



## REQUEST FOR PROPOSALS

# CLEAN HEAT STANDARD ASSESSMENT OF THERMAL SECTOR CARBON REDUCTION POTENTIAL IN VERMONT

DATE ISSUED: AUGUST 30, 2023  
RESPONDENT QUESTIONS DUE BY: SEPTEMBER 7, 2023  
RESPONSES TO QUESTIONS: SEPTEMBER 14, 2023  
RESPONDENT PROPOSALS DUE: SEPTEMBER 21, 2023

Contact:  
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## **INTRODUCTION**

The Vermont Department of Public Service (“PSD” or “Department”) is housed within the executive branch of Vermont state government and is charged with representing the public interest in energy, telecommunications, water, and wastewater utility matters.

The mission of the PSD is to serve all citizens of Vermont through public advocacy, planning, programs, and other actions that meet the public's need for least cost, environmentally sound, efficient, reliable, secure, sustainable, and safe energy, telecommunications, and regulated utility systems in the state for the short and long term.

PSD works to advance all Vermonters' quality of life, economy and security through implementation of our statewide energy and telecommunications goals, using sound statewide energy and telecommunications planning, robust advocacy of the public good, and strong consumer protection advocacy for individuals.

Vermont has a long history of delivering energy efficiency programs for both regulated and unregulated fuels. See the Vermont Comprehensive Energy Plan<sup>1</sup> (“CEP”) for an overview of Vermont’s Energy Efficiency Utilities which provide a suite of electric and natural gas efficiency services through funds collected via the energy efficiency charge as well as unregulated fuels efficiency programs funded through the Forward Capacity Market and Regional Greenhouse Gas Initiative (combined known as Thermal Energy and Process Fuels funds). Also, see the CEP for an overview of Renewable Energy Standard Tier III energy transformation programs delivered by Vermont’s electric Distribution Utilities. Additionally, see the CEP for an overview of the Clean Energy Development Fund which supports deployment of advanced wood heating systems intended to offset fossil fuel use.

The Vermont PSD seeks a Contractor or team of Contractors to conduct a thermal sector potential study. The results will be used in the implementation of Act 18 (the Affordable Heat Act) which became law on May 11, 2023. The Act established the framework for the Clean Heat Standard (“CHS”), which is intended to achieve proportional greenhouse gas reductions in Vermont’s thermal sector to meet the requirements of the Global Warming Solutions Act of 2020<sup>2</sup> (“GWSA”).

Prospective bidders must have extensive experience and demonstrated abilities in all aspects of conducting potential studies, including energy efficiency program delivery and design, strategies and principles for program cost-effectiveness screening, forecasting methodology, assessing and quantifying market barriers to program implementation (and specifically assessment of workforce capacity), and report writing. Bidders must demonstrate the ability to participate in the Vermont Public Utility Commission (“PUC” or “Commission”) stakeholder engagement process, produce draft and final deliverables on time and be willing to work closely with the Department and other stakeholders regularly.

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<sup>1</sup> [https://publicservice.vermont.gov/sites/dps/files/documents/2022VermontComprehensiveEnergyPlan\\_0.pdf](https://publicservice.vermont.gov/sites/dps/files/documents/2022VermontComprehensiveEnergyPlan_0.pdf)

<sup>2</sup> See 10 V.S.A. § 578.

## **PURPOSE AND MANAGEMENT STRUCTURE**

### *Purpose*

Under the Clean Heat Standard created under Act 18, obligated entities are required to reduce greenhouse gas emissions attributable to the Vermont thermal sector by retiring required amounts of clean heat credits to meet the thermal sector portion of the greenhouse gas emission reduction obligations of the Global Warming Solutions Act. Obligated parties include one regulated natural gas utility and, for other heating fuels, the entity that imports heating fuel (has ownership title to the heating fuel at the time it is brought into Vermont) for ultimate consumption within the State, or the entity that produces, refines, manufactures, or compounds heating fuel within the State for ultimate consumption within the State. A clean heat credit is defined by Act 18 as “a tradeable, nontangible commodity that represents the amount of greenhouse gas reduction attributable to a clean heat measure.” Clean heat measures are fuel delivered and technologies installed to end-use customers in Vermont that reduce greenhouse gas emissions from the thermal sector.

Section 8125(e)(1)(A) of Act 18 calls for the Department to conduct and complete a potential study no later than September 1, 2024. The primary objective of the potential study is the assessment and quantification of technical and economic potential as well as two types of achievable potential (maximum and program achievable) thermal sector resources. The results shall include a comparison to the legal obligations of the thermal sector portion of the requirements of the Global Warming Solutions Act (GWSA)”<sup>3</sup>. The potential study shall also consider and evaluate market conditions for delivery of clean heat measures within the State, including an assessment of current workforce characteristics, a business-as-usual forecast of capacity, and an assessment quantifying any anticipated gaps in meeting consumer demand as well as meeting the obligations of the GWSA.

