

make a determination of business size as defined by the Small Business Administration; and

(2) If the applicant is an agricultural producer, provide the gross market value of the agricultural products, gross agricultural income, and gross nonfarm income of the applicant for the calendar year preceding the year in which the application is submitted.

§ 4280.177 Evaluation of feasibility study grant applications.

(a) *Agency evaluation.* Feasibility study applications submitted under this subpart will be evaluated by the Agency for eligibility, completeness, and scoring.

(b) *General review.* The Agency will evaluate each application and make a determination as to whether the applicant is eligible, the proposed grant is for an eligible feasibility study, and the proposed grant complies with all applicable statutes and regulations.

(1) *Applicant eligibility.* The Agency will first determine whether the entity is eligible to compete for a feasibility study grant. Applications for applicants determined by the Agency not to be eligible will not be processed further. The Agency will determine applicant eligibility based on the criteria specified in § 4280.170.

(2) *Proposal eligibility.* After determining applicant eligibility, the Agency will review the application to determine if the proposal is eligible. Applications determined by the Agency not to be eligible will not be processed further. The Agency will determine whether the application contains certification by the applicant that the applicant has not received any other Federal or State assistance for a feasibility study on the subject facility. If the application does not contain such certification, it is an ineligible application and the Agency will stop processing the application.

§ 4280.178 Scoring feasibility study grant applications.

Agency personnel will score each feasibility study application based on the evaluation criteria specified in paragraphs (a) through (f) of this section, with a maximum score of 100 points possible.

(a) *Energy replacement or generation.* The project can be for either replacement or generation, but not both. A maximum of 25 points can be awarded under this section.

(1) *Energy replacement.* 25 points will be awarded if proposed project will offset any portion of the applicant's energy needs.

(2) *Energy generation.* 15 points will be awarded if the proposed renewable energy system is intended primarily for production of energy for sale.

(b) *Commitment of funds for the feasibility study.* Appropriate documentation must verify commitment of funds. A maximum of 10 points can be awarded under this section.

(1) 10 points—100 percent of matching funds.

(2) 7.5 points—75 percent up to, but not including 100 percent of matching funds.

(3) 5 points—50 percent up to, but not including 75 percent of matching funds.

(4) 0 points—less than 50 percent of matching funds.

(c) *Designation as a Small agricultural producer/very small business.* An applicant will be considered either an agricultural producer or rural small business. No applicant will be considered as both. Points will only be awarded under either paragraph (c)(1) or (c)(2) of this section. A maximum of 20 points can be awarded under this section.

(1) For an Agricultural Producer:

(i) 10 points will be awarded if the applicant is an agricultural producer producing agricultural products with a gross market value of less than \$600,000 in the preceding year, or

(ii) 20 points will be awarded if the applicant is an agricultural producer producing agricultural products with a gross market value of less than \$200,000 in the preceding year.

(2) For a Rural Small Business, 20 points will be awarded if the applicant is a very small business, as defined in § 4280.103.

(d) *Experience and qualifications of the entity identified to perform the feasibility study.* A maximum of 15 points can be awarded under this section.

(1) 15 points will be awarded if the entity has 5 or more years experience in the field of study for the technology being proposed.

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(2) 7.5 points will be awarded if the entity has 2 or more years, but less than 5 years, experience in the field of study for the technology field being proposed.

(3) 0 points will be awarded if the entity has less than 2 years experience in the field of study for the technology field being proposed.

(e) *Size of feasibility study grant request.* A maximum of 20 points can be awarded under this section. If the feasibility study request is:

(1) \$10,000 or less, 20 points will be awarded.

(2) Greater than \$10,000 up to and including \$25,000, 10 points will be awarded.

(3) Greater than \$25,000, 0 points will be awarded.

(f) *Resources to implement project.* Considering the technology being proposed, the applicant may qualify for other local or State programs to assist in the construction or operation of the facility. These programs will benefit the applicant and/or proposed project during or after the facility is constructed and operational. Points can be awarded for both types of assistance, for a maximum of 10 points.

(1) If the applicant has identified local programs, 5 points will be awarded.

(2) If the applicant has identified State programs, 5 points will be awarded.

§ 4280.179 Selecting feasibility study grant applications for award.

The Agency will use the following process to determine which feasibility study grants receive funding under this subpart.

(a) *Ranking of applications.* All scored applications will be ranked by the Agency as soon after the application deadline as possible. All applications that are ranked will be considered for selection for funding.

(b) *Selection of applications for funding.* Using the ranking created under paragraph (a) of this section, the Agency will consider the score an application has received compared to the scores of other ranked applications, with higher scoring applications receiving first consideration for funding.

(c) *Funding selected applications.* As applications are funded, if insufficient funds remain to fund the next highest scoring application, the Agency may elect to fund a lower scoring application. Before this occurs, the Agency will provide the applicant of the higher scoring application the opportunity to reduce the amount of its grant request to the amount of funds available. If the applicant agrees to lower its grant request, it must certify that the purposes of the project can be met, and the Agency must determine the project is financially feasible at the lower amount.

(d) *Disposition of ranked applications not funded.* Based on the availability of funding, a ranked application may not be funded in the fiscal year in which it was submitted. Such ranked applications will not be carried forward into Fiscal Year 2012 and the Agency will notify the applicant in writing.

§ 4280.180 Actions prior to grant closing.

(a) *Environmental.* If construction is a component of the study, the appropriate level of environmental assessment must be completed prior to the obligation of funds. All feasibility study grants made under this subpart are subject to the requirements of 7 CFR part 1940, subpart G. When construction is not a component of the study, feasibility studies are considered planning assistance, which are categorically excluded from the environmental review process by § 1940.310 of this title.

(b) *Evidence of other funds.* Applicants expecting funds from other sources for use in completing projects being partially financed with Agency funds shall present evidence of the commitment of these funds from such other sources prior to disbursement of grant funds.

§ 4280.181 Awarding and administering feasibility study grants.

Renewable energy system feasibility study grants will be awarded and administered in accordance with Departmental regulations and paragraphs (a) through (e) of this section.

(a) *Letter of conditions.* The Agency will notify the approved applicant in writing, setting out the conditions