



## ***Vermont Clean Energy Development Fund (CEDF)***

### **JANUARY 2009 REQUEST FOR PROPOSALS**

#### **INTRODUCTION**

The purpose of this Request for Proposals (RFP) is to obtain proposals for state projects that promote the development and deployment of cost-effective and environmentally sustainable electric power resources – primarily with respect to renewable energy resources, and the use of combined heat and power technologies – for the long-term benefit of Vermont electric customers.

Applicants may submit proposals for projects in the following categories: *Pre-Project Financial Assistance*, *Small-Scale Systems*, *Large-Scale Systems*, and *Special Demonstration Projects*. An applicant may submit multiple proposals in any category, but only one proposal per project/system. (For example: an applicant **cannot** request both pre-project funding assistance for a renewable energy system as well as funding for the cost of the system. A renewable energy system installer **can** submit proposals to install separate systems at different sites.) All projects must be based in Vermont. All projects must have an electric generation component and be grid-connected. Off-grid and thermal projects (except combined heat and power projects) are not eligible.

There is a maximum award of \$100,000 for *Pre-Project Financial Assistance*, \$60,000 for *Small-Scale Systems*, and \$250,000 for all other projects. It is anticipated that a total of \$2 million in funding will be awarded. *Pre-Project Financial Assistance* projects require a 20% **cash** match from applicants for projects up to \$25,000 and a 50% match (no more than 25% of which may be in-kind match) for projects requesting \$25,001 to \$100,000. All other projects require a 50% match, no more than 25% of which can be in-kind match. Match greater than the required amounts is encouraged, and preference may be given to projects requesting lower funding amounts than comparable projects.

**Proposals must arrive to the Department of Public Service (DPS) office by 4:00 P.M. on Friday, February 27, 2009.** Applicants mailing proposals should allow adequate time to ensure receipt of their proposal(s) by the deadline. Proposals received after 4:00 PM on Friday, February 27 will not be considered. Proposals are limited to 15 pages, with no less than an 11-point font and one-inch margins. One original signed hard copy, six additional copies, and an electronic copy (which can be emailed or submitted on a CD) of the proposal must be delivered to Anne Margolis, Vermont Department of Public Service. **Both** electronic and hard copies must arrive before the deadline. Proposals and questions should be addressed to:

Anne Margolis  
Vermont Department of Public Service  
112 State Street  
Montpelier, VT 05620-2601  
Phone: (802) 828-4017  
Email: [anne.margolis@state.vt.us](mailto:anne.margolis@state.vt.us)

Grant awards will be announced in April.

## **BACKGROUND**

In 2005, the Vermont General Assembly established the Vermont Clean Energy Development Fund (CEDF) through Act 74 (10 V.S.A. § 6523). The Act specifies that the CEDF will be established and funded through proceeds due to the state under the terms of two memoranda of understanding between the Vermont Department of Public Service (DPS) and Entergy Nuclear VT and Entergy Nuclear Operations, Inc., and by any other monies that may be appropriated to or deposited into the Fund. The CEDF will receive payments from Entergy through 2012.

Act 74 specifies that the Fund shall be managed to promote:

- The increased use of renewably produced electrical, thermal energy, and combined heat and power (CHP) technologies in the state;
- The growth of the renewable energy-provider and CHP industries in the state;
- The creation of additional employment opportunities and other economic development benefits in the state through the increased use of renewable energy and CHP technologies;
- The stimulation of increased public and private sector investment in renewable energy and combined heat and power related enterprises, institutions, and projects in the state.

The CEDF offers a portfolio of funding opportunities to accelerate the development, commercialization, and production of clean energy in Vermont including: grants, loans, equity investments, and direct incentive payments through the *Vermont Small-Scale Renewable Energy Incentive Program*. The CEDF plans to issue grant solicitations each year in January and July. Additional information on the CEDF is available in the on the DPS website at: [http://publicservice.vermont.gov/energy/ee\\_cleanenergyfund.html](http://publicservice.vermont.gov/energy/ee_cleanenergyfund.html) .

## **PROJECT CATEGORIES**

The purpose of this solicitation is to fund projects that promote the development and deployment of cost-effective and environmentally sustainable electric power resources. To reach this goal, funding will be awarded to projects in the following four categories: *Pre-Project Financial Assistance*, *Small-Scale Systems*, *Large-Scale Systems*, and *Special Demonstration Projects*. Applicants cannot be reimbursed for educational, outreach, and similar types of activities, but should note whether these types of activities will be completed to promote

the project. All projects must have an electric generation component and be grid-connected. Off-grid and thermal projects (except combined heat and power projects) are not eligible.