The results of the potential study will be used in the context of the Commission’s Case 23-2221-INV<sup>4</sup>. This proceeding was opened July 1, 2023, pursuant to 30 V.S.A. § 8125(e)(1) to “establish the default delivery agent credit cost or costs and the quantity of credits to be generated for the subsequent three-year period” and directly related matters. Obligated entities can earn clean heat credits by delivering clean heat measures, contracting for the delivery of clean heat measures, or purchasing/trading clean heat credits to satisfy their obligation as determined by the PUC. However, prior approval from the Commission is required for any entity that wishes to meet its annual requirement using a method other than the default delivery agent. Among other things, the PUC proceeding will determine and establish clean heat measures, clean heat credits and their cost, and one or more default delivery agents. Note, Act 18 allows for inclusion of retro-active actions taken starting January 1, 2023.

The Department’s assessment of potential will inform the price and amount of clean heat measures that could reasonably occur in a three-year period (2026-2028) by obligated-party specific programs and a default delivery agent(s) as well as for a longer time horizon through 2050. However, the potential study will not determine the cost of a clean heat credit or the

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<sup>3</sup> 10 V.S.A. § 578(a)(2) and (3)

<sup>4</sup> <https://epuc.vermont.gov/?q=downloadfile/674355/190908>

budget for the default delivery agent(s). Those topics will be addressed through the PUC proceedings.

The scope of the analysis is the “thermal sector” which is the same as the Residential, Commercial and Industrial Fuel Use (“RCI”) sector used in the Vermont Greenhouse Gas Emissions Inventory and Forecast (“VGGEIF”). The RCI sector includes greenhouse gas emissions mainly from building energy use, and emissions in this sector are mostly from fuel oil, propane, and natural gas used for heating buildings, heating water, and cooking. Greenhouse gases accounted for in this sector include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Carbon dioxide from wood combustion is of biogenic origin and is not included in the VGGEIF totals for the RCI sector<sup>5</sup>.

Note, Vermont’s GWSA thermal sector emissions targets are based on emissions reductions at the end-use. Act 18 calls for clean heat credits to be calculated based on life cycle emissions. The Vermont Agency of Natural Resources is currently working with a contractor to assess life cycle emissions for various fuel pathways<sup>6</sup> and anticipates having this work complete by the end 2023.

Eligible clean heat measures delivered to or installed in residential, commercial, and industrial buildings in Vermont shall include: (1) thermal energy efficiency improvements and weatherization; (2) cold-climate air, ground source, and other heat pumps, including district, network, grid, microgrid, and building geothermal systems; (3) heat pump water heaters; (4) utility-controlled electric water heaters; (5) solar hot water systems; (6) electric appliances providing thermal end uses; (7) advanced wood heating; (8) non-combustion or renewable energy-based district heating services; (9) the supply of sustainably sourced biofuels; (10) the supply of green hydrogen; (11) the replacement of a manufactured home with a high efficiency manufactured home and weatherization or other efficiency or electrification measures in manufactured homes; and (12) line extensions that connect facilities with thermal loads to the grid. Note, clean heat measures shall not include switching from one fossil fuel to another fossil fuel use.

### *Management Structure*

The PSD will have a contract manager that will oversee contract execution. The PSD contract manager will be the point person for all contract monitoring, communication, and delivered work product associated with the scope of work, as well as assuring quality work product, timeliness, and review and approval of invoices. Monitoring will occur on an ongoing basis as part of bi-weekly meetings with the contractor’s project manager. The PSD contract manager will monitor the contractor’s activities and performance in order to detect and prevent problems, and to ensure the contract terms are met and State expenditures are appropriate, effective, and efficient.

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<sup>5</sup> Page 19 Vermont Greenhouse Gas Emissions Inventory and Forecast: 1990-2017:

[Vermont Greenhouse Gas Emissions Inventory Update 1990-2017 Final.pdf](#)

<sup>6</sup> [Lifecycle Analysis Pathways Demonstration and Discussion | Climate Change in Vermont](#)

## **AVAILABLE REPORTS AND INFORMATION**

The Department has the following reports available to inform bids and for use by the selected contractor during the study. Back up data from these and other available reports will be made available to the winning bidder upon request.

### **Act 18, The Affordable Heat Act**

- <https://legislature.vermont.gov/Documents/2024/Docs/ACTS/ACT018/ACT018%20As%20Enacted.pdf>

### **2022 Vermont Comprehensive Energy Plan**

- [https://publicservice.vermont.gov/sites/dps/files/documents/2022VermontComprehensiveEnergyPlan\\_0.pdf](https://publicservice.vermont.gov/sites/dps/files/documents/2022VermontComprehensiveEnergyPlan_0.pdf)

### **Thermal Sector Analysis**

- “The Analysis of Buildings/ Thermal Energy Sector Emissions Reduction Policies for Vermont”
  - o Report to be delivered to the Vermont Agency of Natural Resources October 2023

