



**REQUEST FOR PROPOSALS**

**EFFICIENCY MAINE TRUST  
COMPETITIVE INCENTIVE PROGRAM FOR  
LARGE ELECTRICAL EFFICIENCY  
AND DISTRIBUTED GENERATION PROJECTS  
\$100,000 TO \$500,000**

**Round 2**

**RFP EM-001-2012**

**Date Issued: February 1<sup>st</sup>, 2012**

**Closing Date: March 30, 2012**

**Closing Time: 2:00 PM, EST**



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## RFP INFORMATION AND INSTRUCTIONS

### 1.1 Purpose of This Proposal Request

Through this Request for Proposals (RFP), the Efficiency Maine Trust (the Trust) is seeking proposals for large electrical efficiency and distributed generation projects from customers within the State of Maine and served by a Maine electric utility. This Competitive Incentive Program is funded through the Regional Greenhouse Gas Initiative (RGGI) and funds from the Maine Power Reliability Program (MPRP). Funding from the MPRP will be restricted to projects within Central Maine Power Company's service territory.

### 1.2 Contracting Entity

Efficiency Maine was established in 2002 as a statewide program to promote efficient use of electricity and help Maine residents and businesses reduce electricity costs. It is funded by assessments on electric utility customers and administered by the Maine Public Utilities Commission (MPUC). Through legislative action in 2009 (Public Law 2009, chapter 372), the Efficiency Maine Trust was established as an independent entity to guide and administer energy efficiency and alternative energy programs in the state. Effective July 1, 2010, all Efficiency Maine programs were transferred from the MPUC to the Trust. As an independent, quasi-state agency, the Trust is governed by a nine-member Board of Trustees and is managed by an Executive Director with a staff of approximately fifteen. In implementing its programs, the Trust is guided by a 3-year strategic plan, called the Triennial Plan.

### 1.3 Program Description

Pursuant to this competitive incentive program, the Trust is seeking proposals for large electrical efficiency and distributed generation projects with the goal of reducing kilowatt hour (kWh) consumption from businesses that use electricity delivered through Maine's electrical grid.

Incentive awards are anticipated to be from \$100,000 to \$500,000 per facility.

### 1.4 Contact Person

The Trust's designated contact for this RFP is as follows:

**Ian Burnes, Business Program Manager**

Efficiency Maine Trust

151 Capitol Street, Suite 1

Augusta, ME 04330-6262

[ianburnes@efficiencymaine.com](mailto:ianburnes@efficiencymaine.com)

207-213-4149

**1.5 Proposal Schedule**

RFP issued	February 1 <sup>st</sup> , 2012
Written questions due	5:00 p.m., February 17 <sup>th</sup> , 2012
Questions & answers posted	5:00 p.m., February 24 <sup>th</sup> , 2012
Proposals due	2:00 p.m., March 30 <sup>th</sup> , 2012

**1.6 Anticipated Award Date**

It is the Trust's intent to make awards as soon after receiving proposals as possible. All applicants will be notified of the award decision in writing via email. The Trust reserves the right to modify this schedule at its discretion. Notification of changes will be posted on the Efficiency Maine website.

## SECTION 2: PROJECT DESCRIPTION

Through funding from RGGI and MPRP, the Trust has approximately \$2.5 million to award to large electrical efficiency and distributed generation projects.

### 2.1 Expectations

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

### 2.2 Award Limitations

There is a limit of \$1,000,000 in awards in the aggregate from the Competitive Program to entities that are part of an affiliated group of companies under common ownership or control per 12-month period measured from the closing date of this RFP. (By way of example, a parent and subsidiary or sister entities with a common owner would not be eligible to receive in excess of \$1,000,000 in total combined awards in a 12-month period).

The minimum incentive request that will be considered is \$100,000. The maximum incentive award per project will not exceed \$500,000.

For applicants with multiple locations, proposals may be submitted for each location and total awards will not exceed \$500,000 for a single facility.

Applicants must propose a minimum 50% cost share.

### 2.3 Eligible Projects

An eligible Energy Efficiency project is:

- A measure (or set of such measures) at a single facility or campus that increases the end-use electrical efficiency relative to an established existing baseline.
- A measure that is listed on the Efficiency Maine Business Program Prescriptive Application or any measure that would otherwise be eligible for an Efficiency Maine Business Program Custom Incentive, but for the size of the incentive requested. Non-eligible equipment will be removed from the proposal and the project costs and associated incentive levels will be adjusted accordingly.

