

U.S. Department of Energy Manufacturing and Supply Chains Office Guidance on Implementing Section 1005 of the Energy Policy Act of 2020

April 2022

General Announcement

In accordance with section 1005 of the Energy Act of 2020 (42 U.S.C. 6317 note; Pub. L. 116-260, div. Z) and section 40555 of the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58), DOE is issuing this draft implementation guidance to establish a rebate program for extended product systems. This document provides guidance on implementing the rebate program as it pertains to definitions, eligibility criteria, the eligibility window, rebate payment calculations, and application content requirements and processes. DOE is publishing this draft implementation guidance for stakeholder input and feedback before it is finalized. DOE has specifically identified issues for which comment would be appreciated, but DOE welcomes feedback on all aspects of this guidance.

I. Purpose and Scope

- (a) This guidance describes the application process and the information necessary for the Secretary of Energy to make rebate payments to qualified entities pursuant to section 1005 of the Energy Policy Act of 2020, Pub. L. No. 116-260, div. Z, as amended (“section 1005”).
- (b) The Secretary may make rebate payments to qualified entities, subject to the availability of appropriations, for extended product systems purchased or redesigned during the eligibility window, to the qualified entity. Rebate payments may only be made upon receipt by the Secretary of a rebate payment application that demonstrates that the applicant is eligible to receive such rebate payment and satisfies the other requirements as deemed necessary.
- (c) This guidance may be revised in a future document.

II. Authority

Section 1005 directs the Department of Energy to establish an "Extended Product System Rebate Program" to make rebate payments to qualified entities for the purchase or redesign of more energy efficient extended product systems. Section 1005 also sets forth certain definitions, eligibility requirements and the authorized amounts of rebates. DOE will determine the extent to which appropriated funds are available to be obligated under this program.

<p>Note: While section 1005 defines certain terms, DOE has added additional clarifications to the definitions of those terms and added definitions for other terms not defined in section 1005. The definitions given in this document are how DOE intends to interpret each of these terms.</p>

III. Definitions

Actual volume flow rate means the volume flow rate of air, compressed and delivered at the standard discharge point, referred to conditions of total temperature, total pressure and composition prevailing at the standard inlet point, and as determined in accordance with the test procedures prescribed in Appendix A to Subpart T of Part 431 of the Code of Federal Regulation.

Air compressor means a compressor designed to compress air that has an inlet open to the atmosphere or other source of air, and is made up of a compression element (bare compressor), driver(s), mechanical equipment to drive the compressor element, and any ancillary equipment

Air-cooled compressor means a compressor that utilizes air to cool both the compressed air and, if present, any auxiliary substance used to facilitate compression, and that is not a liquid-cooled compressor.

Axial inline fan means a fan with an axial impeller and a cylindrical housing with or without turning vanes.

Axial panel fan means an axial fan, without cylindrical housing, that is mounted in a panel, an orifice plate or ring.

Best Efficiency Point (BEP) means the pump hydraulic power operating point (consisting of both flow and head conditions) that results in the maximum efficiency.

Calendar year means a period beginning on January 1 and ending on December 31.

Centrifugal housed fan means a fan with a centrifugal or mixed flow impeller in which airflow exits into a housing that is generally scroll-shaped to direct the air through a single fan outlet. A centrifugal housed fan does not include a radial impeller.

Centrifugal inline fan means a fan with a centrifugal or mixed flow impeller in which airflow enters axially at the fan inlet and the housing redirects radial airflow from the impeller to exit the fan in an axial direction.

Centrifugal unhoused fan means a fan with a centrifugal or mixed flow impeller in which airflow enters through a panel and discharges into free space. Inlets and outlets are not ducted. This fan type also includes fans designed for use in fan arrays that have partition walls separating the fan from other fans in the array.

DOE means the U.S. Department of Energy.

Electronic Control means:

(a) a power converter;

(b) or a combination of a power circuit and control circuit included on 1 chassis.

Electric Motor means a machine that converts electrical power into rotational mechanical power.