### **Past Potential Studies**

- 2022 Electric and Natural Gas Potential Study
  - o <https://epuc.vermont.gov/?q=downloadfile/632187/171403>
- 2014 Unregulated Delivered Fuels Potential Study
  - o [http://publicservice.vermont.gov/sites/dps/files/documents/Energy\\_Efficiency/VT%202014%20Unregulated%20Fuels%20Potential%20Study.pdf](http://publicservice.vermont.gov/sites/dps/files/documents/Energy_Efficiency/VT%202014%20Unregulated%20Fuels%20Potential%20Study.pdf)

### **Cost Effectiveness**

- Avoided Costs: Forecasts of natural gas and unregulated delivered fuels avoided costs, externalities, and non-energy benefits.
  - o <https://epuc.vermont.gov/?q=downloadfile/615689/160095>
- State Screening Tool: Latest state screening tool to ensure proper cost effectiveness calculations.
  - o <https://publicservice.vermont.gov/document/state-screening-tool-2023>
  - o [Fuel Switching Screening Tool Instructions \(efficiencyvermont.com\)](https://www.efficiencyvermont.com/fuel-switching-screening-tool-instructions)

### **Measure/ Market Characterization**

- Technical Reference Manual
  - o <https://publicservice.vermont.gov/document/efficiency-vermont-2022-savings-verification-trm>
- Market Research: Commercial and residential market baseline studies
  - o <https://publicservice.vermont.gov/efficiency/evaluations-and-studies>

### **Workforce**

- Clean Energy Industry Reports 2014-2022
  - o [Vermont Clean Energy Industry Reports | Department of Public Service](https://www.efficiencyvermont.com/clean-energy-industry-reports)
- U.S. Energy & Employment Jobs Report 2023 with Vermont data

- [USEER| U.S. Department of Energy](#)
- Workforce Development Findings
  - [Annual Progress Report for Vermont 2022](#) | Energy Action Network
- Weatherization Workforce Plan and Recommendations 2021
  - [Weatherization Workforce Plan](#) | Efficiency Vermont
- Clean Energy Careers
  - [Training & Education Directory](#) | Mass CEC
- Career Training Programs HVAC and Weatherization
  - [Job Skill Preparation](#) | Resource VT
- Wage and Benefits Data
  - [Wages, Benefits, and Change](#) | Energy Futures Initiative, BW Research Partnership, NASEO

## **STATEMENT OF WORK**

The major areas of focus for the scope of work shall include the following tasks:

- Task 1 - Kickoff meeting and revised work plan
- Task 2 – Modeling inputs and data collection
- Task 3 – Workforce estimate and job creation potential analysis
- Task 4 – Technical, economic, maximum achievable, and program achievable potential analysis
- Task 5 – Program achievable potential Act 18 optimization
- Task 6 - Reporting
- Task 7 - General administration and management

### **1. TASK 1: KICK-OFF MEETING AND REVISED WORK PLAN**

Respondents should propose a plan and process for kicking-off the project and submitting a revised work plan to the Department including the guidelines below. This meeting may occur virtually or in person, as soon as possible following the selection of a Contractor.

- Meet with PSD staff and any other stakeholders as determined by the PSD to ensure there is a common understanding of the project’s needs and the proposed work efforts and products.
- Identify data needs, data sources, and stakeholder assistance needed to effectively carry out the scope of work as well as meet the timelines associated with this work.

#### **Task 1: Anticipated Deliverables:**

Following the kick-off meeting, submit a revised work plan documenting the common understandings between the Contractors and the PSD. This plan should represent the detailed schedule for completion of interim products (e.g. any preliminary results) and final report products (e.g. the draft and final report, and final project databases).

## TASK 2: MODELING INPUTS AND DATA COLLECTION

Respondents should propose the scope of data collection and preparation needed including data needed to characterize the current state of the thermal market including but not limited to data needed to assess fuel switching, energy efficiency, electrification of thermal end uses, and emerging technologies.

Respondents should propose a plan and process for collecting and preparing the data needed for the project. The Department will be prepared to provide input on a variety of data and assumptions needed for the assessment. Bidders should consider incorporation of the following considerations in their proposals.

- Modeling inputs and assumptions
  - Potential study estimates should be provided for a 25-year timeframe, from 2026 through 2050 with an emphasis on near-term years 2026 through 2030.
  - Fuel switching (technologies, markets, and scenarios as needed)
  - Renewable fuels (technologies, markets, and scenarios as needed)
  - Emerging technologies
  - Emerging fuels
  - Program delivery equity in a variety of forms (sector, low and moderate income, energy burden, geographic)
  - Participation estimates
  - Cost effectiveness tests (at a minimum Societal Cost Test)
  - Avoided Costs
    - Fuel and clean heat measure annual and cumulative lifecycle emissions reductions
- Market characterization
  - Natural gas and delivered fuels sales (volume and price) forecasts
    - High, medium, and low forecasts
    - Adjusted for no future efficiency as needed
  - Sales forecast disaggregation
    - By fuel type, sector (residential, commercial/ industrial), end use, and building type (including residential income qualified/non-income-qualified).
  - Customer counts and demographics
  - Baseline market characteristics
- Measure characterization
  - Measure list and interactions
  - Measure adoption rates
  - Measure lifetimes, annual and cumulative energy savings and emissions reductions, O&M impacts, and incremental costs
  - Measure incentive, non-incentive, and administrative costs
  - Insights from past program performance and Vermont specific EM&V results
  - Net to Gross ratios



## **Task 2: Anticipated Deliverables:**

Summary of modeling inputs and assumptions, natural gas and delivered fuels sales forecasts, characterization of current market, measure database containing the following elements for each measure: a brief measure description, average per unit energy savings, clean heat measure annual and cumulative emissions reduction impacts, incremental and total measure costs, measure lifetimes, and discussion of data needed but unavailable. Presentation of modeling assumptions to the Department and stakeholders with opportunity for comments, questions, and subsequent revisions based on feedback.