An eligible Distributed Generation project is;

- A cost-effective on-site distributed generation project that reduces energy demand on the grid and meets the following criteria;
  - Project may not exceed 5 MW nameplate capacity.
  - Must have an operating efficiency of 60% or greater.
  - Must have 15-minute metering capable of exporting data to Efficiency Maine in either CSV or XML format.

- Distributed generation projects will be scored for offset of existing grid-supplied electricity only and not for additional capacity that can be exported to the grid or other customers.

## 2.4 Ineligible Projects

The following projects are not eligible for funding under this incentive program:

- Projects that involve measures that are required by state or federal law or local building or energy codes, or are deemed by the Trust to be standard industry practice measures.
- Projects for which the customer had made binding commitments to proceed prior to the RFP issue date.
- Measures that rely solely on human behavior changes or facility maintenance.
- Feasibility studies.
- Power quality, power factor, and power conditioning projects.
- Projects that have a simple payback of greater than 10 years or less than 1.5 years. If the project has a payback of less than 1.5 years and a participant still wants to submit it for review, a detailed business case must be included as to why the incentive is still needed for the project.
- Projects that do not result in an overall kWh use reduction, except in the case where measures are intended to expand facility use or production and will do so in a more efficient manner due to the measures proposed.
- Seed money for projects to be completed and funded subsequently.

## 2.5 Other Efficiency Maine Programs

A project awarded an incentive through this RFP cannot receive any additional incentives from Efficiency Maine's Business Program. An applicant to this RFP may submit other projects under the Efficiency Maine Business program to the extent allowable.

## SECTION 3: AWARD CRITERIA

Proposals will be scored on four general incentive award criteria: (1) cost-effectiveness and reliability of proposed kWh savings, (2) management and resource adequacy and readiness, and (3) comprehensive project bonus. The following subsections provide detailed descriptions of the four award criteria. Please refer to Section 4 for proposal requirements.

### 3.1 Kilowatt Hour Reductions (70 points)

Proposals will be scored on the basis of the number of kWh reduced per year per award dollar requested. The proposal that demonstrates the greatest kWh savings per year per dollar of Trust funding requested will receive the full 70 points. All other proposals will receive points in this category in proportion to their energy savings per dollar of funding requested, as compared to the proposal with the greatest energy savings per dollar requested.

The Trust will consider the following factors when scoring proposals on kWh reduced per year per award dollar requested:

1. The reductions must be measurable and the equipment must be grid connected.
2. For new facilities, the proposal will be scored on the difference between the kWh that would be consumed through use of industry standard equipment or processes and the kWh that will be consumed in the proposed project. For existing equipment, the applicant must estimate and justify the reduction in kWh consumption between existing equipment and the proposed new measures. On-site generation projects that reduce demand on the grid will be scored on the basis of the kWh generated and used on-site per award dollar requested. There must be metering in place to measure the amount of electricity generated on site in at least 15-minute intervals that are capable of logging historical data and reporting to the Trust in either XML or CSV format. Proposed projects must have an operating efficiency of 60% or greater.

All proposals will be subject to an engineering review by an independent firm retained to assist the scoring team. The Trust reserves the right to request more information and/or to modify applicant claims of kWh savings based on the independent engineering analysis. The Trust reserves the right to disqualify a proposal if it finds that there is a reasonable likelihood that the measure will not achieve the savings claimed.

### 3.2 Management and Resource Adequacy and Readiness (30 points)

Proposals will also be evaluated on the basis of the resources and management in place to execute and maintain projects, as well as an overall assessment of project readiness, including commitments for match funding. The Trust will consider the completeness and soundness of documentation. Please refer to Section 4 for proposal requirements.

