



**FEMA**

SEP - 4 2014

MEMORANDUM FOR: FEMA Regional Administrators  
Regions I - X

ATTENTION: Recovery Division Directors

FROM: Brad Kieserman  
Assistant Administrator  
Recovery Directorate

SUBJECT: Reimbursement of Permanently Mounted Generators –  
Use of FEMA Equipment Rates

The purpose of this memorandum is to announce a change in existing policy on the reimbursement of generator costs as an emergency protective measure. This change in policy stipulates that the cost of using a permanently mounted generator will be reimbursed using equipment rates and will not be limited to the cost of fuel. This change in policy is effective for all major disaster and emergency declarations on or after the date of this memo.

Previously, when permanently mounted generators were used in the performance of eligible emergency work, FEMA only reimbursed the cost of fuel consumed during the performance of that work. Temporary generators, however, were reimbursed based on equipment rates. Equipment rates typically include operation of equipment, depreciation, overhead, maintenance, field repairs, fuel, lubricants, tires, Occupational Safety and Health equipment, and other costs incidental to operation.

The disparate treatment with regard to the rate of reimbursement established through FEMA's existing policy has proven to be unnecessarily complicated, difficult to implement in the field, and arguably undercuts broader agency resiliency goals. This has been demonstrated in questions from the field as well as in first and second level appeals. Recognizing that the purpose of a generator during a federally declared disaster, whether permanently mounted or temporary, is to provide temporary health and safety services as an emergency protective measure, FEMA now considers that all eligible generator usage during a federally declared major disaster or emergency will be reimbursed at applicable equipment rates.

If you have questions, please call or have your staff contact William Roche, Director of the Public Assistance Division, at (202) 646-3834.

cc: Office of Federal Disaster Coordination