## **TASK 3: WORKFORCE ESTIMATE ANALYSIS**

Respondents should propose a scope and method(s) for evaluating market conditions for delivery of clean heat measures within the State, including an assessment of workforce characteristics capable of meeting consumer demand and meeting the obligations of the GWSA of 2020. Respondents should propose a method to characterize the current state of the thermal sector workforce as well as a business-as-usual (BAU) forecast of capacity (current state and BAU forecast.) The proposed method should identify available data and specify current thermal sector trades, current number of firms and workers as well as secondary and postsecondary trade school feeder capacity and applicable professional certifications/ training capacity.

At minimum, the proposal should consider the following.

1. Recent historical data from Vermont’s past Clean Energy Industry Reports (see link in section titled *Available Information and Reports* above.)
2. Vermont’s licensing of clean heat technicians including the current regulatory hurdles associated with cross-training certified oil and gas technicians who are attempting to obtain a plumbing or electrician specialist license “S- License” as well as oil and gas technicians seeking to get Building Performance Institute (“BPI”) certified.
3. Entities that have been, are currently and continue to train and develop the clean heat workforce. For example, the Heating & Cooling Contractors of Vermont (“HCCV”) and the Vermont Fuel Dealers Association (“VFDA”) provide technical training for Vermont’s thermal energy workforce. Efficiency Vermont provides training through its Efficiency Excellence Network and is also using American Rescue Plan Act funding to support Weatherization training at VFDA, Vermont Adult Learning and ReSource. Also, with \$1.7 million in seed funding Department of Energy, the Office of Economic Opportunity’s Weatherization Program is developing a business model for a statewide weatherization training center in collaboration with Vermont Works for Women, ReSOURCE, Vermont Adult Learning, Vermont Technical College, and Vermont Adult Career & Technical Education Center Association. This training center will seek to support weatherization and other construction trades in recruiting, training, and placing workers in careers<sup>7</sup>.

Respondents should also include the development of a thermal sector workforce forecast needed to meet the GWSA. The GWSA thermal sector workforce forecast should be compared to the business-as-usual forecast described above. If the comparison shows gaps in workforce characteristics and capacity needed to meet GWSA, then the respondents should

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<sup>7</sup> [Vermont Office of Economic Opportunity Project Summary \(energy.gov\)](https://energy.vermont.gov/energy-projects/energy-opportunity-project-summary)

include an estimate of remaining capacity, costs, and pace needed to fill workforce gaps (including but not limited to quantification of the gaps, market uplift drivers, incremental workforce development needed including recruitment and trainings.)

**Task 3: Anticipated Deliverables:**

Summary of current state of the thermal sector workforce and a BAU forecast. Analysis of BAU thermal sector workforce forecast’s ability to meet customer demand and meeting the obligations of the Global Warming Solutions Act of 2020. Characterization of future state of the thermal sector workforce including modeling inputs, assumptions, types of market interventions, and costs.

**TASK 4: TECHNICAL, ECONOMIC, MAXIMUM ACHIEVABLE, AND PROGRAM ACHIEVABLE POTENTIAL ANALYSIS**

Respondents should propose methodologies and key considerations needed to estimate the following levels of potential for clean heat measures that will reduce consumption of natural gas and delivered fuels.

- Technical Potential
- Economic Potential<sup>8</sup>
- Achievable Potential
  - o Maximum Achievable
  - o Program Achievable

Respondents should consider the following elements in their proposals.

- Clearly define each level of potential
- Specify how baseline sales forecasts will be calibrated and how potential will be measured against the baseline
- Include as assessment of how each level of potential compares to emission reductions required under the GWSA
- At minimum, potential should be stated in terms of net societal benefit, annual and cumulative energy savings, as a percent of energy sales (annual and cumulative), annual and cumulative emission reductions.
- Consider sensitivity of efficiency measure cost effectiveness to potential changes in avoided costs.

**Task 4: Anticipated Deliverables:**

Summary memo and slide deck describing forecast calibration results and supporting documentation in spreadsheet format; databases showing the inputs and results of the calculations of technical, economic, maximum and program potential, including benefit/cost screening results and annual and cumulative emissions reductions compared to emission reductions required under the GWSA. Presentation of potential study results to the Department and stakeholders with opportunity for comments, questions, and subsequent revisions based on feedback.