End suction close-coupled (ESCC) pump means a close-coupled, dry rotor, end suction pump that has a shaft input power greater than or equal to 1 hp and less than or equal to 200 hp at BEP and full impeller diameter and that is not a dedicated-purpose pool pump. Examples include, but are not limited to, pumps within the specified horsepower range that comply with ANSI/HI nomenclature OH7, as described in ANSI/HI 1.1-1.2-2014.

End suction frame mounted/own bearings (ESFM) pump means a mechanically coupled, dry rotor, end suction pump that has a shaft input power greater than or equal to 1 hp and less than or equal to 200 hp at BEP and full impeller diameter and that is not a dedicated-purpose pool pump. Examples include, but are not limited to, pumps within the specified horsepower range that comply with ANSI/HI nomenclature OH0 and OH1, as described in ANSI/HI 1.1-1.2-2014.¹

Extended Product System means an electric motor and any required associated electronic control and driven load that:

(a) offers variable speed or multispeed operation;

(b) offers partial load control that reduces input energy requirements (as measured in kilowatt-hours) as compared to identified base levels set by the Secretary; and

(c) (1) has an electric motor with a nameplate rated horsepower greater than 1 horsepower; and (2) uses controls that automatically adjust the electric motor speed by differential pressure, flow, temperature, or other control variable.

Note: Section 1005 specifies that an extended product system "has greater than 1 horsepower" without specifying which component of the extended product system has to be greater than 1 horsepower. DOE is clarifying this provision of section 1005 to mean "has an electric motor with a nameplate rated horsepower greater than 1 horsepower" to specify that this criterion applies to the electric motor included in the extended product system. Further, section 1005 specifies that an extended product system includes electronic control and must "use(s) an extended product system technology, as determined by the Secretary". Electronic control such as variable frequency drives must be used with controls that automatically adjust the electric motor speed by differential pressure, flow, temperature, or other control variable. Therefore, DOE is adding this clarification in the Extended Product System definition in this Guidance to ensure that electronic controls operate as intended. DOE welcomes comment on this clarification.

Fan or Blower means a rotary bladed machine used to convert electrical or mechanical power to air power, with an energy output limited to 25 kilojoule (kJ)/kilogram (kg) of air. It consists of an impeller, a shaft and bearings and/or driver to support the impeller, as well as a structure or housing. A fan or blower may include a transmission, driver, and/or motor controller.

Fiscal Year means the period beginning October 1 and ending on September 30.

In-line (IL) pump means a pump that is either a twin-head pump or a single-stage, single-axis flow, dry rotor, rotodynamic pump that has a shaft input power greater than or equal to 1 hp and less than or equal to 200 hp at BEP and full impeller diameter, in which liquid is discharged through a volute in a plane perpendicular to the shaft. Such pumps do not include pumps that are mechanically coupled or close-coupled, have a pump power output that is less than or equal to 5 hp at BEP at full impeller diameter, and are distributed in commerce with a horizontal motor. Examples of in-line pumps include, but are not limited to, pumps within the specified horsepower range that comply with ANSI/HI nomenclature OH3, OH4, or OH5, as described in ANSI/HI 1.1-1.2-2014.

¹ "American National Standard for Rotodynamic Centrifugal Pumps for Nomenclature and Definitions," approved October 30, 2014.

Liquid-cooled compressor means a compressor that utilizes liquid coolant provided by an external system to cool both the compressed air and, if present, any auxiliary substance used to facilitate compression

Lubricated compressor means a compressor that introduces an auxiliary substance into the compression chamber during compression.

Manufacturer means the owner of the commercial or industrial machinery or equipment who incorporated the extended product system into that machinery or equipment.

Note: Section 1005 uses the term "manufacturer" to designate a qualified entity, in the case where the qualified extended product system is redesigned commercial or industrial machinery or equipment. For the reasons explained below, DOE interprets the term "manufacturer" in this context, to designate the owner of the commercial or industrial machinery or equipment who selects to perform a redesign to incorporate an extended product system into that machinery or equipment.

As defined in section 1005, a qualified extended product system includes commercial or industrial machinery or equipment that: (i) did not previously make use of the extended product system prior to the redesign (where the redesign consists of incorporating an extended product system) and (ii) was previously used prior to, and was placed back into service during, calendar year 2021 or 2022.

