

CPRG BUDGET NARRATIVE

The Tennessee Department of Environment and Conservation (TDEC) is requesting \$95,321,815 in funding across 4 measures.

This budget narrative uses the following budget categories to break out costs associated with the implementation of the proposed GHG Reduction Measures (hereinafter referred to as Measures) as described in the Project Narrative:

- **Personnel:** Direct costs for proportional salaries or wages of staff positions assigned to perform work under the CPRG grant. Personnel costs have been estimated as a percentage of each staff position's projected effort toward implementing the proposed measures. Personnel costs include an annual 3% salary adjustment.
- **Fringe Benefits:** Allowances and services provided by the employer to personnel in addition to regular salaries and wages. These may include the cost of paid leave, employee insurance, pensions and unemployment, cell phone allowances, holiday bonuses, and similar benefits. Fringe benefits are calculated at 45% of the applicable personnel costs.
- **Travel:** Costs for transportation services, lodging, per diem, and similar personal expenses are allowed under applicable federal and state travel policies for trips necessary to implement the proposed measures.
- **Equipment:** Costs for tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit used by personnel implementing the proposed measures. Equipment purchased by project subrecipients is classified in the "Other" budget category as participant support costs.
- **Supplies:** Costs for tangible property, other than equipment, with a per-item acquisition cost of less than \$5,000 that is necessary for CPRG implementation.
- **Contractual:** Costs associated with contracts to acquire property (including intellectual property) and services needed to carry out the proposed measures.
- **Other:** Direct costs that do not adhere to the other budget categories, including subgrantee support costs for required equipment purchases and subawards. All funds anticipated for competitive grant awards are included in this budget category.
- **Indirect:** Costs incurred as part of conducting regular business that cannot not be readily attributable to the CPRG grant. Examples of indirect costs include office rental, utilities, accounting services, etc.

Below is an explanation of the costs associated with each measure and a consolidated budget. The CPRG Implementation Grants Budget Spreadsheet included with this proposal provides a breakdown of the expenses for each budget category for each measure. The budget spreadsheet template provided by the EPA was utilized for this proposal. The numbers presented throughout this and other documents may not add up precisely to the totals due to rounding.

Costs Applicable to all Measures

The following supports TDEC's Division of Air Pollution Control in implementing all measures for the CPRG implementation grant. The amounts are reflected for the entire 5-year period of performance based on the identified percent level of effort.

1. TDEC Personnel and Fringe

- a. **APC Grants Contracts Administrator** \$66,096/year for 1 FTE between all four programs. Each measure utilizes this employee at .25 FTE, and the cost under each measure is \$87,728 over the 5-year performance period. This position will pursue, negotiate, and administer sponsored programs; identify external/internal funding opportunities; oversee the proposal preparation process; submit proposals; review and process agreements (both financial and non-financial); and negotiate contract terms for all contracts under CPRG funding. They will ensure compliance with EPA and State of Tennessee rules and regulations, including federal flow-down provisions and reporting requirements.
- b. The fringe rate is 45% of the APC Grants Contracts Administrator's applicable personnel costs. TDEC uses this rate in other federal grants to estimate the cost of benefits for full-time employees.

2. TDEC Supplies

- a. This line item is for \$500 in each of the measures. These funds will provide the APC Grants Contracts Administrator with necessary supplies to support CPRG implementation, including a laptop computer, monitor(s), mouse, keyboard, and commuter bag.

3. TDEC Other

- a. This line item is for \$3,000 in each of the measures. These funds will provide the APC Grants Contracts Administrator with State of Tennessee technology support services, including mobile phone and data plan, workstation support including internet connectivity and a virtual private network, and software subscriptions to Adobe and Microsoft.

4. TDEC Indirect

- a. TDEC will apply the EPA-approved indirect cost rate of 24.98% of full-time personnel and fringe benefits expenses for CPRG grant implementation.

Measures 1.1. and 1.2. – Fleet Vehicle Electrification Program

The following supports TDEC's Office of Energy Program (OEP) in implementing Measures 1.1 and 1.2.