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<sup>8</sup> As assessment of economic potential is not required by Act 18. However, respondents should propose assessing economic potential with at least the Societal Cost Test.

## **TASK 5: PROGRAM ACHIEVABLE POTENTIAL ACT 18 OPTIMIZATION**

Respondents should propose methodologies and key considerations needed to estimate program achievable potential that is optimized to meet the requirements of Act 18. Optimization should use Program Achievable Potential assessed in Task 4 as the “base case”. Respondents should propose methods and approaches to model Act 18 Program Achievable Potential including but not limited to the following Act 18 optimizations.

- An assessment of workforce characteristics capable of meeting consumer demand and meeting the obligations of GWSA from Task 3
- Prioritize customers with low income and moderate income and those households with the highest energy burdens
- Prioritize residents of manufactured homes, and renter households with tenant-paid energy bills
- Maximize the use of available federal funds to deliver clean heat measures
- Disaggregation of potential for multiunit dwellings, condominiums, rental properties, commercial and industrial buildings, and manufactured homes
- Sequencing and pacing of emissions reductions potential to balance equity and workforce objectives meet the targets of the GWSA most cost effectively.

### **Task 5: Anticipated Deliverables:**

Summary memo and slide deck describing Act 18 optimization results and supporting documentation in spreadsheet format; databases showing the inputs and results of the calculations of Act 18 program potential. Benefit/cost screening results, annual and cumulative emissions reductions compared to the other potential scenarios as well as compared to GWSA. Presentation of Act 18 optimization results to the Department and stakeholders with opportunity for comments, questions, and subsequent revisions based on feedback.

## **TASK 6: REPORTING**

Respondents should detail proposals for reporting including summary of preliminary and final modeling assumptions, preliminary and final results memos associated with Tasks 4 and 5, draft final overall report, and final overall report including review process and iteration with the Department and stakeholders. Participation in the PUC proceeding and associated work products, including presentations.

### **Task 6: Anticipated Deliverables:**

Ongoing deliverables will include status reports, task results memos as needed, and data summaries. Key project completion deliverables will include a summary of preliminary and final modeling assumptions, preliminary and final results memos associated with Tasks 4 and 5, draft final overall report, and final overall report. Presentations as needed as part of the PUC process, including at least one presentation of the final results. Participation in PUC process and presentations may occur virtually or in person.

In addition, outside the PUC process, respondents should include up to 3 virtual presentations of the final results to audiences to be determined by the Department.

**TASK 7: GENERAL ADMINISTRATION AND MANAGEMENT**

Respondents should include in their proposal a project manager that will be the lead in terms of communication with the Department. Management responsibilities should include regular, bi-weekly (at a minimum) project updates with the Department’s project manager, in which the Contractor and the Department will have a conference telephone call in which the Contractor will provide a project progress review.

**Task 7: Anticipated Deliverables:**

Expected results should be proposed according to the timeline below.

**PROJECT TIMELINE**

Respondents should propose an expanded and more detailed timeline for completing the project, informed by the key milestone dates below.

<b>Key Deliverables</b>	<b>Deliverable</b>
Kick-off Meeting	TBD Week of October 23-27, 2023
Task 2	Initial Draft – December 14, 2023 Final Draft – January 25, 2024
Tasks 3 and 4	Initial Draft – April 18, 2024 Final Draft – May 16, 2024
Task 5	Initial Draft – May 23, 2024 Final Draft – June 27, 2024
Final Report	Initial Draft – July 18, 2024 Final Report – August 15, 2024

**DATABASES FROM PROJECT**

Data entry procedures shall be developed to ensure data quality and consistent entry of all fields. Data shall be submitted to the Department in a mutually acceptable, commonly usable electronic format, along with a documented data dictionary describing the database contents. Proposals should discuss any suggested database to be used and the data quality procedures planned.

The selected Contractor will deliver, at a minimum:

The screening tool used to develop measure benefits and costs over the measure life. This screening tool will be a transparent, functioning MS Excel workbook or other format.

## **BUDGETS**

Respondents should clearly outline proposed budgets by task for the total project. Any optional tasks should be clearly labeled as such.

Hourly rates should be clearly identified and should remain the same for the duration of the project. For reimbursable travel expenses (such as mileage, airfare, lodging, meals) the bidder should include costs as part of their fixed or hourly rates. In addition, the total cost of reimbursable travel expenses should be separately stated.

The total budget for this effort is **\$250,000** (justification should be provided for proposals exceeding this amount). The Department reserves the right to award less than this amount or to forgo making an award altogether (see Terms and Conditions).

## **RFP RESPONSE REQUIREMENTS**

All questions regarding this RFP should be directed to Brian Cotterill, PSD Division of Efficiency and Energy Resources, in writing no later than close of business (4:30PM EST) on **September 7, 2023** at the contact information provided below. Responses to questions will be posted on the Department's website by close of business on **September 14, 2023**.