The Trust will consider the evidence that the following factors are in place when scoring proposals for management and resource adequacy and readiness:

- **Site Control**, including such elements as site agreements, licenses, permitting, lease agreements, and land ownership in place
- **Project Approvals**, including evidence that all necessary internal approvals to proceed with the purposed measures are in place

- **Costs and Financing**, including evidence of their ability to provide the minimum 50% match as required in Section 2.2, through internal sources, third-party financing agreements, project partners, or other commitments
- **Business Case for the Project**, including evidence of how capital business decisions are made, i.e., return on equity, return on investment, simple payback, reduced electrical costs, etc.
- **Project Budget and Schedule**, including the reasonableness of the applicant's budget and schedule and the ability of the project to reach completion by January 1, 2013, or another agreed-upon time frame
- **Permitting**, including the need for and status of all necessary permitting equipment, including the ability of the applicant to secure the equipment on-site within the project schedule, reasonableness of cost information, and suitability of the selected equipment to the project
- **Project Management Organization and Qualifications**, including the relevant corporate qualifications as well as key relevant personnel experience and qualifications
- **Risk Management**, including the strategies in place to limit exposure to uncertain future events that, if they materialize, will impact the ability of the project to deliver the claimed kWh savings detailed in Section 3.1

The Trust reserves the right to disqualify a proposal that fails to demonstrate sufficient experience, planning, and resources needed to execute a successful project.

### **3.3 Comprehensive Project Bonus (15 points)**

Projects that achieve more comprehensive energy savings using a blend of measures to capture all or a significant portion of the cost-effective energy efficiency opportunities at a facility will be considered for a comprehensive project bonus. This is not an opportunity to include measures that on their own are not cost-effective or proven, but rather an opportunity to present a portfolio of measures with varying degrees of cost-effectiveness.

## SECTION 4: PROPOSAL REQUIREMENTS

Proposals must present a concise and complete description of the proposed project and the applicant's capabilities for satisfying the requirements outlined in this RFP. Applicants must adhere to the following outline and page limitations where specified:

### 4.1 Non-Confidential Project Overview (One Page)

Please provide a brief non-confidential project overview for the Trust to circulate to the public in the event that the applicant's proposal is awarded.

### 4.2 Project Overview (One Page)

Please provide a brief project overview including measure description, project management team, and an overview of the project's financial backing.

### 4.3 Technical Proposal

While applicants should provide as much information as they deem necessary for the technical review committee to recreate the engineering analysis used to calculate the proposed kWh savings, redundant or excessive documentation is discouraged. Applicants may refer to documentation that is in their possession, which the review team may request if they wish. Relevant documentation should include:

1. Proposed measures
  - A list of equipment and components to be installed, including manufacturers' catalog/model number, potential vendors, price information, and status of equipment availability
  - Manufacturers' specification sheets for all major components
  - All operational assumptions determined by industry-accepted engineering analysis
2. Existing system summary including
  - A description of existing equipment with make and model number and cut sheets if available
  - Metered data for the equipment or process to the extent it is available
  - Hours of operation of the process or equipment
  - Bin data used if applicable
  - All operational assumptions including measured energy consumption or industry accepted engineering analysis

If using a theoretical baseline, please provide assumptions and justifications. The analysis should make use of metered or historical performance data to the greatest extent possible. Where this data is not available or practical to obtain, inputs and assumptions used in the analysis should be project specific, with a clear explanation of how they are derived.

An Excel workbook containing example calculations is available on the Efficiency Maine website at: [www.energymaine.com/at-work/business-programs/competitive-program](http://www.energymaine.com/at-work/business-programs/competitive-program). These

spreadsheets are intended primarily to illustrate the level of analysis that is expected in the proposals. The spreadsheets can be utilized in the proposal if they will expedite proposal preparation, but alternative formats are also acceptable.

Where appropriate, please include an electronic Excel file with your proposal submission (see Section 5.1). **Please do not provide energy savings calculations in a PDF format.** Please reference the electronic Excel document in the written proposal and provide any notes or assumptions used to calculate energy savings.

The Trust reserves the right to do a pre-award inspection and to review and adjust savings or cost calculations. In all cases, the Trust's determinations with regard to costs and savings and other technical or operational items will be final. The Trust also reserves the right to request additional information from applicants.

