

How to Use FAC89designatedDCAMM: The Demand Response Services Contract

Contract #: FAC89designatedDCAMM Contract Duration: 06/01/16 to 05/31/18

MMARS #: FAC89* Options to renew: Up to 4 options to renew (one year each)

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This contract contains: **Small Business Purchasing Program (SBPP), Supplier Diversity Office SDO Contractors and Environmentally Preferable Products (EPP)**

Last change date: 12/11/15

Contract Summary

Demand response (DR) is a temporary reduction or shift in a facility’s electricity use by switching to on-site emergency generators, load curtailment (temporarily turning off non-essential equipment) or other means during the hours when the electrical grid experiences peak demand (e.g. hot summer days). By participating in demand response programs facilities help the electrical grid manage increased demand for power during critical times and, in return, receive financial compensation for participation.

This contract enables Eligible Entities to access such financial incentives by engaging a contractor who will:

- Enroll and manage the participation of Eligible Entity facilities (hereinafter “Customer Assets”) in the ISO New England (ISO-NE) Demand Response Program.
- Provide support services for current and future assets enrolled and to be enrolled by the Commonwealth in the Forward Capacity Market.

The contractor must provide all equipment, devices, data collection, testing and any additional products and/or services necessary to make all Customer Assets eligible and to enroll them in the ISO-NE Demand Response Programs. Furthermore, beginning with the Customer Asset’s enrollment in a DR Program, the contractor, will manage all aspects of participation in said Program, including but not limited to all obligation management, notification of appropriate Eligible Entity employees for events, and transfer of funds to the Eligible Entity. The Eligible Entity will be responsible for the reliability of their generators and the facility electrical systems.

Benefits and Cost Savings

- **Revenue Generating Contract** – This contract is designed as a user-friendly way to bring Eligible Entities revenue for their participation in demand response programs.

- **No Upfront Cost** – Eligible Entities do not incur any upfront cost for assessing the feasibility of their participation in the program or for enrolling in the program. The Contractor is responsible for those costs.
- **Reduction in Calculated Electricity Rates** – Some utilities calculate the rates they charge customers based on their energy demand during peak hours. Participation in demand response programs during those hours reduces the facilities’ peak energy demand and, as a result, helps reduce the rates they pay for electricity throughout the year.

Who Can Use This Contract?

Applicable Procurement Law: MGL c. 7, § 22; c. 30, § 51, § 52; 801 CMR 21.00

Eligible Entities:

01. Cities, towns, districts, counties and other political subdivisions
02. Executive, Legislative and Judicial Branches, including all Eligible Entities and elected offices therein;
03. Independent public authorities, commissions and quasi-public agencies
04. Local public libraries, public school districts and charter schools;
05. Public Hospitals, owned by the Commonwealth;
06. Public institutions of high education
07. Public purchasing cooperatives;
08. Non-profit, UFR-certified organizations that are doing business with the Commonwealth;
09. Other states and territories with no prior approval by the State Purchasing Agent required; and
10. Other entities when designated in writing by the State Purchasing Agent.

Pricing and Purchase Options

Purchase Options: This contract is not associated with any expenditures on the part of the Eligible Entity. The Contractor is paid by taking a percentage of the ISO-NE payment for the Eligible Entity’s participation in the demand response program.

Eligible Entity Classification for This Contract: For the purpose of this contract, all Eligible Entities are divided into two groups based on their relationship with the Division of Capital Asset Management and Maintenance (DCAMM):

- **DCAMM Controlled**, which includes Executive, Legislative and Judicial Branches, including all Departments and elected offices therein, and public hospitals owned by the Commonwealth. For all those Eligible Entities, DCAMM will serve as the point of contact for establishing initial communication, Customer Asset enrollment and all payments. DCAMM authorization is required for the Contractor to enroll Customer Assets belonging to a DCAMM Controlled Eligible Entity.

To use this contract, DCAMM Controlled Eligible Entities must sign an agreement with DCAMM that will commit them to full participation and performance for the duration of their enrollment. The Agreement outlines certain responsibilities including but not

limited to: operation of generators and permitting requirements, general maintenance expectations, access to utility billing information and maintaining up to date contact information for purposes of response notification.

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- **Non-DCAMM Controlled**, which includes all other Eligible Entities listed (e.g. cities, towns, public schools, etc.). Non-DCAMM Controlled Eligible Entities do not need to sign any agreement with DCAMM. They may engage the Contractor directly and must establish direct payment relationships with the Contractor.

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Independent public authorities, commissions and quasi-public agencies and public institutions of higher education have an option to join the DCAMM Controlled group.

Process for Engaging the Contractor: The process starts with DCAMM (or the individual Non-DCAMM Controlled Eligible Entity) requesting that the Contractor examine the feasibility of adding a specific Customer Assets to the DR Program. Once the Contractor and the Eligible Entity determine that it is feasible to enroll the Customer Asset, the parties will agree to a compensation using the best available information at the time of the agreement.