This definition implies that the redesigned machinery or equipment was already in use (i.e., owned) prior to its redesign, and is placed back into service after its redesign. Further, the short redesign cycle also eliminates the possibility of this term being intended to designate an equipment manufacturer that would perform an equipment redesign. Therefore, DOE interprets the term "manufacturer" in this context to designate the owner of the commercial or industrial machinery or equipment. For clarity, this guidance document uses the terms "owner" throughout.

Power roof/wall ventilator (PRV) means a fan with an internal driver and a housing to prevent precipitation from entering the building. It has a base designed to fit over a roof or wall opening, usually by means of a roof curb.

Pumps means equipment designed to move liquids (which may include entrained gases, free solids, and totally dissolved solids) by physical or mechanical action and includes a bare pump and, if included by the manufacturer at the time of sale, mechanical equipment, driver, and controls.

Radial-housed fan means a fan with a radial impeller in which airflow exits into a housing that is generally scroll-shaped to direct the air through a single fan outlet. Inlets and outlets can optionally be ducted.

Rebate Payment means the payment which a qualified entity may receive upon successfully proving eligibility and is based on the nameplate rated horsepower of the electric motor and electronic control included in the qualified extended product system and the statutory rate. Rebate payment will not exceed the statutory limit established in subsection (d)(2) of section 1005 per qualified entity per calendar year.

Rebate Payment Application means an application for a rebate payment for an extended product system that is submitted during the application period.

Radially split, multi-stage, vertical, in-line diffuser casing (RSV) pump means a vertically suspended, multi-stage, single axis flow, dry rotor, rotodynamic pump:

(a) That has a shaft input power greater than or equal to 1 hp and less than or equal to 200 hp at BEP and full impeller diameter and at the number of stages required for testing and

- (b) In which liquid is discharged in a place perpendicular to the impeller shaft; and
- (c) For which each stage (or bowl) consists of an impeller and diffuser;
- (d) For which no external part of such a pump is designed to be submerged in the pumped liquid; and
- (e) Examples include, but are not limited to, pumps complying with ANSI/HI nomenclature VS8, as described in ANSI/HI 2.1-2.2-2014.2

Rotary compressor means a positive displacement compressor in which gas admission and diminution of its successive volumes or its forced discharge are performed cyclically by rotation of one or several rotors in a compressor casing

Qualified Entity means:

- (a) The purchaser of the extended product system that is installed; or
- (b) The owner of the commercial or industrial machinery or equipment that incorporated the extended product system into that machinery or equipment.

Qualified Extended Product System means:

- (a) An extended product system that:
 - (1) includes an electric motor and electronic control; and
 - (2) reduces the input energy (as measured in kilowatt-hours) required to operate the extended product systems by not less than 5 percent; and:
- (b) A qualified extended product system includes commercial or industrial machinery or equipment that:
 - (1) did not previously make use of the extended product system prior to the redesign described in (c); and
 - (2) Incorporates an extended product system that has an electric motor with a nameplate rated horsepower greater than 1 horsepower into redesign machinery or equipment; and
 - (3) was previously used prior to, and was placed back into service during, calendar year 2021 or 2022.

Note: Section 1005 specifies that a qualified extended product system "Incorporates an extended product system that has greater than 1 horsepower" without specifying which component of the extended product system has to be greater than 1 horsepower. DOE is clarifying this provision of section 1005 to mean "Incorporates an extended product system that has an electric motor with a nameplate rated horsepower greater than 1 horsepower" to specify that this criterion applies to the electric motor included in the extended product system. DOE welcomes comment on this clarification.

Secretary means the Secretary of the U.S. Department of Energy or such officers or employees of the U.S. Department of Energy as designated by the Secretary of the U.S. Department of Energy.

