

RFP EM-021-2011
Question and Answer Document
October 7th, 2011

1. **Q:** Do I need to file an "intent to submit" document prior to the Sept. 30 deadline for written questions.

A: No there is no requirement to file an intent to submit.

2. **Q:** Section 2.1 does not include a date for when projects should be completed. Is there a date that by which projects should be complete?

A: As outlined in section 3.2: Project Budget and Schedule, including the reasonableness of the applicant's budget and schedule and the ability of the project to reach competition by January 1, 2013 or another agreed upon time frame.

3. **Q:** Are municipalities eligible for this grant?

A: Yes.

4. **Q:** Is my 501C company eligible?

A: Yes.

5. **Q:** Can I submit a project that encompasses several buildings on one campus?

A: Yes.

6. **Q:** To be eligible for incentive award consideration, projects may consist of one or both of the following:

- 1) Measures at a single location or campus
- 2) Multiple measures at a single location

If I have multiple locations throughout Maine can we group efficiency measures from multiple locations and submit an application under this RFP?

A: Grouping measures from multiple locations and submitting as a single response would not be an eligible project under this RFP.

7. **Q:** Can I ask questions after September 30, 2011, and can I submit a draft proposal for review and comment?

A: September 30, 2011 is the deadline for questions about the interpretation of the Competitive RFP program. After this date you may, and are encouraged to ask project specific questions that arise in the process of preparing your proposal. We are prepared to comment on the method of your engineering calculations used to predict energy savings. Efficiency Maine will not be reviewing and providing comments on draft proposals.

8. **Q:** Regarding the 1.5 year payback limitation; when calculating this do you include the incentive amount.

A: To determine whether the project pays back in less than 1.5 years the calculations will not include the requested incentive amount. We're interested in knowing the payback from the customer's perspective without any incentives.

9. **Q:** In accordance with the proposal schedule in Section 1.5 of the Trust's RFP EM-021-2011, please consider the following questions regarding the language in Sections 2.1 and 2.4 of the RFP. Section 2.1 of the RFP states reads in part:

Expectations. The Trust does not expect to fund projects that achieve a simple payback of more than 10 years or less and 1.5 years from the customer's perspective.

Eligible projects will be required to be completed and operational no later than (date).

Similarly, Section 2.4 of the RFP describes various projects as not eligible for funding under this incentive program. Subsection 6 excludes the following:

Projects that have a simple payback of greater than 10 years or less than 1.5 years.

- a. **Q1.** Read together, do these provisions state the Trust's intent to fund only projects that achieve a simple payback from the customer's perspective within between 1.5 years and 10 years, inclusive?

A: See the criteria for projects with less than 1.5 years payback in Section 2.4 Ineligible Projects, Item 6: If the project has a payback of less than 1.5 years and a participant still wants to submit for review, a detailed business case must be included as to why the incentive is still needed for the project.

- b. **Q2.** If so, how will the Trust define "simple payback ... from the customer's perspective" under this RFP? A project's cost to a customer may be reduced by various incentives.

Will the costs considered by the Trust in computing the "simple payback ... from the customer's perspective" be reduced by the project's eligibility for various incentives?

Does the nature of the incentive affect whether its cost reductions are taken into consideration in computing the simple payback from the customer's perspective?

a. For example, if a cost-effective distributed generation project would qualify for incentives such as the federal business energy investment tax credit available under 26 USC § 48, is that incentive taken into account when computing the project's simple payback period?

b. Would the cost side of the Trust's simple payback calculation consider the reduction in customer's project costs made possible through a federal cash grant in lieu of the federal business energy investment tax credit?

c. Would state and federal incentives be treated differently in computing a project's simple payback from the customer's perspective?

d. When evaluating whether a given incentive's cost-reducing effects are considered in computing a project's simple payback, would it matter whether the project's eligibility for the cost-reducing incentive is automatic (as in the investment tax credit) as opposed to being triggered only if the applicant satisfies some higher burden of proof (as in the case of other possible competitive awards)?

A: For Q2 a, b, c and d; The project cost is the total cost to implement the electrical energy efficiency measure(s) and should not include any incentives or credits from Efficiency Maine or any other entity. The simple payback will be calculated utilizing the project cost.

10. Q: In two places RFP 021-2011 states that the Trust is looking for projects that achieve Thermal Efficiencies of 60% or greater. Would an operating efficiency greater than 60% also be acceptable as we are unaware of any CHP plants that can achieve these thermal efficiencies but most can achieve operating efficiencies of that magnitude. Can we substitute operating efficiency?

A: Yes.

11. Q: If I install a CHP at my facility that produces more power than I use at the facility, what can I report for energy savings in my response to the RFP?

A: You can report the kWh that would be normally supplied by the electric grid. Any power in excess of what is used behind the meter (i.e., sold into the market place) would not be eligible to be included in the response to the RFP. Efficiency Maine will require metering configuration to verify the output of the generator and the coincidental load at the facility.

12. Q: Once the scoring is complete is there a failing score?

A: All projects that are received as part of this RFP will be scored. Efficiency Maine will award incentives until the budget for the program is utilized. There may be projects that are submitted that do not produce enough kWh savings per dollar of incentive requested and will not be funded.

As stated in the RFP Section 6.5 Limitations: The Trust reserves the right to reject proposals that do not fundamentally advance the goals of reducing grid-supplied electricity and have a benefit to cost ratio greater than one.

13. Q: Do I need to use Qualified Partners to implement my project?

A: You do not need to utilize Qualified Partners, however a higher score under the Management and Resource Adequacy and Readiness criteria would be awarded for a project that includes an implementation team with demonstrated capability to execute the proposed project.