The contractor must successfully enroll the Customer Asset in ISO-NE's demand response program within 60 days of such agreement unless otherwise agreed with the Eligible Entity. DCAMM and other Eligible Entities reserve the right to decline any offer and/or seek additional demand response service providers if doing so is in the best interest of the Commonwealth.

For organizations using COMMBUYS: No action is required in COMMBUYS to engage the vendor for Demand Response Services. Engaging the contractor for Forward Capacity Market Services in which the Eligible Entity is expected to remit payment should be processed as a Release Requisition/PO. The catalog item for the purchase can be located by: PO# PO-16-1019-DCP08-ENR01-00000006357; Vendor ID: 00010437, or description search: "Forward Capacity Market Services."

Demand Response Pricing: For the duration of their enrollment, Eligible Entities are to be paid quarterly a percentage of all payments made by ISO-NE for the Customer Assets enrolled under this contract. The Price Sheet posted under the "Vendor(s)" tab for the Contractor provides the percentage share of ISO-NE payments current DCAMM Assets receive.

For new facility enrollments, the Contractor may update the percentage share of ISO-NE payments based on a mutual agreement between the Contractor and the Eligible Entity. All demand response payments for DCAMM Controlled Eligible Entities must be sent to DCAMM for deposit into an account specified by the Commonwealth. Payments to Non-DCAMM Eligible Entities must be made directly to each Eligible Entity based on their specifications.

The cost of all penalties from ISO-NE to the Contractor will be borne by the Contractor. Eligible Entity payments will not be reduced due to an unforeseen penalty from the ISO-NE to the Contractor. It is further understood that any payments for metering and monitoring will be paid from the savings derived by this contract and that DCAMM (or the individual Non-DCAMM Controlled Eligible Entity) and the Contractor will negotiate these costs on a case-by-case basis.

Should a Customer Asset be unable to participate in the Program due to unforeseen circumstances not related to the Contractor, the Contractor may notify the Eligible Entity of said circumstances and request that the asset be withdrawn from the program. The Contractor will be required to provide the lowest-cost alternative to the Eligible Entity to insure that no payments are made by the Eligible Entity to the Contractor. In such cases, the Eligible Entity may renegotiate the ISO-NE payment percentage share for this and/or other Customer Assets.

Price adjustments: Any requests for price changes (i.e. changing the percentage of the ISO-NE payment withheld by the Contractor) must be submitted prior to the contract renewal to be considered for the renewal period. Any such requests must be accompanied by documentation supporting the reasons for the requested change. The request, written on the Contractor's letterhead must include: identified price increases and their source and copies of old and new price lists, if applicable, reflecting price changes. The same requirement shall apply to pricing established under any service agreement between an Eligible Entity and a Contractor.

The Eligible Entity will address price change requests by either negotiating a price change and renewing the contract at the new price or denying the requested price increase and renewing the contract at the previous contract price. The Commonwealth will be advised of and will automatically receive the benefit of any price decreases retroactive to the dates of such decreases. It is the Contractor's responsibility to notify the Eligible Entity of any such decrease. The Commonwealth reserves the right to negotiate price reductions based on increased volume at any point in duration of the contract.

Contractor Information

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Additional Information

Forward Capacity Market Services to DCAMM

The Contractor is also engaged by DCAMM for Forward Capacity Market (FCM) services on a fee for service basis. Since this is currently a service utilized solely by DCAMM, please refer to the RFR Document and the contractor’s Price Sheet for information.

Performance and Payment after Contract Expiration

All agreements for Demand Response services entered into by Eligible Entities whose performance and payment time frames extend beyond the duration of this Contract shall remain in effect for performance and payment purposes (limited to the time frame established per each agreement). All such agreements shall be subject to the terms and conditions of this Contract. No written agreement shall extend more than one (1) year beyond the final termination date of this Statewide Contract. No agreements for services under this Contract may be executed after the Contract has expired.

Strategic Sourcing Services Team Members

Name	Department
Dave Lewis	DCAMM
Dmitriy Nikolayev	OSD
Paul Lopes	DOER

Summary of Where to Obtain Important Contract Information

To obtain in depth contract information please go to the COMMBUYS Website: <https://www.commbuys.com/bsa/> click on “Contracts” then search by document number FAC89designatedDCAMM to locate the following contract information under the tab:

- **Contract User Guide** – the latest version of this document
- **Request for Response (RFR) FAC89designatedDCAMM** – the original solicitation document containing complete service specifications for this contract.
- **Purchase Order Form for Cities and Towns** – a form designed to help Eligible Entities document their service relationships with Contractors.
- **CPower PO:** PO-16-1019-DCP08-ENR01-00000006357