² ANSI/HI 2.1-2.2-2014, ("ANSI/HI 2.1-2.2-2014"), "American National Standard for Rotodynamic Vertical Pumps of Radial, Mixed, and Axial Flow Types for Nomenclature and Definitions," approved April 8, 2014

Submersible turbine (ST) pump means a single-stage or multi-stage, dry rotor, rotodynamic pump that is designed to be operated with the motor and stage(s) fully submerged in the pumped liquid; that has a shaft input power greater than or equal to 1 hp and less than or equal to 200 hp at BEP and full impeller diameter and at the number of stages required for testing; and in which each stage of this pump consists of an impeller and diffuser, and liquid enters and exits each stage of the bare pump in a direction parallel to the impeller shaft. Examples include, but are not limited to, pumps within the specified horsepower range that comply with ANSI/HI nomenclature VS0, as described in ANSI/HI 2.1-2.2-2014.

Variable-speed compressor means an air compressor that is capable of adjusting the speed of the driver continuously over the driver operating speed range in response to incremental changes in the required compressor actual volume flow rate

IV. Who May Apply?

Any entity purchasing a qualified extended product system during the eligibility window or any owner of a commercial or industrial machinery or equipment, who redesigns the machinery or equipment to incorporate a qualified extended product system during the eligibility window.

V. What is a Qualified Extended Product System?

(a) To qualify for a rebate payment, an eligible entity must demonstrate that its extended product system:

- (1) includes an electric motor and an electronic control;
- (2) reduces the input energy (as measured in kilowatt-hours) required to operate the extended product system by not less than 5 percent, as compared to identified base levels set by the Secretary. To demonstrate that the extended product system reduces the input energy (as measured in kilowatt-hours) required to operate the extended product system by not less than 5 percent, as compared to identified base levels set by the Secretary, an eligible entity must demonstrate that its extended product system meets the equipment-specific criteria as described below in (b) through (d); and
- (3) uses controls that automatically adjust the electric motor speed by differential pressure, flow, temperature, or other control variable.

(b) Pumps:

- (1) The pump must:
 - (i) operate at least 75% of the time at or below 75% of the maximum design flow; and
 - (ii) operate at least 2,000 hr/yr; and

Note: Installing variable speed controls rather than throttling valves in applications with significant load diversity results in savings in the range of 5 to 50 percent.³ Criteria (b)(1)(i), which was developed based on the load profile used when testing variable load pumps,⁴ is used to determine whether or not the pump has significant load diversity. This criterion is used to demonstrate that the extended product system reduces the input energy (as measured in kilowatt-hours) required to operate the extended product system

³ United States Industrial Electric Motor Systems Market Opportunities, U.S Department of Energy, 2002. Available at <https://www.energy.gov/eere/amo/downloads/united-states-industrial-electric-motor-systems-market-opportunities-assessment>

⁴ See in Appendix A to Subpart Y of Part 431 of the Code of Federal Regulation

by not less than 5 percent, as compared to a system without electronic controls. In addition, criteria (b)(1)(ii) is used to determine the significance of the energy savings gained (absolute value). DOE welcomes comment on this clarification.

DOE requests comments on whether the 5 percent threshold as established by the definition of qualified extended product system is appropriate in the case of pumps or whether a higher threshold should be established.

- (2) In the case where the qualified entity is the purchaser of the extended product system (i.e., pump inclusive of the electric motor and electronic control) that is installed, the pump must have a variable load pump energy index (PEI_{VL}), as determined in accordance with the test procedure in Appendix A to Subpart Y of Part 431 of the Code of Federal Regulation, that is less than or equal to the values specified in Table 1; or

Table 1: Pump Qualifying Criteria

Equipment Class*	Qualifying Criteria Maximum PEI_{VL}
ESCC.1800.VL	0.48
ESCC.3600.VL	0.46
ESFM.1800.VL	0.46
ESFM.3600.VL	0.48
IL.1800.VL	0.46
IL.3600.VL	0.45
RSV.1800.VL	0.46
RSV.3600.VL	0.43
ST.1800.VL	0.53
ST.3600.VL	0.53

*Equipment class designations consist of a combination (in sequential order separated by periods) of: (1) An equipment family (ESCC = end suction close-coupled, ESFM = end suction frame mounted/own bearing, IL = in-line, RSV = radially split, multi-stage, vertical, in-line diffuser casing, ST = submersible turbine; all as defined in section III; (2) nominal speed of rotation (1800 = 1800 rpm, 3600 = 3600 rpm); and (3) VL = variable load.