#### 4.4 Management and Resource Adequacy and Readiness (Five Pages)

Please provide a description of the resources and planning in place and documentation of project readiness. Relevant information may include:

1. **Project Approvals:** Applicants must provide evidence that the necessary internal approvals needed to proceed with the proposed project are in place. We understand that these approvals may be conditional upon receiving the incentive. Applicants unable to provide this information by the close of this RFP must indicate a time frame for receipt.
2. **Project Payback:** Explain how the incentive requested will help this project meet the capital planning criteria of your company. Please provide the cost of implementation, the reduced electrical costs, and copies of the electric service bills including supply and delivery costs. For projects with a payback of less than 1.5 years please provide detailed evidence of why the incentive from this Competitive Program is necessary in order for the project to move forward.
3. **Costs and Financing:** Applicants must provide a letter on organizational letterhead signed by an authorized representative of the organization acknowledging the participant's commitment to contribute a specified amount of matching funds during the term of the award (Section 2.2). If project viability is contingent on financing, the applicant must identify the lending institution as well as the status of the financing.

If a third party (i.e., a party other than the organization submitting the proposal) proposes to provide all or part of the required cost sharing, the applicant must include a letter from the third party stating that it is committed to providing a specific minimum dollar amount of cost sharing and demonstrating its ability to do so. The letter should also identify the proposed cost-sharing. Letters must be signed by the person authorized to commit the expenditure of funds by the entity.

Letters of support from other organizations (i.e., not project partners) interested in lending their support to the worthiness of the project will not be considered and should not be included as part of the proposal.

4. **Project Budget and Schedule:** Provide a detailed project budget and schedule, including a chart showing project milestones that include but are not limited to the following:
  - Significant budget items

- Any pending internal or external approvals that are necessary for the project to move forward and a date certain for obtaining them
- All permits required to proceed with the project
- Planned equipment purchases, installation, and testing
- Funding schedule as required by Section 4.6
- Risk management strategies

Each proposal should include a high-level Schedule of Values outlining the major milestones of the project, estimated costs, and expected completion dates. The Schedule of Values will assist with the progress payments for each project awarded an incentive. For basic lighting projects the Schedule of Values may be as simple as providing any labor and material costs, equipment delivery dates, and a project completion date. For a larger project such as a back pressure turbine, the Schedule of Values may include items such as site work, foundations completed, building construction, turbine order, delivery and installation dates, and generator energization date.

5. **Permitting:** If applicable, provide an explanation of any additional permits required to proceed with the project and an explanation of the process and timeline required to receive them. If possible, provide documentation from the relevant permitting authority confirming the applicant's understanding of their standing within the permitting process.
6. **Project Management Organization and Qualifications:** Provide an organizational chart or explanation of roles and responsibilities of key project staff and partnership relationships, if applicable. Include the relevant corporate qualifications as well as key relevant personnel experience and qualifications. Resumes may be included.

#### 4.5 Comprehensive Project Bonus (One Page)

Applicants wishing to receive bonus points for a comprehensive project must demonstrate the steps they have taken to identify all cost-effective projects at their respective location and the extent to which this project addresses those opportunities.

#### 4.6 Milestones and Funding Schedule (One Page)

Award funding will be disbursed at project milestones. Up to 10 percent of the award may be received up front. The final 10 percent will not be awarded until completion and final post-installation inspection. Please outline the major milestones of your project and a proposed payment schedule. The Trust will look to the funding schedule to confirm whether applicants have shared project risk with the Trust. Please include the funding schedule in the overall project schedule required in Section 4.3.

Final payment will be made once the project is complete, invoicing has been submitted, and a satisfactory inspection of the project has been completed by the Trust.

## SECTION 5: SUBMITTAL INSTRUCTIONS

To be considered for review, proposals must adhere to the following specifications:

### 5.1 Submittal Format

Proposals must include the information requested in Section 4.

Proposals must include the cover page shown in Appendix A.

Submit six (6) copies of the proposal plus one (1) electronic copy on disk in Microsoft Word format or Excel where appropriate, all clearly marked as follows:

**EM-001-2012  
COMPETITIVE INCENTIVE PROGRAM FOR  
LARGE ENERGY EFFICIENCY AND  
DISTRIBUTED GENERATION PROJECTS**

Proposals must be delivered to the Efficiency Maine Trust, 151 Capitol Street, Suite 1, Augusta, ME 04330 **by 2:00 p.m., March 30, 2012**. Please note that only proposals actually received and date stamped at the Efficiency Maine Office prior to the stated time will be considered; bidders submitting proposals by mail are responsible for allowing adequate time for delivery. Proposals received after the 2:00 p.m. deadline will be rejected, without exception.