Each proposal submission must include one hard copy with original signature and one electronic copy (via email preferred). Proposals should be addressed to:

Brian Cotterill, Energy Program Specialist III  
Division of Efficiency and Energy Resources  
Vermont Public Service Department 112 State Street  
Montpelier, VT 05620-2601  
Phone: (802) 828-3212  
Fax: (802) 828-2342  
Email: [brian.cotterill@vermont.gov](mailto:brian.cotterill@vermont.gov)

Both the hard copy and electronic copy of proposals are due to the Department on **September 21, 2023**, at 4:30PM EST with the goal of selecting a Contractor by **October 5, 2023**. The Contractor selection process will be conducted by a Proposal Review Team comprised of Department staff. The Team will follow all rules and procedures required under the State of Vermont's acquisition guidelines. Once a Contractor has been selected, the Department will notify all respondents of their status. Successful bidders must be available to begin work immediately following execution of a contract.

The proposal should present a clear understanding of the issues to be addressed and a description of how the bidders proposed approach will accomplish the evaluation goals. The proposal should include the following sections:

1. Introduction
2. Understanding of the research goals and associated issues

3. Overview of the proposed approach
4. Detailed Task descriptions
5. Description suggested database to be used and the data quality procedures planned
6. Task and total project budget that includes a listing of all staff assigned to the project, including project manager, and their time allocations and billing rates
7. Timeline
8. Qualifications of firm(s), including management and staff structure
9. Qualification of individuals
10. Descriptions of similar projects
11. References, including a short description of the work performed for such references
12. Sample report from prime contractor
13. Completion of Certificate of Compliance attached to this RFP

*Bidder Confidentiality and Access to Public Records:*

All bidders are hereby notified that all responses and other information disclosed in connection with this RFP become the property of the State and, once the resulting Contract is finalized, may be subject to disclosure under the State's Access to Public Records Law, 1 V.S.A. § 315et seq. Accordingly, bidders are instructed to identify any material included in the response that is considered by the bidder to be proprietary or otherwise exempt from public disclosure in the event of a Public Records request, pursuant to 1 V.S.A. § 317(c). In such instances the bidder must include a written explanation for each marked section that would support a reasonable claim of exemption, such as, for example, a description of the proprietary nature of the information and the harm that would occur should the material be disclosed. Additionally, if such material is included in the bid to this RFP the bidder must include a redacted copy of its response to this RFP. Redactions must be limited so that the reviewer may understand the nature of the information being withheld. It is typically inappropriate to redact entire pages, or to redact the titles/captions of tables and figures. Under no circumstances can the entire response or price information be marked confidential.

## **GENERAL REQUIREMENTS**

The Contractor hired must meet the following General Requirements:

1. Contractor(s) must have extensive experience and demonstrated abilities in all relevant aspects of energy efficiency program delivery and design, including strategies and principles for program cost-effectiveness screening, forecasting methodology, rate and bill impact analysis, and report writing. Contractors should possess a good knowledge of energy efficiency program design, implementation, monitoring, verification, and evaluation.
2. Contractor(s) must be fully conversant with current energy efficiency information technology systems, DSM tracking systems, and applications.
3. Contractor(s) must disclose in their proposal any conflicts of interest or potential conflicts of interest including if the contractor(s) are currently under contract with a Vermont EEU, DU, or obligated party under Act 18.
4. Contractor(s) must be available to begin work immediately after the contract is awarded and commit to work completion as soon as possible.

5. A lead contractor and lead contact person must be identified in joint proposals.
6. Proposals should clearly identify any Vermont based firms that may be included as sub-contractors.

## **PERFORMANCE**

Contractor must agree to the following performance measure language:

1. Relationships – work well with PSD staff, petitioners, opponents, and the general public.
2. Quality – written work (including research) is well-written, clear and thorough and delivered on a timely basis.
3. Timeliness – submits all work in advance of deadlines to allow adequate time for PSD review and production.

In the event the quality of work described above were to deteriorate in any way, a request would be made that the work be resubmitted immediately at no additional charge to the Department. If there were not an immediate improvement in the overall quality of work, the Contractor would no longer be retained by the Department.

## **SELECTION CRITERIA**

The PSD will evaluate the respondents proposals according to the criteria listed below. This list is not necessarily provided in order of relative importance.

1. Responsiveness/thoroughness and practicality of the proposed approach in meeting the research objectives and for completing the tasks described in this RFP.
2. Experience of *key personnel* in successfully completing similar research and ability to provide on-time, in-budget research.
3. Experience of *the contractor* in successfully completing similar research and ability to provide on-time, in-budget research.
4. The proposal presentation with respects to the following representations / discussions:
  - Clear understanding of study requirements
  - Technical expertise to conduct the research
  - Ability to provide high-quality written analysis and reports
  - Quantity and quality of work relative to specified budget
5. Past performance of the respondent and any proposed subcontractors.
6. Quality and completeness of the proposal (in terms of coverage, organization, graphics, grammar, spelling, etc.). The quality of the proposal (along with the sample report) will be considered an indication of the likely appearance of deliverables from the respondent.
7. Price.