Note: Criteria (b)(2) is used to ensure the purchased extended product system provides a 5 percent energy reduction compared to a market average equipment. The PEI_{VL} values in Table 1 were set to represent a 5 percent energy use reduction as compared to market average variable speed pumps models found in DOE's Compliance Certification Management System Database (January 2022). Available at <https://www.regulations.doe.gov/ccms> DOE welcomes comment on this clarification.

- (3) In the case where the qualified entity is the owner of the commercial or industrial machinery or equipment that incorporated the extended product system, the qualified entity must remove or disable existing throttling or bypass devices.

(c) Air compressors:

(1) The air compressor must:

- (i) operate at least 75% of the time at or below 70% of the full-load actual volume flow rate; and
- (ii) operate at least 2000 hr/yr; and

Note: For rotary compressors with variable loads adjustable speed drives offer better part load efficiency than inlet valve modulation. Savings are on the order of 10 percent.⁵ Criteria (c)(1)(i), which was developed based on the load profile used when testing variable load compressors,⁶ is used to demonstrate that the compressor has significant load diversity. This criterion is used to demonstrate that the extended product system reduces the input energy (as measured in kilowatt-hours) required to operate the extended product system by not less than 5 percent, as compared to a system without electronic controls. In addition, criteria (c)(1)(ii) is used to determine the significance of the energy savings gained (absolute value). DOE welcomes comment on this clarification.

DOE requests comments on whether the 5 percent threshold as established by the definition of qualified extended product system is appropriate in the case of air compressors or whether a higher threshold should be established.

- (2) In the case where the qualified entity is the purchaser of the extended product system (i.e., air compressor inclusive of the electric motor and electronic control) that is installed: (i) The air compressor must have an isotropic efficiency, as determined in accordance with the test procedure in Appendix A to Subpart T of Part 431 of the Code of Federal Regulation, that is greater than or equal to the values specified in Table 2; or

Table 2: Air Compressor Qualifying Criteria

Equipment class	Qualifying Criteria Minimum package isentropic efficiency	η_{Regr} (package isentropic efficiency reference curve)	d (percentage loss reduction)
Rotary, lubricated, air-cooled, variable-speed compressor	$\eta_{\text{Regr}} + (1 - \eta_{\text{Regr}}) * (d/100)$	$-0.01549 * \ln^2(0.4719 * V_1) + 0.21573 * \ln(0.4719 * V_1) + 0.00905$	5
Rotary, lubricated, liquid-cooled, variable-speed compressor	$0.02349 + \eta_{\text{Regr}} + (1 - \eta_{\text{Regr}}) * (d/100)$	$-0.01549 * \ln^2(0.4719 * V_1) + 0.21573 * \ln(0.4719 * V_1) + 0.00905$	5

Note: V_1 = full-load actual volume flow rate, in cubic feet per minute (“cfm”)

Note: Criteria (b)(2) is used to ensure the purchased extended product system provides a 5 percent energy reduction compared to a market average equipment. The "d" values in Table 2 were set to represent a 5 percent energy use reduction as compared to market average variable speed air compressors as described in the Air Compressor Final Rule Technical Support Document.⁷ DOE welcomes comment on this clarification.

- (3) In the case where the qualified entity is the owner of the commercial or industrial machinery or equipment that incorporated the extended product system, the qualified entity must remove or disable existing mechanical controls (e.g., inlet valve modulation).

⁵ United States Industrial Electric Motor Systems Market Opportunities, U.S Department of Energy, 2002. Available at <https://www.energy.gov/eere/amo/downloads/united-states-industrial-electric-motor-systems-market-opportunities-assessment>

⁶ See in Appendix A to Subpart T of Part 431 of the Code of Federal Regulation

⁷Energy Conservation Standards for Air Compressors, Final Rule Technical Support Document, U.S. Department of Energy, 2016. Available at <https://www.regulations.gov/document/EERE-2013-BT-STD-0040-0082>

(d) Fans:

(1) The fan must:

- (i) operate at least 75% of the time at or below 75% of the maximum design flow; and
- (ii) operate at least 2000 hr/yr; and

Note: Installing variable speed controls rather than dampers in applications with significant load diversity results in savings in the range of 14 - 49 percent.⁸ Criteria (d)(1)(i), which was based on (b)(1)(i), is used to demonstrate that the fan has significant load diversity. This criterion is used to demonstrate that the extended product system reduces the input energy (as measured in kilowatt-hours) required to operate the extended product system by not less than 5 percent, as compared to a system without electronic controls. In addition, criteria (d)(1)(ii) is used to determine the significance of the energy savings gained (absolute value). DOE welcomes comment on this clarification.

DOE requests comments on whether the 5 percent threshold as established by the definition of qualified extended product system is appropriate in the case of fans or whether a higher threshold should be considered.

- (2) In the case where the qualified entity is the purchaser of the extended product system (i.e., fan inclusive of the electric motor and electronic control) that is installed, the fan must have a *FEI*, as determined in accordance with AMCA 214-21,⁹ at the maximum design flow that is greater than or equal to the values specified in Table 3; or

Table 3: Fan Qualifying Criteria

Fan Equipment Family	Qualifying Criteria Minimum <i>FEI</i>
Axial inline fan	1.20
Centrifugal housed fan	1.15
Centrifugal unhooded fan	1.25
Centrifugal inline fan	1.10
Axial panel fan	1.25
PRV	1.10
Radial housed fan	1.15

Note: The *FEI* requirement is set for the maximum design point flow as *FEI* generally increases when the speed of the fan (and design flow) decreases. Alternatively, this minimum *FEI* could be required at all design points. DOE welcomes comment on this clarification.

- (3) In the case where the qualified entity is the owner of the commercial or industrial machinery or equipment that incorporated the extended product system, the qualified entity must remove or

⁸ United States Industrial Electric Motor Systems Market Opportunities, U.S Department of Energy, 2002. Available at <https://www.energy.gov/eere/amo/downloads/united-states-industrial-electric-motor-systems-market-opportunities-assessment>

⁹ ANSI/AMCA Standard 214, "Test Procedure for Calculating Fan Energy Index for Commercial and Industrial Fans and Blowers.

disable existing throttling or bypass devices (e.g., inlet vanes, bypass dampers, three-way valves, or throttling valves).

Note: Criteria (c)(2) is used to ensure the purchased extended product system provides a 5 percent energy reduction compared to a market average equipment. The *FEI* values in Table 2 were set to represent a 5 percent energy use reduction as compared to market average variable speed fans as estimated using the efficiency distributions from the Fan Notice of Data Availability.¹⁰ DOE welcomes comment on this clarification.

VI. Eligibility Window

(a) In the case where the qualified entity is the purchaser of the extended product that is installed: extended product systems installed on or after October 1, 2021, are eligible for consideration of rebate payment.

(b) In the case where the qualified entity is the owner of the redesigned commercial or industrial machinery or equipment: extended product systems incorporated into commercial or industrial machinery or equipment used prior to, and placed back into service during calendar year 2021 and 2022, are eligible for consideration of rebate payment.

VII. Application Requirements

(a) When to Apply

(1) The following documentation must be included in the application for rebate payment for qualified extended product systems:

- (i) following the purchase of an extended product system and after the extended product system has been installed; or
- (ii) following the redesign of a commercial or industrial machinery or equipment and after the commercial or industrial machinery or equipment has been placed back into service.

(b) An application for a rebate payment must include all items listed in section (1) through (7). DOE may release aggregated, non-identifiable data contained in the application to third parties to inform the technical analyses performed in support of regulatory and non-regulatory programs.