1. **TDEC Personnel and Fringe** amounts are calculated for the entire 5-year period of performance based on the identified percent level of effort.
 - a. *APC Grants Contract Administrator*: see "Costs Applicable across all Measures."
 - b. *OEP Transportation General Administrator 3*: \$53,100/year at .25 FTE = \$28,474. The Transportation General Administrator's role will involve a combination of strategic planning, communication and collaboration, financial management, monitoring and evaluation, and stakeholder engagement to ensure the successful implementation and management of transportation-related measures funded by CPRG.
 - c. *OEP Grants Contracts Administrator*: \$85,704/year at .10 FTE = \$45,958. This position will solicit, evaluate, negotiate, and award contracts with businesses, educational institutions, nonprofit organizations, and local governments for furnishing products, services, and construction to the State of Tennessee. They will administer contracts by assuring compliance with the terms and conditions of contracts.
 - d. *OEP Procurement Specialist*: \$74,604/year at .10 FTE = \$40,006. The Procurement Specialist obtains contracts with subrecipients of federal funding through state-run competitive funding mechanisms (e.g., loans, reimbursements, and grants). Their primary responsibilities include managing the release of a competitive project solicitation, reviewing project proposals, making project selections, awarding subrecipients, and ensuring all products and materials meet State standards.

- e. *OEP Grants Program Manager: \$74,604/year at .50 FTE = \$200,031.* The Grants Program Manager is responsible for designing grant programs, creating grant processes, analyzing financial data, and supervising staff in charge of stakeholder engagement and subrecipient contracts.
 - f. *OEP Grants Analyst 3: \$48,600/year at .20 FTE = \$52,123.* The Grants Analyst 3 develops, analyzes, and reviews grant reports and data. They also develop reporting systems and monitoring methods to measure program effectiveness, ensure that grant programs comply with state and federal laws, and monitor grant projects for compliance with state and federal regulations.
 - g. *OEP Energy Analyst: \$80,568/year at .15 FTE= \$64,806.* The Energy Analyst provides technical and analytical support and project management for renewable energy and clean transportation energy functions, program activities, and projects in support of achieving the State's energy goals and policies.
 - h. *OEP Deputy Director of Programs: \$127,080 at .10 FTE = \$68,147.* The Deputy Director assists in managing the State Energy Office's daily programmatic and administrative operations.
 - i. *OEP Deputy Director of Operations: \$95,964 at .05 FTE = \$25,730.* The Deputy Director tracks relevant state and federal policy/legislative developments and oversees the development of required state and federal reports, energy data, planning documents, and white papers.
 - j. *OEP Director: \$165,996/year at .05 FTE = \$44,507.* The Director advises state leadership and legislators on energy issues; ensures that the needs of industry, business, and residential energy consumers are considered during energy policy and program development and regulatory proceedings; supports the private sector's advanced manufacturing efforts as a means to retain and create jobs; assists in achieving energy-related climate and environmental goals; and works with other State agencies to deploy cost-effective, state-of-the-art technologies to reduce public facility energy and water consumption at the state and local levels.
 - k. This **45% fringe rate is utilized across all personnel and measures**, having been approved and accepted by federal agencies under other grant programs. TDEC uses this rate in other federal grants to estimate the cost of benefits for full-time employees, including yearly increases.
- 2. TDEC Travel**
- a. This includes travel to varied locations throughout the State of Tennessee. It also includes lodging, per diem, mileage, and parking for two staff members to convene, conduct, or attend CPRG partner planning and stakeholder engagement, information exchange, public education and outreach, site inspection, and subrecipient monitoring.
 - b. The planning year will include 12 trips valued at \$7,457. Year 2 will consist of 60 trips valued at \$30,498. Years 3-4 will consist of 45 trips valued at \$22,874/year. The closeout year will consist of 18 trips valued at \$11,874.
- 3. TDEC Other:** This line item includes \$20,000,000 total for Competitive Grant Funds that will reimburse subrecipients for reasonable, allocable, and allowable expenses to implement CPRG measures. Year 1 = \$0 (program development and solicitation year), Year 2 = \$2,000,000, Year 3 = \$10,000,000, Year 4 = \$4,000,000, Year 5 = \$4,000,000

Measure 1.3. – Public EV Charging Infrastructure Program

The following costs will support TDEC's Office of Energy Program (OEP) to implement Measure 1.3.