**ATTACHMENT C: STANDARD STATE PROVISIONS  
FOR CONTRACTS AND GRANTS  
REVISED DECEMBER 15, 2017**

**1. Definitions:** For purposes of this Attachment, “Party” shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement. “Agreement” shall mean the specific contract or grant to which this form is attached.

**2. Entire Agreement:** This Agreement, whether in the form of a contract, State-funded grant, or Federally-funded grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.

**3. Governing Law, Jurisdiction and Venue; No Waiver of Jury Trial:** This Agreement will be governed by the laws of the State of Vermont. Any action or proceeding brought by either the State or the Party in connection with this Agreement shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Party irrevocably submits to the jurisdiction of this court for any action or proceeding regarding this Agreement. The Party agrees that it must first exhaust any applicable administrative remedies with respect to any cause of action that it may have against the State with regard to its performance under this Agreement. Party agrees that the State shall not be required to submit to binding arbitration or waive its right to a jury trial.

**4. Sovereign Immunity:** The State reserves all immunities, defenses, rights or actions arising out of the State’s sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of the State’s immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the State’s entry into this Agreement.

**5. No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the State withhold any state or Federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.

**6. Independence:** The Party will act in an independent capacity and not as officers or employees of the State.

**7. Defense and Indemnity:** The Party shall defend the State and its officers and employees against all third party claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party in connection with the performance of this Agreement. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The State retains



the right to participate at its own expense in the defense of any claim. The State shall have the right to approve all proposed settlements of such claims or suits.

After a final judgment or settlement, the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party in connection with the performance of this Agreement.

The Party shall indemnify the State and its officers and employees if the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party or an agent of the Party in connection with the performance of this Agreement.

Notwithstanding any contrary language anywhere, in no event shall the terms of this Agreement or any document furnished by the Party in connection with its performance under this Agreement obligate the State to (1) defend or indemnify the Party or any third party, or (2) otherwise be liable for the expenses or reimbursement, including attorneys' fees, collection costs or other costs of the Party or any third party.

**8. Insurance:** 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 this 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. Vermont will accept an out-of-state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy, if necessary to comply with Vermont law.

*General Liability and Property Damage:* With respect to all operations performed under this Agreement, 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 Each Occurrence
- \$2,000,000 General Aggregate
- \$1,000,000 Products/Completed Operations Aggregate
- \$1,000,000 Personal & Advertising Injury

*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 \$500,000 combined single limit. If performance of this

Agreement involves construction, or the transport of persons or hazardous materials, limits of coverage shall not be less than \$1,000,000 combined single limit.

*Additional Insured.* The General Liability and Property Damage coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

*Notice of Cancellation or Change.* There shall be no cancellation, change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written prior written notice to the State.

**9. Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all representations made by the Party in accordance with this Agreement, including but not limited to bills, invoices, progress reports and other proofs of work.

**10. False Claims Act:** The Party acknowledges that it is subject to the Vermont False Claims Act as set forth in 32 V.S.A. § 630 *et seq.* If the Party violates the Vermont False Claims Act it shall be liable to the State for civil penalties, treble damages and the costs of the investigation and prosecution of such violation, including attorney's fees, except as the same may be reduced by a court of competent jurisdiction. The Party's liability to the State under the False Claims Act shall not be limited notwithstanding any agreement of the State to otherwise limit Party's liability.

**11. Whistleblower Protections:** The Party shall not discriminate or retaliate against one of its employees or agents for disclosing information concerning a violation of law, fraud, waste, abuse of authority or acts threatening health or safety, including but not limited to allegations concerning the False Claims Act. Further, the Party shall not require such employees or agents to forego monetary awards as a result of such disclosures, nor should they be required to report misconduct to the Party or its agents prior to reporting to any governmental entity and/or the public.

**12. Location of State Data:** No State data received, obtained, or generated by the Party in connection with performance under this Agreement shall be processed, transmitted, stored, or transferred by any means outside the continental United States, except with the express written permission of the State.

**13. Records Available for Audit:** The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

**14. Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement.

**15. Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

**16. Taxes Due to the State:**

- A. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- B. Party certifies under the pains and penalties of perjury that, as of the date this Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- C. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- D. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

**17. Taxation of Purchases:** All State purchases must be invoiced tax free. An exemption certificate will be furnished upon request with respect to otherwise taxable items.

**18. Child Support:** (Only applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date this Agreement is signed, he/she:

- A. is not under any obligation to pay child support; or
- B. is under such an obligation and is in good standing with respect to that obligation; or
- C. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

**19. Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party shall be responsible and liable to the State for all acts or omissions of subcontractors and any

other person performing work under this Agreement pursuant to an agreement with Party or any subcontractor.

In the case this Agreement is a contract with a total cost in excess of \$250,000, the Party shall provide to the State a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54).

Party shall include the following provisions of this Attachment C in all subcontracts for work performed solely for the State of Vermont and subcontracts for work performed in the State of Vermont: Section 10 ("False Claims Act"); Section 11 ("Whistleblower Protections"); Section 12 ("Location of State Data"); Section 14 ("Fair Employment Practices and Americans with Disabilities Act"); Section 16 ("Taxes Due the State"); Section 18 ("Child Support"); Section 20 ("No Gifts or Gratuities"); Section 22 ("Certification Regarding Debarment"); Section 30 ("State Facilities"); and Section 32.A ("Certification Regarding Use of State Funds").