- (1) The name and physical address of the entity applying for the rebate payment.
- (2) The name, mailing address, telephone number, and email address of a point of contact to respond to questions or requests for additional information, and notification of eligibility determination;
- (3) A description of the type of entity applying (e.g., industrial or manufacturing facility, commercial building, utility) and sector of activity (e.g., food products, chemicals, paper and allied products)

¹⁰ Energy Conservation Standards for Commercial and Industrial Fans and Blowers: Availability of Provisional Analysis Tools, Notice of Data Availability. Life-Cycle Cost Spreadsheet Tool Available at: <https://www.regulations.gov/document/EERE-2013-BT-STD-0006-0190>

- (4) For all qualified entities: Demonstrated evidence that the qualified extended product system meets the requirements of subsection V and VI. Required evidence includes the following:
- (i) The purchase date of the extended product system and a copy of the invoice or proof of payment for the purchased extended product system.
 - (ii) The installation date of the extended product system and a copy of the proof of installation (e.g., receipt/invoice/contract)
 - (iii) The zip code where the qualified extended production system is installed.
 - (iv) The serial number, manufacturer, model number, and horsepower on the nameplate of the electric motor and electronic control included in the pump, air compressor, or fan.
 - (v) A copy or image of the nameplate of the electric motor and electronic control included in the pump, air compressor, or fan.
 - (vi) A description of how the electronic control is controlled (e.g., pressure transducer, flow sensor, automated controller (PLC), temperature sensor, level gauge)
 - (vii) Annual operating hours
 - (viii) A brief description of expected load variance (e.g., pump operates 30 percent of the time at 50% of maximum design flow, 60 percent of the time at 70% of maximum design flow, and 10 percent of the time at maximum design flow)
- (5) In the case where the qualified entity is the purchaser of the extended product system that is installed: additional evidence that the qualified extended product system meets the requirements of subsection V as follows:
- (i) The serial number, manufacturer, and model number, and energy efficiency rating (expressed in PEIVL, isotropic efficiency, or FEI) on the nameplate of the pump, air compressor, or fan and a copy of the manufacturer specification sheets.
 - (ii) A copy or image of the nameplate of the pump, air compressor, or fan.
- (6) In the case where the qualified entity is the owner of the redesigned commercial or industrial machinery or equipment: additional evidence that the qualified extended product system meets the requirements of subsection V as follows:
- (i) Description of prior controls for redesigned commercial or industrial machinery or equipment (e.g., outlet control valve, bypass valve, discharge damper, inlet guide vanes) and statement confirming that these controls have been removed or disabled.
 - (ii) Pre- and post-installation photos of the commercial or industrial machinery or equipment
- (7) A statement signed by an authorized executive officer certifying that the information contained in the application is accurate.

Note: Strengthening prosperity – by expanding good, safe union jobs and supporting job growth through investments in domestic manufacturing – are key goals set by President Biden, discussed in depth in his Executive Orders on Ensuring the Future Is Made in All of America by All of America's Workers (EO 14005), Tackling the Climate Crisis at Home and Abroad (EO 14008), Worker Organizing and

Empowerment (EO 14025), and Promoting Competition in the American Economy (EO 14036). DOE is considering application requirement for extended product system rebates that will support the creation of good-paying jobs with the free and fair choice to join a union, the incorporation of strong labor standards, and high-road workforce development, especially registered apprenticeship and quality pre-apprenticeship. DOE is specifically seeking comments about the applicable workforce criteria, including labor standards, training programs, and certifications, that could be considered for the eligible entity and/or the installation of a qualified extended product system as part of eligibility. For example, if a manufacturer of a fan, pump, or compressor is applying for the extended product system what, if any, workforce criteria should be considered.

VIII. Calculation of Rebate Payments and Maximum Rebate Payments

(a) Rebate Payments Calculation. Rebate payments will be calculated as the product obtained by multiplying:

(1) the sum of the nameplate rated horsepower of:

- (i) the electric motor to which the extended product system is attached, and
- (ii) the electronic control; and

(2) \$25.

(b) Maximum rebate Payments. A qualified entity will not be entitled to aggregate rebates under this section in excess of \$25,000 per calendar year.

IX. Procedures for Processing Applications

(a) Processing applications:

(1) Applications and notifications to the Department must be submitted to the Extended Product System Rebate Program, at EPS_EET_rebates@ee.doe.gov.

(2) Following submission of an application, DOE will review and consider the completeness of the application data and may request supplementary information relating to the application. When DOE is satisfied that sufficient information has been reported, the application will be reviewed for eligibility consistent with section 1005 and this Guidance.