**Do not send binders.**

**Print double-sided.**

**Incomplete proposals and those that do not meet these requirements will be returned without further review.**

### 5.2 Evaluation Process

All eligible proposals will be reviewed on a competitive basis. They will be scored on a scale from 0 to 100 points with a potential 15-point bonus, using the criteria shown in the following table. The criteria for each scoring category are presented in Section 3. Except as provided in Section 6.5, awards will be made to the highest scoring bids.

<b>SCORING CATEGORY</b>	<b>MAXIMUM AVAILABLE POINTS</b>
<b>Budget/Cost-Effectiveness</b> - kWh saved per year per dollar requested	70
<b>Management and Resource Adequacy and Readiness</b>	30
<b>Total</b>	<b>100</b>
<b>Comprehensive Project Bonus</b>	15

Efficiency Maine will calculate the Total Resource Cost Test for all proposals. The benefit-to-cost ratio under this test must be 1.0 or higher for any project to receive an award.

## **SECTION 6: INCENTIVE AWARD**

### **6.1 Contract**

The incentive award applicants will need to sign a contract with the Efficiency Maine Trust.

If the Trust does not come to agreement with the applicant by June 30<sup>th</sup>, 2012, it reserves the right to rescind the award and reallocate funds.

Efficiency Maine reserves the right to place a UCC lien on any piece of equipment purchased with the proceeds of this Competitive Incentive Program.

Efficiency Maine reserves the right to adjust the final incentive award amount based on as built savings and costs.

### **6.2 Award Decisions**

The review team will provide notes from the evaluation process to the Trust with an award recommendation. The final award decision will be made by the Trust and will be communicated to the applicant in writing via email.

### **6.3 Measurement and Verification Requirements**

All recipients must agree to independent third-party verification of project completion and kWh savings under terms that will be established by the Trust for each approved project. Actual award of an incentive will be conditioned on applicant acceptance of these M&V requirements.

### **6.4 Reporting Requirements**

Applicants receiving awards will be required to submit financial and narrative reports on project progress in electronic format to the Program Manager, using a format to be provided by the Trust. Reports will be required on at least a quarterly basis. Award recipients should be prepared to keep contemporaneous records so as to be able to provide up-to-date information upon request.

### **6.5 Limitations**

This solicitation does not commit the Trust to award a contract, to pay any costs incurred in preparing a proposal or provide oral or written clarification of its contents, or to procure or contract for services or supplies.

The Trust reserves the right to reject any proposal that in their sole determination does not meet the requirements and specifications of this RFP, the Trust's rules, Maine law, or generally accepted business practices. The Trust may seek clarifications of proposals.

The Trust will award funds to high-scoring proposals that meet the requirements of this RFP. The Trust may not award all of the available funds through this RFP and may issue another RFP for the remaining funds. Additionally, the Trust reserves the right to award less than the amount requested per proposal through negotiation with the potential recipient. 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.

**6.6 Request for Reconsideration**

An aggrieved person may request a hearing for reconsideration of a contract award decision by filing a written petition with the Executive Director of Efficiency Maine Trust within 14 calendar days of the notification of the contract award. Each petition to reconsider must meet the requirements specified in Efficiency Maine Trust Rule Chapter 1, Contracting Process for Service Providers and Grant Recipients, Section 5(B), which can be found on the Efficiency Maine Trust website under Documents and Services:

[http://www.efficiencymaine.com/docs/AgencyRules/Chapter-1\\_Contracting\\_Final.pdf](http://www.efficiencymaine.com/docs/AgencyRules/Chapter-1_Contracting_Final.pdf)

**6.7 Reservation of Rights**

Efficiency Maine Trust reserves the right to cancel or extend the RFP process at any time. Efficiency Maine Trust also reserves the right to reject any and all submissions in response to this RFP and to waive formalities if doing so is in the best interests of Efficiency Maine Trust.

**6.8 Publicity of Applicant's Participation**

Efficiency Maine reserves the right to disclose certain information about the applicant's participation in the program, including, but not necessarily limited to, the applicant's name, the incentive amount, and projected energy savings. Applicants may seek to have information determined confidential pursuant to 35-A M.R.S.A. §10106.