1. **TDEC Personnel and Fringe** amounts are calculated for the entire 5-year period of performance based on the identified percent level of effort.
 - a. *APC Grants Contract Administrator*: see "Costs Applicable across all Measures."
 - b. *OEP Transportation General Administrator 3*: \$53,100/year at .20 FTE = \$26,513. The Transportation General Administrator's role will involve a combination of strategic planning, communication and collaboration, financial management, monitoring and evaluation, and stakeholder engagement to ensure the successful implementation and management of Transportation programs funded by CPRG.
 - c. *OEP Procurement Specialist*: \$74,604/year at .20 FTE = \$34,075. The Procurement Specialist obtains contracts with federal funding subrecipients through state-run competitive funding mechanisms (e.g., loans, reimbursements, and grants). Their primary responsibilities include managing the release of a competitive project solicitation, reviewing project proposals, making project selections, awarding subrecipients, and ensuring all products and materials meet State standards.
 - d. *OEP Grants Program Manager*: \$74,604/year at .35 FTE = \$166,663. The Grants Program Manager is responsible for designing grant programs, creating grant processes, analyzing financial data, and supervising staff in charge of stakeholder engagement and subrecipient contracts.
 - e. *OEP Grants Analyst 3*: \$48,600/year at .10 FTE = \$45,983. The Grants Analyst 3 develops, analyzes, and reviews grant reports and data. They also develop reporting systems and monitoring methods to measure program effectiveness, ensure that grant programs comply with state and federal laws, and monitor grant projects for compliance with state and federal regulations.
 - f. *OEP Energy Analyst*: \$80,568/year at .05 FTE = \$57,172. The Energy Analyst provides technical and analytic support and project management for renewable energy and clean transportation energy functions, program activities, and projects in support of achieving the state's energy goals and policies.
 - g. *OEP Deputy Director*: \$127,080/year at .05 FTE = \$63,458. The Deputy Director assists in managing the state energy office's daily programmatic and administrative operations, tracks relevant state and federal policy/legislative developments, and oversees the development of required state and federal reports, energy data, planning documents, and white papers.
 - h. *OEP Director*: \$165,996 at .05 FTE = \$43,221. The Director advises state leadership and legislators on energy issues; ensures that the needs of industry, business, and residential energy consumers are considered during energy policy and program development and regulatory proceedings; supports the private sector's advanced manufacturing efforts as a means to retain and create jobs; assists in achieving energy-related climate and environmental goals; and works with other state agencies to deploy cost-effective, state-of-the-art technologies to reduce public facility energy and water consumption at the state and local levels.
 - i. This **45% fringe rate is utilized across all personnel and measures**, having been approved and accepted by federal agencies under other grant programs. TDEC uses this rate in other federal grants to estimate the cost of benefits for full-time employees, including yearly increases.

2. TDEC Travel

- a. This includes travel to varied locations throughout the State of Tennessee. It also includes lodging, per diem, mileage, and parking for two staff members to convene, conduct, or attend CPRG partner planning and stakeholder engagement, information exchange, public education and outreach, site inspection, and subrecipient monitoring.
 - b. The planning year will include 5 trips valued at \$2,831. Years 2-4 will consist of 30 trips valued at \$22,874, \$15,249, and \$19,410, respectively. The closeout year will consist of 13 trips valued at \$6,848.
3. **TDEC Other:** This line item includes \$14,931,819 total for Competitive Grant Funds that will reimburse subrecipients for reasonable, allocable, and allowable expenses to implement CPRG measures. Year 1 = \$0 (program development and solicitation year), Year 2 = \$1,493,182, Year 3 = \$7,465,910, Year 4 = \$2,986,364, Year 5 = \$2,986,364

Measure 2 – Food Waste Reduction Program

The following costs will support TDEC's Office of Sustainable Practices (OSP) in implementing Measure 2.

1. **TDEC Personnel and Fringe** are calculated with yearly salary increases; totals across the 5-year period of performance are as follows:
 - a. *APC Grants Contract Administrator:* see “Costs Applicable across all Measures.”
 - b. OSP-specific personnel supporting this effort will be covered through existing funding mechanisms.
 - c. This **45% fringe rate is utilized across all personnel and measures**, having been approved and accepted by federal agencies under other grant programs. TDEC uses this rate in other federal grants to estimate the cost of benefits for full-time employees, including yearly increases.
2. **TDEC Travel**
 - a. This includes grant program education and outreach in Years 1-3 to convene, conduct, or attend CPRG partner planning and stakeholder engagement, information exchange, and public education and outreach.
 - i. Hotel at \$150/night, \$1,500/year in Years 1-3 = \$4,500.
 - ii. Per Diem at \$50/day, \$600/year in Years 1-2, \$500 in Year 3 = \$1,700.
 - iii. Mileage: \$1,000/year in Years 1-3 = \$3,000.
 - b. Monitoring of subrecipients to ensure they have appropriate technical assistance are progressing towards goals, and conduct site inspections in Years 3-5 with 25 visits estimated at \$250 per visit = \$18,750.
 - c. Conference Attendance (assuming 2 attendees or 2 conferences)
 - i. Airfare: \$1,000/year in Years 1 and 5, \$2,000/year in Years 2-4 = \$8,000.
 - ii. Hotel: (6 nights at \$150/night) \$750/year = \$3,750.
 - iii. Per Diem @ \$50/day, \$300 in Year 1, \$500/year in Years 2-5 = \$2,300.
 - iv. Registration: \$1,000/year = \$5,000
3. **Supplies** include Printed and Promotional Materials @ \$1,000/year for Years 1-3 = \$3,000.
4. **TDEC Other:** This line item includes the Competitive Grant Funds for the project based on reimbursement. Year 1 = \$0 (solicitation year), Year 2 = \$2,000,000, Year 3 = \$10,000,000, Year 4 = \$4,000,000, Year 5 = \$4,000,000
 - a. Total Competitive Grant Funds = \$20,000,000