**20. No Gifts or Gratuities:** Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

**21. Copies:** Party shall use reasonable best efforts to ensure that all written reports prepared under this Agreement are printed using both sides of the paper.

**22. Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in Federal programs, or programs supported in whole or in part by Federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>

**23. Conflict of Interest:** Party shall fully disclose, in writing, any conflicts of interest or potential conflicts of interest.

**24. Confidentiality:** Party acknowledges and agrees that this Agreement and any and all information obtained by the State from the Party in connection with this Agreement are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq.

**25. Force Majeure:** Neither the State nor the Party shall be liable to the other for any failure or delay of performance of any obligations under this Agreement to the extent such failure or delay shall have been wholly or principally caused by acts or events beyond its reasonable control rendering performance illegal or impossible (excluding strikes or lock-outs) ("Force Majeure"). Where Force Majeure is asserted, the nonperforming party must prove that it made all reasonable efforts to remove, eliminate or minimize such cause of delay or damages, diligently pursued performance of its obligations under this Agreement, substantially fulfilled all non-excused obligations, and timely notified the other party of the likelihood or actual occurrence of an event described in this paragraph.

**26. Marketing:** Party shall not refer to the State in any publicity materials, information pamphlets, press releases, research reports, advertising, sales promotions, trade shows, or marketing materials or similar communications to third parties except with the prior written consent of the State.

**27. Termination:**

- A. Non-Appropriation:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by Federal funds, and in the event Federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
- B. Termination for Cause:** Either party may terminate this Agreement if a party materially breaches its obligations under this Agreement, and such breach is not cured within thirty (30) days after delivery of the non-breaching party's notice or such longer time as the non-breaching party may specify in the notice.
- C. Termination Assistance:** Upon nearing the end of the final term or termination of this Agreement, without respect to cause, the Party shall take all reasonable and prudent measures to facilitate any transition required by the State. All State property, tangible and intangible, shall be returned to the State upon demand at no additional cost to the State in a format acceptable to the State.

**28. Continuity of Performance:** In the event of a dispute between the Party and the State, each party will continue to perform its obligations under this Agreement during the resolution of the dispute until this Agreement is terminated in accordance with its terms.

**29. No Implied Waiver of Remedies:** Either party's delay or failure to exercise any right, power or remedy under this Agreement shall not impair any such right, power or remedy, or be construed as a waiver of any such right, power or remedy. All waivers must be in writing.

**30. State Facilities:** If the State makes space available to the Party in any State facility during the term of this Agreement for purposes of the Party's performance under this Agreement, the Party shall only use the space in accordance with all policies and procedures governing access to and use of State facilities which shall be made available upon request. State facilities will be made available to Party on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

**31. Requirements Pertaining Only to Federal Grants and Subrecipient Agreements:** If this Agreement is a grant that is funded in whole or in part by Federal funds:

- A. Requirement to Have a Single Audit:** The Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in Federal assistance during its fiscal year and must

be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or more in Federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

- B. Internal Controls:** In accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- C. Mandatory Disclosures:** In accordance with 2 CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.

### **32. Requirements Pertaining Only to State-Funded Grants:**

- A. Certification Regarding Use of State Funds:** If Party is an employer and this Agreement is a State-funded grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party’s employee’s rights with respect to unionization.
- B. Good Standing Certification (Act 154 of 2016):** If this Agreement is a State-funded grant, Party hereby represents: (i) that it has signed and provided to the State the form prescribed by the Secretary of Administration for purposes of certifying that it is in good standing (as provided in Section 13(a)(2) of Act 154) with the Agency of Natural Resources and the Agency of Agriculture, Food and Markets, or otherwise explaining the circumstances surrounding the inability to so certify, and (ii) that it will comply with the requirements stated therein.

(End of Standard Provisions)

**ATTACHMENT D**  
**Other Provisions**

1. **Work Product Ownership.** Upon full payment by the State, all products of the Contractor's work, including outlines, reports, charts, sketches, drawings, art work, plans, photographs, specifications, estimates, computer programs, or similar documents, become the sole property of the State of Vermont and may not be copyrighted or resold by Contractor.
2. **Prior Approval/Review of Releases.** Any notices, information pamphlets, press releases, research reports, or similar other publications prepared and released in written or oral form by the Contractor under this contract shall be approved by the State prior to release.
3. **Ownership of Equipment.** Any equipment purchased or furnished by the State to Contractor under this contract is provided on a loan basis only and remains the property of the State.
4. **Confidential Information.** Contractor agrees to keep confidential all information produced or acquired by Contractor in connection with this Contract. Contractor will take reasonable measures as are necessary to restrict access to this information to employees or agents who must have the information on a “need to know” basis. The Contractor shall promptly notify the State of any third party request for this information so that the State may act to protect its confidentiality.