

DEFINITIONS

Project Maturity Categories

In the context of EPO Act 2005, the concept of “project maturity category” is to indicate a sense of the nature of the project work scope and the maturity of a technology product associated with the project. The Department of Energy is required by law to obtain a minimum of 50% cost share for demonstrations or commercial applications of technologies versus a minimum of 20% cost share for research and development projects. The intent is that as a project moves toward commercial application there is a greater certainty of commercial viability of and profitability for the technology product and thus the Government requires greater cost participation by the recipient organization. Exclusion to these minimum requirements may be granted if it is determined that a research or development activity is of a basic or fundamental nature. Four (4) project maturity categories have been identified:

1. **Research and Development Projects** – minimum cost share of 20 %.

This category of projects emphasizes development of new scientific or engineering knowledge and then applying that knowledge to create new and improved technologies/processes. Research would likely entail laboratory or bench-scale proof of the feasibility of multiple potential applications of a given fundamental scientific discovery. It may also encompass prototype technology development and testing, either in the laboratory or the field; predictive modeling or simulation of performance; and evaluation of scalability. In addition, these projects may incorporate proof-of-concept or pilot-scale development and testing of technology or process; field testing and validation of technology at full-scale but in a manner that is not designed or intended to represent a long-term commercial installation.

2. **Demonstration and Commercial Application Projects** – minimum cost share of 50%.

This project category contains two distinct project types. The first entails commercial-scale demonstrations of energy and energy-related environmental technologies; this is generally a first-of-a-kind representation of a long-term commercial installation. The second encompasses projects that incorporate or demonstrate emerging or an existing commercially available product/technology. Examples include the installation of a commercially available technology/product into a new or existing building and the installation of a commercially available technology/product to be used for demonstration purposes.

3. **Outreach and Educational Projects** – exclusion to the minimum 20% cost share may be granted.

This category refers to activities and projects whose sole intent is to raise public awareness of, or interest in, energy efficient technologies or practices. Examples of the outreach and education projects could include mass mailings to the community of energy conservation skills for home owners, education programs for school children, a dedicated energy conservation consultant for the community, and the creation of energy related web sites. Items that would be considered are pamphlets or fliers that will inform and educate the community of the installation and operation, mailings explaining the science and benefits for local businesses to also adapt this technology. A web site or mailing that demonstrates energy savings, current energy use, and lessons learned will also be considered.

4. **Fundamental (or Basic) Science** – exclusion to the minimum 20% cost share may be granted.

Any research that explores and defines scientific/engineering concepts or is conducted for the purpose of investigation into the nature of something in order to obtain knowledge about the subject, as distinguished from *applied research*, which has more practical goals; however, knowledge gained through basic research may be put to practical uses through applied research. Research studies are frequently conducted at laboratory or bench-scale, typically involve first principal modeling and are traditionally but not exclusively the province of academia.

Sub-Recipient vs. Vendor

"A **sub-recipient** is a non-Federal entity that expends Federal awards received from another entity to carry out a Federal program but does not include an individual who is a beneficiary of such a program.

Specifically, sub-recipients are non-Federal entities that are awarded funding through a legal instrument from the prime recipient to support the performance of any portion of the substantive project or program for which the prime recipient received the funding. Additionally, the terms and conditions of the Federal award are carried forward to the sub-recipient. It is possible that a sub-recipient for one award may also be a prime recipient of another Federal award provided directly from the Federal Government."

"A **vendor** is defined as a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a Federal program. Prime recipients or sub-recipients may purchase goods or services needed to carry out the project or program from vendors. Vendors are not awarded funds by the same means as sub-recipients and are not subject to the terms and conditions of the Federal financial assistance award.

The characteristics of a vendor that make it distinct from a sub-recipient are summarized below.

A vendor:

- (1) Provides the goods and services within normal business operations;
- (2) Provides similar goods or services to many different purchasers;
- (3) Operates in a competitive environment;
- (4) Provides goods or services that are ancillary to the operation of the Federal program; and
- (5) Is not subject to compliance requirements of the Federal program."