(3) Applications will be processed on a first come, first serve basis subject to availability of appropriated funds.

(b) Notice of decision:

(1) DOE will issue a written notice of the determination to each applicant with the following content:

(i) Disapproving or approving the application as eligible for rebate payment in whole or in part; and

(ii) Setting forth the applicant's amount of rebate payment.

- (2) If the application does not meet the requirements of this program, DOE will issue a written notice denying the application in whole or in part with an explanation of the basis for denial.

X. Administrative Appeals

(a) In order to exhaust administrative remedies, an applicant who receives a notice denying an application in whole or in part, must file an appeal within 30 calendar days of the date on the notice denying an application with the DOE Office of Hearings and Appeals, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in accordance with the procedures set forth below and in accordance with the procedural regulations codified at 10 C.F.R. Part 1003.

(b) If an applicant does not file an appeal in accordance with these requirements, the determination of DOE shall become final. If an applicant files an appeal on a timely basis in accordance with these requirements, the decision and order of the Office of Hearings and Appeals shall be final. If the Office of Hearings and Appeals orders a rebate, the Director of the Office of Hearings and Appeals shall send a copy of such order to the DOE Finance Office with a directive to make the required payment.

(c) The appeal shall contain: (1) a concise statement of the ground(s) upon which the applicant contests the written notice of DOE; (2) a copy of the DOE notice; (3) contact information (i.e., name, telephone number, mailing and e-mail addresses) for a representative able to respond to questions and provide information relevant to the appeal; and (4) any data, documentation, or other relevant information supporting a showing by the appellant that the denial of eligibility or disallowance of payment, either in whole or in part, is arbitrary and capricious.

(d) The appeal, including attachments, should be electronically filed with the Office of Hearings and Appeals (OHA), U.S. Department of Energy, at: OHA.filings@hq.doe.gov. Upon filing, OHA will confirm receipt of the appeal and assign the appeal a case number.

(e) The following matters are not subject to appeal:

(1) the denial of an application on the basis of untimeliness, and

(2) a proportional award of a rebate payment based upon DOE's determination that insufficient appropriated funds are available to make rebate payments on all eligible production to all qualified applicants.

(f) The appeal process shall proceed as follows:

(1) An appeal under these procedures must be filed within ten (10) days of an applicant receiving the determination by DOE denying eligibility or a claim for rebate payment, in whole or in part.

(2) In evaluating an appeal, OHA may require the submission of additional information by the appellant regarding any statement, data, documentation, or other information included in an appeal. OHA may also solicit and accept submissions of relevant information from other sources, including DOE, provided that the appellant is afforded an opportunity to respond to all such submissions. OHA may, on its own initiative, convene a conference or hearing if, in its discretion, it considers that such conference or hearing will advance its evaluation of the appeal. OHA will determine the scope and format of any conference or hearing convened under these procedures, as well as the parties allowed to participate.

(3) OHA may issue an order summarily dismissing an appeal if: (a) the appeal is not filed in a timely manner, unless good cause is shown; (b) the appeal is defective on its face; (c) the

appellant fails to provide additional information requested by OHA within the time specified by OHA; or (d) for any other reason that the appeal would be subject to dismissal under the OHA procedural regulations codified at 10 C.F.R. Part 1003.

(4) OHA will provide DOE with the opportunity to submit a written response to an appeal within a period of time specified by OHA. OHA will provide the appellant with a copy of DOE's response and allow the appellant to submit a reply within a period of time specified by OHA.

(5) Within thirty (30) days of receiving all required information, including additional information requested by OHA subsequent to the submission of the appeal, OHA shall issue a written decision granting or denying the appeal, in whole or in part. The decision shall include a written statement setting forth the relevant facts and basis for the determination. Upon issuance, OHA shall serve an electronic version of the decision upon the appellant and the DOE Office of Energy Efficiency and Renewable Energy. The decision will also be published on the OHA website: <http://www.energy.gov/oha>. The decision of OHA shall constitute the final agency action and the appellant's final right of administrative review.

(6) All expenses incurred by the appellant in pursuing any appeal before OHA shall be borne exclusively by the appellant.