

RESPONSES TO QUESTIONS

RFP EM-011-2018: Load Management Innovation Pilots

Last Revised 4.26.2018, 4:25 pm

Q1: Is Efficiency Maine Trust (the Trust) asking for the customer to make a financial contribution to these projects?

A1: The Trust will consider funding up to 100% of the full *delivery* cost associated with the project (i.e., the service/management costs incurred by the bidder, as well as the equipment/installation costs associated with installing any controls or monitoring equipment). Efficiency Maine will also consider funding costs on the customer side associated with purchasing and installing equipment. A customer cost-share is preferred. As described in Section 5.4 – 7. *Budget/Cost Proposal*, bidders should provide detail on any “incentives required to motivate customers to participate.” If bidders propose specific financial incentive levels, they should explain their reasoning as to the type and amount of the incentive. Section 6.1 – 3. *Project Budget/Cost* presents the relevant evaluation criteria; namely, does the proposal reflect a reasonable incentive structure to encourage participation in the pilot? Where possible, customers should take advantage of any existing Efficiency Maine incentives. Please visit www.energymaine.com for further detail on current incentive offerings. Note that bidders could also leverage existing (already installed) equipment for these projects where applicable. Please see Q3/A3 for further detail on this general topic.

Q2: Does the Trust have access to historical and going-forward utility meter data, and if so will this be able to be provided to winning bidder(s) implementing the pilot(s)?

A2: The Trust can work with the utilities and/or the Public Utilities Commission (PUC) to secure access to customer utility data for customer acquisition, historical analysis, and ongoing monitoring purposes. In some cases (for some utilities), a formal request may not be necessary; the bidder and/or the Trust may be able to access customer utility data with the relevant account number. However, where a formal request is needed, bidders should be prepared to wait several months for the PUC to consider and issue a Protective Order and for the relevant utility(ies) to deliver the requested data.

Q3: Are funds available for the purchase of physical assets (ex: heat pumps, control hardware) for the development, control, testing and demonstration of load management technologies? If so, does the Trust have any expectations or limitations as to the total amount budgeted for the purchase of physical assets?

A3: Where possible, participants should leverage Efficiency Maine’s incentives through existing programs for the purchase of physical assets. Where existing incentives are not available, the Trust will consider funding these costs as part of this RFP. In cases where a customer will benefit

from a new piece of equipment (e.g. a heat pump water heater or a battery), a customer cost-share for those items is preferred. The Trust is open to paying a larger share of the cost of physical assets associated with the demonstration and testing of less well-understood elements of the pilot (e.g. controls, remote monitoring) given the uncertainty around the degree to which they will deliver benefits to the customer. Please refer to Q1/A1 for further detail on this general topic. The Trust does not have any specific expectations or limitations as to the total amount budgeted for the purchase of physical assets. As described in Section 1.8 of the RFP, the total budget for the solicitation is \$750,000 and may be allocated towards a single award or among several awards.

Q4: If appropriate, is the Trust open to proposal schedules beyond the expected contract term of June 30th in order to collect a more robust data set?

A4: Yes. If a bidder wishes to propose a schedule longer than that outlined in the RFP, the bidder should describe what could be achieved by the June 30 deadline and then what additional tasks would be achieved under the new schedule.

Q5: Is the Trust more or less inclined to fund a project at a particular stage of technology readiness?

A5: The Trust is more inclined to fund a project that involves technologies that are commercially available but not broadly adopted. The Trust is generally not seeking to fund research and development (R&D) for a specific technology or piece of equipment. However, the Trust also understands that there is an element of R&D involved in demonstrating how commercially available technology can be configured or operated so as to advance the objectives of the RFP. R&D on technology that constitutes a discrete element of the project will not be disqualified from a bid so long as it represents only a small fraction of the project budget, and provided further that the project as a whole is likely to significantly advance the objectives of the RFP even if the technology being researched and developed fails to perform as intended. Ideally, the technology and approaches that the winning bidder(s) test will be relatively simple and easily scaled within a relatively short timeframe.

Q6: Would the Trust consider Isle au Haut or other islands with independently managed grids as a single entity for the purposes of this proposal? If battery storage is deployed behind Emera's master meter for the island, does this satisfy the RFP's "behind-the-meter" storage requirement?

A6: The Trust is interested in demonstrating the benefit of load-shifting projects behind the individual *customer* meter, not behind a master meter for a microgrid. This is in keeping with the Trust's general mandate and approach for its regular efficiency programs. If a project happens to have ancillary, ahead-of-the-meter benefits that accrue to the utility/microgrid (in

addition to the customer), these can be quantified and included in a cost-benefit analysis. However, the primary measure/device/activity should occur at the customer level.

Q7: Are there any restrictions in how the funds can be used?

A7: The Trust envisions that the funds will be used primarily for equipment and labor associated with the bidder's delivery costs (i.e., the service/management costs incurred by the bidder, as well as the equipment/installation costs associated with installing any controls or monitoring equipment). Budgets will be evaluated according to the criteria in Section 6.1.3 of the RFP.

Q8: Does the remote monitoring preference described in the RFP apply to all areas of interest or just alternative innovative proposals?

A8: The preference for remote monitoring applies to *all* project types.

Q9: Are there lessons learned and/or challenges identified from the prior Non-Transmission Alternative (NTA) pilot that the Trust is focused on addressing with this new RFP?

A9: Section 2.3 of the RFP describes how the Trust would generally like to build on its experience with the Boothbay NTA Pilot Project by investigating a wider range of Distributed Energy Resources (DERs) beyond LED lighting. That section also states:

The Boothbay NTA Pilot Project final report noted that the timing of the peak occurred later in the afternoon or evening, rendering solar PV installations less effective as a capacity resource. Pairing these installations with energy storage may help leverage solar PV generation during non-daylight hours; as such, this concept is listed as an "interest area" for this RFP.

While the results of the Boothbay NTA Pilot Project inform and motivate this RFP, bidders do not need to focus on any particular objectives beyond those laid out in the RFP in order to present a successful proposal.

Q10: Are there any parts of the state that the Trust is more interested in with regard to the RFP objectives?

A10: The Trust does not have a particular location preference for these pilot projects.

Q11: Will Efficiency Maine consider front-of-meter energy storage solutions that fully support the RFP objectives?

A11: No. The Trust is interested in demonstrating the benefit of load-shifting projects behind the individual *customer* meter. Please see A6/Q6 for additional detail on this topic.

Q12: Why are residential energy storage systems not being considered in this RFP, especially given the incremental and growing value of backup power in Maine?

A12: In limiting the RFP's third "interest area" to *commercial* energy storage systems, the Trust is attempting to target those customers that are subject to demand charges. With these higher rates, the cost-effectiveness of a storage system where there is a demand charge is likely to be higher.

Bidders are welcome to submit proposals that involve residential energy storage systems, though they will not be eligible for the bonus points associated with the interest areas (see Section 6.1.4 of the RFP). Generally, projects that have a higher potential cost-effectiveness are more likely to receive an award.

Q13: How did the Trust come up with 40-200kW range for commercial installations? Is there room for smaller systems, i.e., <40kW?

A13: The range set forth in the RFP is meant to capture a large pool of customers that are subject to demand charges. We also anticipate projects in this size range are likely to be more cost effective than smaller projects. If bidders can make a compelling case for a smaller system, as long as the customer(s) is subject to demand charges, they are free to do so.

Q14: Have any Maine utilities publicly expressed interest in supporting the Trust's Innovation RFP?

A13: The Trust is not aware of the interest or positions of the utilities in this specific RFP.