



**PROGRAM OPPORTUNITY NOTICE
for
GREENHOUSE GAS (CO₂e) REDUCTION PROJECTS**

PON EM-003-2015

Opening: July 1, 2015

Closing: June 30, 2016

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RFP INFORMATION AND INSTRUCTIONS

1.1 Purpose of This Proposal Request

Through this Program Opportunity Notice (PON), the Efficiency Maine Trust (the Trust) is seeking applications for projects that reduce greenhouse gas emissions through the installation of more efficient equipment by customers within the State of Maine. This PON is funded through the Regional Greenhouse Gas Initiative (RGGI).

1.2 Program Description

The Trust is seeking applications for greenhouse gas reduction projects with the goal of reducing carbon dioxide emissions through the installation of more efficient equipment from Maine businesses.

Incentive awards are anticipated to range between \$50,000 to \$500,000 per project.

1.3 Contact Person

The Trust encourages any applicant who has interest in or questions around this PON to contact the Trust. The Trust's sole designated contact for this PON is as follows:

Ian Burnes, Strategic Initiatives, Team Leader

Efficiency Maine Trust

151 Capitol Street, Suite 1

Augusta, ME 04330-6262

ian.burnes@efficiencymaine.com

207-213-4149

1.4 Program Term

The Trust will be accepting applications to this PON starting on July 1st, 2015. Applications will be reviewed and awarded on a rolling basis. The Trust will make awards to applicants who meet the carbon emission reduction criteria described in section 3.1, and demonstrate project readiness as described section 3.2.

The Trust will make awards to projects meeting all of these criteria and will consider new applications until June 30th, 2016 when this PON expires or until the available program funding is exhausted.

SECTION 2: PROJECT DESCRIPTION

Using funds from Regional Greenhouse Gas Initiative (RGGI), the Trust has approximately \$2.3 million budgeted to award to successful energy efficiency projects submitted in response to this PON during the term described in Section 1.4 of this notice.

2.1 Award Limitations

The minimum incentive award per project under this PON will be \$50,000. The maximum incentive award per project will not exceed \$500,000.

The maximum aggregate amount that the Trust will award from this PON to any entity or group of affiliated entities (under common ownership or control) is \$750,000. This limit applies to the aggregate amount awarded from this PON, which means that an entity or group of affiliated entities may submit and be awarded funds for more than one project, but that the maximum amount that will be awarded in aggregate to that entity or group under this PON is \$750,000.

The Limit applies to single entities or multiple entities that are part of an affiliated group of companies under common ownership or control. The limit will be measured over the Trust's fiscal year (July 1, 2015 through June 30, 2017). Funds received through the Electrical Reduction PON or through the Trust's Business Incentive Program will not be considered toward this cap.

For retrofits of existing equipment applicants must provide a minimum 50% cost share for the project barring exceptional circumstances, which exception shall be determined in the sole discretion of the Review Team.

For new construction or projects that are replacing a failed piece of equipment applicants must provide a minimum of 25% of the incremental cost as measured between the efficient alternative and the industry standard.

The incentive award will also be capped based on the magnitude of the validated greenhouse gas (GHG) reduction expressed in pounds of carbon dioxide equivalent (CO₂e) per year.

Incentives will not exceed \$1 for every 10 pounds of CO₂e of validated annual reduction.

2.2 Eligible Projects

An eligible project is:

- A measure (or set of such measures) to reduce inefficient energy use (or increase efficient energy use) at a single facility or campus that decreases the greenhouse gas emissions as compared to an established existing baseline emission value, resulting in annual reductions of at least 1,000,000 pounds CO₂e per year.
- Projects must score 1 or greater on the Total Resource Cost test as administered by the Trust.

Incentives awarded under this PON are intended to influence the implementation of projects that would not move forward if not for the incentive. Applications should include a discussion of the need for the incentive, and an attestation from the participant documenting the influence of the incentive on the decision to proceed with the project.

2.3 Ineligible Projects

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

- Projects that have a simple payback from the customer's perspective of less than a year after factoring in incentives.
- Projects that involve measures required by state or federal law or local building or energy codes, or projects that are deemed by the Trust to represent standard industry practice measures;
- Projects for which the customer (or its affiliate) has made binding commitments to proceed prior to the official award of funding under this PON;
- Measures that rely solely on human behavior changes or facility maintenance;
- Feasibility studies;
- Seed money for projects to be completed and funded subsequently.

2.4 Other Efficiency Maine Programs

A project that is awarded an incentive through this PON cannot receive any additional incentives from Efficiency Maine.

2.5 Confidentiality

Information submitted under this PON will be protected as confidential information as provided under MRSA Title 35A §10106.

SECTION 3: AWARD CRITERIA

Successful applications for an incentive award will demonstrate the project's ability to meet or exceed the criteria related to greenhouse gas reductions and overall project readiness described in this section.

In the event that the Trust receives more applications than there is funding the Trust will score the applications according to the criteria described in this section.

3.1 Greenhouse Gas Reductions (75 Points)

Eligible projects must result in a minimum of 1,000,000 pounds of validated reductions of CO₂e per year. The Trust will score projects on the basis of dollars per tons of CO₂e.

The Trust will consider the following factors when determining the magnitude of the CO₂e savings.

