

## **Request for Proposals for Compost Heat Recovery Projects:**

### **Questions and Answers**

#### **Question 1**

I trust the proposals will be required to address the methane emissions from compost. California is very concerned about the Megan's released by composting operations.

Btw: there is a solution.

<http://www.biochar-international.org/compost>

#### **Answer 1**

Reducing methane emissions from compost is outside the direct scope of the requested work. Quoting from the introduction to the RFP, the requested work is "...installations of equipment that recover heat from compost." Furthermore, "Proposed projects should promote the development and deployment of cost-effective, replicable technology that benefits Vermont electricity customers and/or users of heat energy."

However, one of the criteria is "Destruction of greenhouse gases, or reduction in amount of greenhouse gas emitted." This refers to emission reduction resulting from the operation of the equipment to recover heat from compost, which displaces the use of fossil fuels, rather than from the choice of ingredients in the compost, which can vary from batch to batch.

The questioner gives a link to a publication. The title of the publication is "The Use of Biochar in Composting," and the publication may be a useful reference for proposers.

#### **Question 2**

We have an existing Aerated Static Pile system in place and are looking to add on a heat recovery and distribution component. Does this disqualify us as a 'project already under construction'?

#### **Answer 2**

No, adding a heat recovery and distribution component does NOT disqualify the expense. The heat recovery and distribution are the new project, and not yet constructed.

**Question 3**

Is there any weighting applied to the various evaluation criteria?

**Answer 3**

No. The RFP simply states “All proposals will be evaluated based upon the evaluation criteria listed below...”

**Question 4**

Do you happen to have any union requirements and a start date?

**Answer 4**

We do not have union requirement.

The start date will be negotiated between the parties. All projects must be installed within 12 months of the start date.

**Question 5**

Do you maintain a bidder’s list regarding the project, i.e. a list of the companies bidding on the project?

**Answer 5**

A list of proposers can be made available by request after the award is made.

**Question 6**

For March 2 deadline, are both electronic and hard copies due at the PSB by 4pm or just electronic and then postmarked for mail for signed hard copy of application?

**Answer 6**

The RFP states:

**Proposals must arrive at the Public Service Department by 4 p.m. on Friday, March 2nd, 2018.** Proposals received after this time and date will not be considered.

The following documents must be delivered to the Clean Energy Development Fund:

1. One original, signed hard copy
2. An electronic copy, delivered by e-mail

As long as the electronic copy is delivered (via email to [andrew.perchlik@Vermont.gov](mailto:andrew.perchlik@Vermont.gov)) to the CEDF by 4 p.m. it is acceptable that the hard copy arrive after March 2ed provided it is postmarked on March 2ed. The two versions (electronic and hard copy) must be identical.

**Question 7**

If applications are submitted by March 2, what is the time frame for review and grant award(s)?

**Answer 7**

The amount of time to review will depend on the number and quality of proposals received. The goal is to decide and work with the selected proposer(s) to finalize a contract as quickly as possible – thus, some of the time will depend on the selected proposer(s). That said, it is

anticipated that a top proposal could be selected within one week and then it can be as short as a couple of weeks to negotiate and execute the grant agreement.

### **Question 8**

Once awards are made, can expenditures be made from an award effective date or only upon execution of a completed agreement with the applicant and PSB?

### **Answer 8**

To be clear, the State (Public Service Department) and the grantee will be the parties negotiating a grant agreement, not the PSB (the Public Service Board, which is the former name of the Public Utilities Commission).

Grant eligible expenditures are only reimbursable under a grant agreement if made after the Start Date listed in a grant agreement as executed.

### **Question 9**

For purposes of expenditure eligibility, the RFP describes up to 40% cost-sharing available for heat recovery and distribution equipment. Can you confirm eligible costs includes vapor collection, specialized heat exchangers, thermal storage and circulation components? Can you confirm that associated site expenses such as site work for driveways and a new greenhouse enclosure would be examples of what is not eligible?

### **Answer 9**

Yes, vapor collection, specialized heat exchangers, thermal storage, and circulation components are eligible costs. Yes, site expenses such as site work for driveways and a new greenhouse enclosure are good examples of ineligible costs.

### **Question 10**

For item 11 on the cover page - In calculating ROI, we typically perform this on a project's total capital cost, divided by annual savings (after operating costs). Some of the values are associated with avoided fossil fuel consumption through generating renewable thermal energy and improvements in process efficiency, with a more direct energy connection. Other values such as reduced labor and increased compost sales revenue have indirect benefits from compost aeration and heat recovery but are more difficult to connect to units of energy. Can we calculate ROI based on projected total costs and savings/revenues? If this is not the intent of the RFP, please provide guidance on this item.

### **Answer 10**

Item 11 on the cover page is "Estimated Payback Time (with and without CEDF funding)." Proposals may calculate the time it takes to pay back the investment as including all capital and all, net savings, or as energy-only capital investment and energy-only, net savings. Please describe your inputs or assumptions. Show your work. We reserve the right to review and question calculations.

Note that ROI (return on investment) is not requested. Properly used, the term denotes a ratio, i.e. a unitless number. Instead, the requested calculation results in an amount of time.

**Question 11**

For item 7 on the cover page – Rated Btu capacity is assumed to be maximum thermal output under certain operating conditions. Is this correct?

**Answer 11**

First, an apology is in order as the language in the RFP is in error.

The language in error on the cover page reads:

“Digester/compost heat recovery generation system rated capacity (kW and/or Btu).”

It should read:

“Compost heat recovery generation system rated capacity (kW and/or Btu per hour).”

Yes, proposals should include the maximum thermal output, in *Btu per hour*, (or kWh). It should be realistic and account for parasitic loads/losses. Stating the conditions necessary for that capacity to occur would be helpful.

**Question 12**

Estimated gross annual Btu is assumed to be the site-specific projection of “useful thermal energy” which encompasses the factors of generating potential, composting practices and volumes, and variable utilization of thermal energy across four seasons. This should be most helpful in determining potential economic value of the thermal energy. Is this correct?

**Answer 12**

The energy production, Btu and/or kilowatt-hours, is an estimate. The factors listed could well be part of a reasonable and comprehensible estimate.

**Question 13**

Are other state funds such as the VT Agency of Agriculture’s Best Management Program eligible to apply as a match?

**Answer 13**

Yes, that is an eligible match.

For each of the items under 1, 2, and 3 in the budget sheet, please describe the source of the matching (non-CEDF) funds.