All district energy-type projects must include a letter of support from the town or city in which the system is to be installed. Other types of projects are encouraged to include letters of support from the host community as well. Letters of support do not count toward the 15-page limit.

### ***Pre-Project Financial Assistance***

This category includes feasibility studies and pre-development activities to develop new renewable energy generation facilities and CHP systems that will be **over 15 kW** in AC rated capacity, which may require high-risk, early-stage activities and for those projects that do not have the resources to finance pre-project activities. Projects under this category may include: renewable energy resource assessments; site assessments; environmental impact and regulatory analysis; permitting; technical and engineering feasibility studies; engineering designs; and economic and financial feasibility studies. Other similar projects not specifically listed above will also be considered.

The maximum grant award for this category is \$100,000: projects requesting up to \$25,000 are required to have a 20% **cash** match (20% of the total project cost); projects requesting \$25,001 to \$100,000 are required to have a 50% match, no more than 25% of which can be in-kind match. Projects must be completed within 1 year of award.

On-farm projects **are required** to first seek funding for feasibility studies and technical assistance through the Vermont Agency of Agriculture, *Agricultural Economic Development Special Account* before applying through the Clean Energy Development Fund. Contact Dan Scruton at the Vermont Agency of Agriculture for additional information on this funding opportunity by phone at 802-828-3836 or by email at dan@agr.state.vt.us.

### ***Small-Scale Systems***

This category includes clean energy systems totaling **no more than 15 kW** of AC rated capacity per installation such as microturbines, fuel cells, and CHP at residential or small commercial buildings. All projects must generate electricity and be grid-connected. Other similar-type systems not specifically listed above will also be considered.

The maximum grant award for this category is \$60,000 and requires a 50% match, no more than 25% of which can be in-kind match. Projects must be completed within 2 years of award. **A Grantee must receive their Certificate of Public Good (CPG) from the Public Service Board before any invoices or costs incurred for the project will be reimbursed by the CEDF. No more than 10% of a grant request may be for pre-development activities (see examples under Pre-Project Financial Assistance category).**

Solar electric, solar hot water, wind, and hydro systems **are not** eligible for funding under this category as incentives are currently available under the *VT Small-Scale Renewable Energy Incentive Program* for these types of systems. Additional information on this incentive program is available at: [www.nerc-vt.org](http://www.nerc-vt.org) or by calling the Renewable Energy Resource Center at 877-888-7372.

The grant may not be used to purchase used generating equipment, though the grant program may support upgrades of existing facilities with new equipment.

## ***Large-Scale Systems***

This category includes renewable energy and CHP projects **greater than 15 kW** in AC rated capacity. Renewable energy projects may include, but are not limited to: solar electric; hydroelectric; farm, landfill and sewer methane recovery; biomass power; and wind. This may include utility-scale installations. The installation of microturbines, fuel cells, and CHP systems at commercial, industrial, and institutional buildings are also eligible. All projects must generate electricity and be grid-connected.

The maximum grant award for this category is \$250,000 and requires a 50% match, no more than 25% of which can be in-kind match. Projects should be completed within 2 years of award. **A Grantee must receive their Certificate of Public Good (CPG) (or a FERC license, for hydropower projects, if required) from the Public Service Board before any invoices or costs incurred for the project will be reimbursed by the CEDF.** No more than 10% of a grant request may be for pre-development activities (see examples under Pre-Project Financial Assistance category).

Wind or solar electric systems that have already received or reserved incentive payments through the *VT Small-Scale Renewable Energy Incentive Program* are not eligible under this category, unless additional capacity of over 15 kW will be added to the existing system. Additionally, the grant may not be used to purchase used generating equipment, though the grant program may support upgrades of existing facilities with new equipment. Applicants should complete any necessary preliminary feasibility studies and resource assessments prior to applying for funding under this category.

On-farm projects cannot apply for funding under this category if they have received or plan to receive Vermont Agency of Agriculture, *Agricultural Economic Development Special Account* funding, unless the funding from the Agency is for pre-project assistance. Contact Dan Scruton at the Vermont Agency of Agriculture for additional information on the *Agricultural Economic Development Special Account* funding by phone at 802-828-3836 or by email at dan@agr.state.vt.us.

## ***Special Demonstration Projects***

This category includes projects that demonstrate and facilitate the development and commercialization of innovative renewable energy products, technologies, technology applications, and processes. These projects must be designed to focus on market building and technology deployment strategies as opposed to traditional research and development activities. Projects should also include the following: a technical and economic analysis of the technology application or demonstration; expected project impact on the near-term commercialization of this technology; and dissemination of project information to potential users of the technology.