1. The reductions must be measureable and the equipment must be located within the State of Maine.
2. For the replacement of existing equipment, greenhouse gas reductions will be measured by the increases in efficiencies directly attributable to the new equipment.
3. For new facilities, the reductions will be the difference between the CO₂e that would be produced through use of industry standard equipment or processes and the CO₂e that will be produced in the proposed project.
4. Efficiency projects that also involve fuel switching will be treated as new construction and the CO₂e measured as the difference between the CO₂e that would be produced through use of industry standard equipment burning the new fuel and the CO₂e that will be produced in the proposed equipment.

All applications will be subject to an engineering review by an independent firm retained to assist in the validation of projected CO₂e reductions. The Trust reserves the right to request more information and/or to modify applicant claims of CO₂e reductions based on the independent engineering analysis.

The Trust will not provide incentives for projects that it determines will result in validated annual reductions of less than 1,000,000 pounds of CO₂e per year.

3.2 Management and Resource Adequacy and Readiness (25 Points)

Applications 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. Please refer to Section 4 for Application requirements.

When evaluating management and resource adequacy and readiness, the Trust will consider succinct evidence that the following factors are in place:

- **Project Approvals**, including evidence that all necessary internal approvals to proceed with the proposed measures are in place;
- **Costs and Financing**, including evidence of applicant's ability to provide the minimum match as required in Section 2.1, through internal sources, third-party financing agreements, project partners, or other commitments;

- **Project Budget and Schedule**, including the reasonableness of the applicant's budget and schedule and the ability of the project to reach completion within one year of the award date 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 CO₂e reductions detailed in Section 3.1.

The Trust reserves the right to disqualify an application that fails to demonstrate sufficient experience, planning, and resources needed to execute a successful project within a reasonable timeframe.

SECTION 4: APPLICATION REQUIREMENTS

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

4.1 Non-Confidential Project Overview (Not to exceed 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 project is awarded funding.

4.2 Project Overview (Not to Exceed 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 (No restriction on length)

The PON response should focus on the Technical Proposal. The savings calculation methodology, and the data, inputs and assumptions used in the calculations should be as project specific and well documented as possible.

While applicants should provide as much information as they deem necessary for the technical review committee to validate the engineering analysis used to calculate the projected reduction in greenhouse gas emissions, 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.

The Carbon Dioxide Emissions Factors used by the Trust to evaluate projects can be found on the Efficiency Maine website at: www.energymaine.com/at-work/business-programs/competitive-program.

Where appropriate, please include an electronic Excel file with your application submission (see Section 5.1). **Energy savings calculations in a PDF format will not be accepted.** Please reference the electronic Excel document in the written application 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 (Not to exceed Two 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 should 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 PON 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 energy costs, and copies of the bills of the fuel being considered.
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 2.1). 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 application) 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 application.

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 4.5
- Risk management strategies

Each application 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 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 the Schedule of Values may include items such as site work, foundations completed, building construction, equipment orders, delivery and installation dates, and a project start-up date.

5. **Permitting:** If applicable, provide an explanation of any additional permits necessary 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 Milestones and Funding Schedule (Not to Exceed One Page)

Award funding will be disbursed at project milestones. 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 4.4.

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, applications must adhere to the following specifications:

5.1 Submittal Format

Applications must include the information requested in Section 4.

Applications must include the cover page shown in Appendix A.

Submit two (2) copies of the application plus one (1) electronic copy on disk in Microsoft Word format or Excel where appropriate, all clearly marked as follows:

**PON-002-2016
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FOR
GREENHOUSE GAS REDUCTION PROJECTS**

Applications must be delivered to the Efficiency Maine Trust, 151 Capitol Street, Suite 1, Augusta, ME 04330

5.2 Evaluation Process

All eligible applications will be reviewed by the Trust based on the schedule described in section 1.4. Awards will be made to all projects that are found to have met the criteria of this opportunity. Should the Trust receive more applications than there is funding available, the Trust will determine awardees using the following criteria described in section 3 and summarized here:

SCORING CATEGORY	MAXIMUM POINTS
1. Project Cost Effectiveness (dollars per ton of CO ₂ equivalent)	75
2. Project Readiness	25
TOTAL	100

SECTION 6: INCENTIVE AWARD

6.1 Contract

The incentive award recipients will be required to enter into a contract with the Efficiency Maine Trust.

If the Trust does not come to agreement with the recipient within 60 days from the award date, 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 Program Opportunity Notice.

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

6.2 Award Decisions

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 greenhouse gas reductions 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 Limitations

This solicitation does not commit the Trust to award a contract, to pay any costs incurred in preparing an application 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 application that in their sole determination does not meet the requirements and specifications of this PON, the Trust's rules, Maine law, or generally accepted business practices. The Trust may seek clarifications of applications.

The Trust will award funds to high-scoring applications that meet the requirements of this PON. The Trust may not award all of the available funds through this PON and may issue another PON for the remaining funds. Additionally, the Trust reserves the right to award less than the amount requested per application through negotiation with the potential recipient. The Trust reserves the right to reject applications that do not fundamentally advance the goals of reducing grid-supplied electricity and have a benefit-to-cost ratio greater than one.

6.5 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.energymaine.com/docs/AgencyRules/Chapter-1 Contracting Final.pdf>

6.6 Reservation of Rights

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

6.7 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 CO₂e savings.