any entity or entities providing equity or security for the loan, with an explanation of the legal relationship to the LOI submitter

(3) *Technical Description of the Project.* A technical description of the Project, which shall not exceed 1,500 words, and must include the following:

(i) Type of loan being requested, Project Loan or System Loan. See Section B.5 of the FR notice.

(ii) A description of each RER and ESS being requested for PACE financing including Project name, location, type, size, and renewable energy units generated and saved.

(iii) Verification that the Project(s) will be designed, constructed, and operated based on Commercially Available Technology.

(iv) For each Project, the estimated dates to start construction and to achieve commercial operation.

(v) The estimated total capital cost of each Project and the amount of Award funds being requested to finance each Project.

(vi) Proposed financial structure of the owners, equity investors and other participants, which shall include estimated sources and uses of all funds.

(vii) If applicable, a description and status of any PPA that will be used to sell and deliver the electrical output of the Project(s) to Off-Takers.

(viii) If applicable, a description of any existing power sales contracts, such as wholesale power contracts, between Off-Takers and its members.

(ix) Status of, and estimated timelines to complete, if known, any applicable Federal, State, or local permitting or environmental review processes.



(x) *Ratepayer and Community Benefit.* A brief discussion from the LOI submitter that if it is invited to submit an Application, it will demonstrate in its Application how it will pass on a portion of the savings from the loan forgiveness to the Off-Taker as described in Section B.6 of the FR notice and that the LOI submitter will provide the required information from Section D.2(b)(19) for the Community Benefit Plan.

(xi) *Prevailing wage.* Pursuant to 7 U.S.C. 8103(f), a certification that, pursuant to 7 U.S.C. 8103(f), the LOI submitter will comply with the provisions of the Davis-Bacon Act so that any laborers and mechanics employed on the Project or any contractor or subcontractor in: (A) the construction of such facility, and (B) with respect to any taxable year, for any portion of such taxable year the alteration or repair of such facility, shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality in which such facility is located as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

(xii) *Loan Forgiveness Level.* A statement as to what level of loan forgiveness outlined in Section B.6 of the FR notice that the LOI submitter believes it is eligible and the reason(s) why it believes it is eligible for that specific level of loan forgiveness.

Category I. Up to 20 percent total loan forgiveness;

Category II. Up to 40 percent total loan forgiveness if 50 percent or more of the population served by the proposed service area is located within the following areas: Energy Communities; or Distressed or Disadvantaged Communities.

Category III. Up to 60 percent total loan forgiveness if: Tribal, 60% SUTA or Tribal Territory, or Island Territory

If the LOI submitter cannot provide any of the information or documents listed above, it must notify RUS prior to submitting an application.