Measure 3 – Renewable Energy Program

The following costs will support TDEC's Office of Energy Program (OEP) in implementing Measure 3.

1. **TDEC Personnel and Fringe** are calculated with yearly salary increases; totals across the 5-year period of performance are as follows:
 - a. *APC Grants Contract Administrator*: see "Costs Applicable across all Measures."
 - b. *OEP SFA PI*: \$98,904 at .20 FTE = \$106,074. This position will be the Solar for All and CPRG Program Implementation crossover point person. This position will support in designing grant programs, creating grant processes, and stakeholder engagement.
 - c. *OEP Grants Contracts Administrator*: \$85,704/year at .10 FTE = \$45,958. This position will solicit, evaluate, negotiate, and award contracts with businesses, educational institutions, nonprofit organizations, and local governments for furnishing products, services, and construction to the State of Tennessee. They will administer contracts by assuring compliance with the terms and conditions of contracts.
 - d. *OEP Procurement Specialist*: \$74,604/year at .20 FTE = \$80,012. This position obtains contracts with subrecipients of federal funding through state-run competitive funding mechanisms (e.g., loans, reimbursements, and grants). Their primary responsibilities include managing the release of a competitive project solicitation, reviewing project proposals, making project selections, awarding subrecipients, and ensuring all products and materials meet State standards.
 - e. *OEP Grants Program Manager*: \$74,604/year at 1 FTE = \$400,062. This position is responsible for designing grant programs, creating grant processes, analyzing financial data, and supervising staff in charge of stakeholder engagement and subrecipient contracts.
 - f. *OEP Senior Grants Program Coordinator*: \$80,436/year at .10 FTE = \$43,134. This position assists in designing grant programs and processes, analyzing financial data, and processing stakeholder engagement and subrecipient contracts.
 - g. *OEP Grants Analyst 3*: \$48,600/year at .10 FTE = \$45,983. This position develops, analyzes, and reviews grant reports and data. They also develop reporting systems and monitoring methods to measure program effectiveness, ensure that grant programs comply with state and federal laws, and monitor grant projects for compliance with state and federal regulations.
 - h. *OEP Grants Program Manager*: \$81,996/year at .20 FTE = \$87,994. This position is responsible for designing grant programs, creating grant processes, analyzing financial data, and supervising staff in charge of stakeholder engagement and subrecipient contracts.
 - i. *OEP Director*: \$165,996/year at .10 FTE = \$89,015. This position advises state leadership and legislators on energy issues; ensures that the needs of industry, business, and residential energy consumers are considered during energy policy and program development and regulatory proceedings; supports the private sector's advanced manufacturing efforts as a means to retain and create jobs; assists in achieving energy-related climate and environmental goals; and works with other state agencies to deploy cost-effective, state-of-the-art technologies to reduce public facility energy and water consumption at the state and local levels.
 - j. This **45% fringe rate is utilized across all personnel and measures**, having been approved and accepted by federal agencies under other grant programs. TDEC uses this

rate in other federal grants to estimate the cost of benefits for full-time employees, and it includes yearly increases.

2. TDEC Travel

- a. This includes travel to varied locations throughout the State of Tennessee, accounting for lodging, per diem, mileage, and parking for two staff members to convene, conduct, or attend CPRG partner planning and stakeholder engagement, information exchange, public education and outreach, site inspection, and subrecipient monitoring activities.
- b. Year 1 will include 30 trips valued at \$15,249. Years 2 and 3 will comprise 60 trips valued at \$60,996. Year 4 will comprise 45 trips valued at \$22,874. The closeout year will consist of 30 trips valued at \$6,848.