The maximum grant award for this category is \$250,000 and requires a 50% match, no more than 25% of which can be in-kind match. Projects should be completed within 2 years of award. **A Grantee must receive their Certificate of Public Good (CPG), if required (or a FERC license, for hydropower projects, if required), from the Public Service Board before any invoices or costs incurred for the project will be reimbursed by the CEDF.** No more than 10% of a grant request may be for permitting-type activities.

The grant may not be used to purchase used generating equipment, though the grant program may support upgrades of existing facilities with new equipment.

## **INFORMATION REQUIRED FROM APPLICANTS**

Proposals should be prepared simply and economically, providing a straightforward, concise description of the applicant's ability to meet the requirements of the RFP. Fancy bindings, colored displays, promotional materials, and so forth are not desired. Emphasis should be on completeness and clarity of content. Information in the applicant's proposal that should be held confidential must be clearly marked as confidential and comply with an exemption from public inspection as per 1 V.S.A. § 317(c) (available online at: <http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=01&Chapter=005&Section=00317>). It is not acceptable to mark the entire proposal as confidential.

Grant proposals should be no longer than 15 pages, with no less than an 11-point font and one-inch margins. Resumes, letters of support, and the cover page **do not** count toward the 15-page limit. Other information, such as site maps, pictures, etc., count towards the 15-page limit.

Proposals must include at minimum the following information:

### **Cover Page**

**Applicants must complete the Cover Page included as Attachment 1 of this RFP and attach it to the front of the submitted proposal. Below are explanations of the information required on the Cover Page. This Cover Page is available as a separate document with form fields at [http://publicservice.vermont.gov/energy/ee\\_cleanenergyfund.html](http://publicservice.vermont.gov/energy/ee_cleanenergyfund.html) or can be obtained from the fund manager (anne.margolis@state.vt.us). Below are explanations of the information required on the Cover Page.**

### Project Title

Provide a descriptive title for the project.

### Project Category

State which project category (*Pre-Project Financial Assistance, Small-Scale System, Large-Scale System, Special Demonstration Project*) you are applying under.

### Project Summary

Provide a short paragraph describing the essential elements of your project.

### Identification of Applicant Organization

State the full name and address of the organization. Also list the main contact and his or her contact information.

### Identification of Subcontractors

If applicable, list any subcontractors that will perform, or assist in performing, the work, including their name, address, and contact information.

### Authorized Negotiator(s)

Include the name, phone number, and email address for individuals authorized to negotiate any and all aspects of the proposed grant with the State. One original hard copy of the proposal must be signed by a duly authorized representative of the party (or parties) submitting the proposal.

Electrical Output (not required for Pre-Project Financial Assistance applications):

Maximum installed generator capacity (kW):

Expected annual maximum capacity (kW):

Projected Annual kWh:

Capacity factor:

Thermal Output (CHP projects only; not required for Pre-Project Financial Assistance applications):

Fuel type:

Maximum heat delivery rate (Btu/hour):

Expected heat delivery rate (Btu/hour):

Expected annual Btus delivered:

Capacity factor:

Estimated CO<sub>2</sub> emission rate (in lbs/MMBtu of heat input):

Thermal source this project will displace (e.g., oil-fueled boiler) and an estimate of the CO<sub>2</sub> emission rate (lbs/mmBtu of heat input) of the displaced thermal source:

Expected Interconnection Date (not required for Pre-Project Financial Assistance applications)

Applicants must provide an estimate of when they expect to apply for and receive their Certificate of Public Good from the Public Service Board.

Estimated Project Life (not required for Pre-Project Financial Assistance applications)

Applicants must provide a project lifespan estimate, either from the equipment warranty information or a reasonable estimation based upon similar installations.

Estimated Payback Time (not required for Pre-Project Financial Assistance applications)

Applicants must provide an estimate of the project's payback period, in years.

Total Project Costs

Applicants must include the **total** project costs (this should also be included in the budget).

CEDF Funds Requested

Applicants must specify the amount of funds they are requesting from the CEDF towards their project.

**Personnel**

Applicants shall have demonstrable knowledge, skills, and experience as it relates to the required work. Proposals should include a description of the applicant's prior experience in all areas relevant to the project. The proposal must identify all persons that will be employed in the proposed work by skill and qualifications. Identify key personnel by name and title and provide a resume for each (resumes **do not** count toward the 15-page limit). Subcontractors must be listed, including the firm name and address and contact person (on the cover page as well), and complete description of work to be subcontracted. Include descriptive information concerning subcontractor's organization and abilities.

