

**761—201.6(473) Staff analysis.**

**201.6(1)** Department staff shall prepare an analysis of each complete application.

**201.6(2)** The analysis shall include but not be limited to:

- a.* An evaluation of the projected energy savings from the project.
- b.* If the project is a demonstration project, an evaluation of the project's target audience and the applicant's proposed efforts to reach the target audience.
- c.* An economic analysis of the public benefits versus the public costs of the project. All benefits and costs shall be calculated for a period reflecting a reasonable life expectancy of the project, discounted to present value, using the following formula and terms:

$$\frac{\text{Public benefits}}{\text{Public costs}} = \frac{\text{Shipper benefits} + \text{highway authority benefits}}{\text{Public financial assistance}}$$

(1) Shipper benefits are the dollar savings of freight transportation, handling and other costs to Iowa shippers from use of the proposed project.

(2) Highway authority benefits are road and street maintenance, construction, and reconstruction costs projected to be avoided as a result of diversion of freight traffic from Iowa roads and streets because of the proposed project.

(3) Public financial assistance is the dollar amount of any grant, plus the present value of an interest subsidy for any loan provided by the department to the project.

*d.* A financial analysis of the project to determine whether it can reasonably be expected to succeed financially. The analysis shall include:

(1) An evaluation of whether the project will be able to repay a commercial interest rate loan, in which case department financial assistance may be unnecessary;

(2) An evaluation of what combination and type of loan or grant may be needed to provide the project with a likelihood of financial viability, if this is possible; and

(3) An evaluation of whether the project is so financially insecure that it cannot be expected to succeed even with department financial assistance.