3. Contractual

- a. Contract for Technical Assistance services totaling \$2,380,000 for solar siting, permitting, equipment procurement and installation, and interconnection activities. Year 1 = \$0 (solicitation year), Year 2 = \$238,000, Year 3 = \$952,000, Year 4 = \$595,000, Year 5 = \$595,000

4. Other

- a. Office space rental for 2 FTEs = \$49,700
- b. Temporary Income Benefits for 2 FTEs = \$40,000. This includes JVPN, LAN/WAN, cell phones, desk phones, wireless cards, and data storage fees.
- c. Shared Services office supplies for 2 FTEs = \$3,500. This includes renting or leasing equipment, data processing services, document destruction services, office supplies and furniture, janitorial and maintenance supplies, and leasing data processing equipment.
- d. Competitive Grant Funds totaling \$34,000 to reimburse reasonable, allocable, and allowable expenses to implement Measure 3. Year 1 = \$0 (solicitation year), Year 2 = \$3,400,000, Year 3 = \$13,600,000, Year 4 = \$8,500,000, Year 5 = \$8,500,000

Consolidated Budget by Years

BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	TOTAL PERSONNEL	\$421,085	\$434,641	\$448,643	\$462,901	\$468,771	\$2,236,041
	TOTAL FRINGE BENEFITS	\$117,224	\$121,203	\$124,121	\$129,899	\$132,481	\$624,929
	TOTAL TRAVEL	\$31,687	\$91,220	\$82,121	\$75,658	\$43,471	\$324,157
	TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL SUPPLIES	\$3,000	\$1,000	\$1,000	\$0	\$0	\$5,000
	TOTAL CONTRACTUAL	\$0	\$238,000	\$952,000	\$595,000	\$595,000	\$2,380,000
	TOTAL OTHER	\$14,840	\$8,911,122	\$41,086,950	\$19,510,504	\$19,513,604	\$89,037,019
	TOTAL DIRECT	\$587,836	\$9,797,186	\$42,694,834	\$20,773,962	\$20,753,327	\$94,607,145
	TOTAL INDIRECT	\$134,470	\$138,850	\$143,076	\$148,081	\$150,192	\$714,669
TOTAL FUNDING		\$722,306	\$9,936,036	\$42,837,911	\$20,922,043	\$20,903,519	\$95,321,815

This proposal utilized the EPA-provided budget spreadsheet template. Due to rounding, the numbers presented throughout this and other documents may not add up precisely to the totals.

Consolidated Budget by Project

BUDGET BY PROJECT			
Project Number	Project Name	Total Cost	% of Total
1	<i>EV Fleet Conversion</i>	<i>\$21,152,528</i>	<i>22%</i>
2	<i>Community EV Charging</i>	<i>\$15,838,989</i>	<i>17%</i>
3	<i>Food Waste Reduction</i>	<i>\$20,212,482</i>	<i>21%</i>
4	<i>Renewable Energy Enhancement</i>	<i>\$38,117,816</i>	<i>40%</i>
Total		\$95,321,815	100%

This proposal utilized the EPA-provided budget spreadsheet template. Due to rounding, the numbers presented throughout this and other documents may not add up precisely to the totals.

Expenditure of Awarded Funds

TDEC will expend and account for awarded funds according to federal and State laws, rules, regulations, and procedures. TDEC's financial management system complies with 2 CFR 200.302(b) requirements. The Tennessee Department of Finance & Administration (F&A) provides stewardship of State assets through good business practices and accounting principles. F&A Policy 20 outlines the accounting for federal grant expenditures and revenues. The Tennessee Central Procurement Office (CPO) provides professional and accountability standards and guidelines for procurement, contract, grant, performance, and quality assurance management. This grant's contract and procurement activities follow F&A and CPO policies and procedures.

TDEC will enter into a sub-award agreement with subrecipients before disbursing sub-award funds. These agreements will include all applicable pass-through requirements for subrecipients in accordance with EPA's Subaward Policy and EPA's General Terms and Conditions for Subawards. TDEC's APC Grants Contracts Administrator will carefully review expense documentation before issuing CPRG-funded reimbursements.

The semi-annual and final reports will include a breakdown of all expenditures incurred and reimbursed expended during CPRG implementation.