**Work Plan**

Describe in narrative form the plan for accomplishing the work required to complete the project. Indicate the number of hours allocated to each task and which staff member(s) will complete the tasks. Include a time-related chart showing each event, task, and decision point in the work plan. Also describe the plan for project oversight, quality assurance measures, and financial management and which staff member(s) will have this responsibility. Include a list of all permitting requirements for the project and whether any of the permits have been obtained.

Identify whether any pre-development activities, including feasibility studies, have been completed for the project. Any necessary preliminary feasibility studies and/or resource assessments should be completed prior to applications for funding under the Large-Scale Systems category.

### **Potential Energy Generation**

Applicants must specify how many kWh their project will generate annually and the project cost per kWh. A brief description of any assumptions used in this calculation (hours of operation, rated system capacity, etc.) should be included. The payback (in years) for the project must also be identified. This information is also required on the cover page.

### **Environmental, Economic, & Societal Impact**

Applicants should describe the specific environmental, economic, and societal benefits created through support of the project such as: the reduction in carbon dioxide and other greenhouse gas emissions and air pollutants; reduction of fossil fuel use; and the number of new jobs created. Applicants should be prepared to provide the calculations used for these estimates upon request. The U.S. EPA's Greenhouse Gas Equivalency Calculator may be used to provide an estimate of renewable electricity production project emissions reductions for the purposes of this section (available at: [www.epa.gov/cleanenergy/energy-resources/calculator.html](http://www.epa.gov/cleanenergy/energy-resources/calculator.html)).

Combined heat and power projects may use the calculator available at [www.epa.gov/chp/documents/chp\\_emissions\\_calc.xls](http://www.epa.gov/chp/documents/chp_emissions_calc.xls).

Installations at residential and commercial buildings must certify that the building has met required state energy codes. Applicants should also describe any high-performance or beyond code energy efficiency improvements that have been made or will be made in the buildings.

### **Budget Considerations**

Applicants must submit a proposed budget for the project and include narrative explanations. A budget worksheet that may be used by applicants is available at [http://publicservice.vermont.gov/energy/ee\\_cleanenergyfund.html](http://publicservice.vermont.gov/energy/ee_cleanenergyfund.html) or can be obtained from the fund manager ([anne.margolis@state.vt.us](mailto:anne.margolis@state.vt.us)). The following cost elements should be included:

Personnel (position, rate, hours)  
Travel (mileage can not exceed the state rate of \$0.585 per mile)  
Supplies & Materials  
Equipment  
Other (specify)  
Total Direct Costs  
Indirect Costs (may not exceed 23.64% of direct costs)  
BUDGET TOTAL

The budget must also include the applicant's cash and in-kind match for the project. For each cost element, the applicant must show what portion will be paid with CEDF funds and what portion will be paid with matching funds (designating cash versus in-kind match). There is a maximum award of \$100,000 for *Pre-Project Financial Assistance*, \$60,000 for *Small-Scale Systems*, and \$250,000 for *Large-Scale Systems* and *Special Demonstration Projects*.

*Pre-Project Financial Assistance* projects require a 20% cash match from applicants for projects requesting up to \$25,000 and a 50% cash match for projects requesting \$25,001 to \$100,000, no more than 25% of which can be in-kind match. All other projects require a 50% match, no more than 25% of which can be in-kind match. For example: If the total project cost for a large-

scale system project is \$400,000, no more than \$200,000 can be requested in funding from the CEDF, and the remaining \$200,000 must be met through match, with no more than \$50,000 from in-kind match.

For this grant solicitation, applicants' time/labor committed to the project is considered in-kind match. Subcontractors/third party **donated** labor/services, equipment, and materials would also be considered in-kind match.

All match (both cash and in-kind) must be necessary for the accomplishment of project objectives and must be applicable to the grant period (cash or time previously spent on the project cannot be used as match). All match must be documented and verifiable. Match greater than the required amounts is encouraged.

The CEDF will expect to share in any cost savings realized by the selected applicant. Therefore, the CEDF's final share of each line item expenditure will be paid out at the proportionate rate of participation as established by that line item in the grant budget and/or any approved amendment to the budget.

### **Additional Information**

Include any other information that is believed to be pertinent, but not specifically requested elsewhere in this RFP.

## **SELECTION CRITERIA**

The DPS and the CEDF Investment Committee will evaluate all proposals received based upon qualifications of the individuals proposed to perform the work, relevance of previous experience, completeness and quality of the proposal, how well the project meets the goals of the CEDF, reasonableness of cost, and any other criteria it deems relevant. Acceptance or rejection of any or all proposals will be determined by the exercise of the Department's sole discretion.

All proposals are subject to an evaluation by the DPS, the CEDF Investment Committee, and any other non-departmental reviewers deemed necessary. The DPS reserves the right (but in no way is obligated) to interview the top prospective candidates to aid in the selection process.

The award of the contract will be made based on the following criteria, assigning points to each criterion:

1. Experience & Qualifications (10 points)
  - Knowledge and/or experience in the relevant project area, including experience with similar projects.
  - Adequate capacity/staffing for the described work.
  - Previous experience with state or federal grants/contracts.
2. Work Plan (30 points)
  - Clarity and reasonableness of work plan, including definition and timeliness of tasks to be performed.
  - Plan and capacity for project control and financial management are sufficiently described (including a strategy to implement, operate, monitor, and evaluate the project).

3. Project Characteristics (30 points)
  - Suitability of the site for the proposed projects.
  - Project risks are relative to similar proposed projects.
  - Potential for replicability (the degree to which the project provides lessons applicable to other projects).
  - Potential for public visibility and/or plan for promoting the site/project.
  - kWh that will be generated and total project costs/kWh.
4. Environmental, Economic, and Social Impact (10 points)
  - Specific environmental, economic, and societal benefits are addressed (including contribution to reductions in greenhouse gas emissions and to the state's renewable energy objectives).
  - Project benefits public buildings and/or will be located in a transmission constrained area
  - Project includes high-performance design and/or energy efficiency improvements.
5. Budget (20 points)
  - Budget line items and amounts are sufficiently described and justified to explain the necessity of each item.
  - Costs are reasonable and competitive and payback justifies grant funding.
  - Degree of financial leverage (through funding obtained from the federal government, private investors, or other funding sources).
  - The need for financial assistance is well established/justified.

## **GENERAL TERMS AND CONDITIONS**

1. The DPS reserves the right to reject any and all proposals received as a result of this RFP for any reason, to waive minor irregularities in any proposals received, and to negotiate with any party in any manner deemed necessary to best serve the interests of the State.
2. The DPS shall not be responsible for any costs incurred by any party in preparation of any proposal submitted in response to this RFP.
3. The DPS reserves the right to amend or cancel this RFP at any time if the best interest of the State requires such action.
4. News releases pertaining to this RFP, grant award, or the project shall not be made without prior written approval from the DPS.
5. All parties submitting proposals shall be Equal Opportunity Employers. During the duration of the performance of this contract, the contractor will be expected to comply with all federal, state and local laws respecting non-discrimination in employment.
6. The DPS will pay for actual work performed and expenses incurred under this project up to the specified grant amount. Specific payment provisions will be arrived at upon mutual agreement of the parties. All payments will require the submission of an itemized billing of work performed to date in sufficient detail to justify payment.

7. In most instances, the grant payments made under this program will be treated as taxable income by the IRS and the State of Vermont. It is the responsibility of the recipient of this incentive payment to consult with their tax advisor to determine the correct treatment of these payments for Federal and State tax purposes.
8. If a selected applicant receives a Corporate Solar Tax Credit, pursuant to 32 V.S.A. § 5930z, from the State of Vermont for their project, they shall remit the equivalent dollar amount of the tax credit to the State of Vermont for use by the Clean Energy Development Fund.
9. The selected applicants shall agree to grant to the State a nonexclusive, irrevocable license to reproduce, translate, publish, use, and dispose of all material developed as a result of this project. The selected applicants further shall agree that they will not copyright any material developed as a result of the project.
10. Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations  
 Products and Completed Operations  
 Personal Injury Liability  
 Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence  
 \$1,000,000 General Aggregate  
 \$1,000,000 Products/Completed Operations Aggregate  
 \$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

11. The DPS assumes no liability in any fashion with respect to this RFP or any matters related thereto. All prospective contractors and their subcontractors or successors, by their participation in the RFP process, shall indemnify, save and hold the DPS and its employees and agents free and harmless from all lawsuits, causes of action, debts, rights, judgments, claims, demands, damages, losses and expenses or whatsoever kind in law or equity, known and unknown, foreseen and unforeseen, arising from or out of this RFP and/or any subsequent acts related thereto, including but not limited to the recommendation of a contractor and any action brought by an unsuccessful applicant.