

Municipal Lighting Plant - Municipal Energy Efficiency Program

PON-ENE-2014-027 Question & Answer

Posted 3/14/14

1. Can the grant application from a joint action agency or energy cooperative, acting on behalf of more than one Municipal Lighting Plant (MLP), exceed \$250,000 in combined funding among all the MLPs?
A: Yes, the maximum amount per MLP, regardless of whether an independent application or a joint application is submitted by a partner, is \$250,000. So, for example, an application that includes three MLPs that is submitted by an energy cooperative could apply for \$300,000-\$750,000.
2. Is a joint application, submitted by a joint action agency or other partner, which includes multiple MLPs viewed as an aggregate or by individual MLPs within the application?
A: A joint application is viewed in the aggregate for all of the included MLPs. A partner organization may assist with multiple joint applications if separate groups of MLPs wish to propose different programs.
3. Is the \$100,000 grant amount the absolute minimum a MLP can request? If not, could a MLP request less and if so, how does that affect the requirement of the municipal project having to be at least \$25,000 but no more than 50%?
A: The minimum of \$100,000 was set to provide enough funds to provide a robust MLP efficiency program AND enough funds to complete a significant municipal efficiency project. Consistent with the "Eligibility Criteria/Program Requirements", DOER will consider an application for no less than \$50,000 per MLP. The minimum amount of \$25,000 per municipal energy project remains.
4. Is there a predetermined formula for calculating the level of incentive (grant) to MLP contribution? And, is there a minimum value associated with an MLP program(s)?
A: There are no set formulas or minimum values, although these factors may be taken into consideration during the competitive evaluation process.
5. What is the expected ratio of leveraged funds to grant request/award?
A: This ratio is dependent upon the applications received and awarded.
6. Can one municipal utility submit two or more distinct initiatives?
A: Yes, multiple initiatives are encouraged within one application.
7. When are approved grant funds disbursed by the DOER - and how?
A: Final terms for grant fund disbursement schedules will be included in the contract with awardees. One likely structure is the upfront distribution of 50% of the grant funds upon execution of the contract. The second and third disbursements of 25% each would occur upon expenditure of all prior funds. For all disbursements, no additional funds will be disbursed until all invoices have been received. Additionally, the final disbursement will not be made until all reporting requirements have been met.
8. Does a town Sustainability Committee or Green Committee tasked with conservation issues qualify as an "Energy Committee"?
A: Yes, these would qualify as an Energy Committee as long as there is a liaison or representative from the MLP that serves on the committee.
9. Can grant recipients *independently* select vendors to implement ECMs?
A: This will depend upon the structure of the awarded efficiency programs proposed by a MLP.
10. Are there exceptions to the MEI requirement, specifically for smaller MLPs?

A: There are no exceptions to the MassEnergyInsight (MEI) requirement regardless of MLP size. The MLP must provide quarterly data for each of their served municipalities included in this application for a minimum of one year preceding and two years following the municipal efficiency project.

11. Can a joint action agency or other partner be an authorized user on the MEI on behalf of a municipality or municipalities?

A: No, the municipality must have an authorized user so that they have access to all of the tracking and reporting capabilities that MEI enables. A municipality may elect to also authorize a partner organization's representative to have access to their data.

12. Does MLP participation in any way result in an obligation upon the town as it pertains to Green Communities?

A: Participation by a MLP does not in any way result in any obligations upon the town to pursue Green Communities designation.

13. Do projects which provide real-time load monitoring (including usage and demand) qualify under this program or are permanent demand/usage reductions required?

A: Real-time load monitoring that includes a component to reduce energy usage would qualify; monitoring without demand or usage reductions do not qualify.

14. Do retro-commissioning studies for commercial buildings qualify?

A: Yes, these studies qualify.

15. Do technical/engineering studies for energy consumption and process optimization at water/wastewater treatment facilities qualify?

A: Yes, these studies qualify.

16. Do ASHRAE Level I or II audits qualify?

A: Yes, these studies qualify.

17. Would the expansion of existing programs – such as residential energy audits – qualify? This could be achieved either through increased participation or enhanced services.

A: Yes, expansion of existing programs qualify.

18. Do programmable and/or wireless thermostats qualify?

A: Yes, these technologies would qualify.

19. Under the two-year M&V provisions outlined in the grant application, would any of the funding be withheld should actual usage reductions (kWh savings) fall short of forecasts?

A: No, disbursement of funding will depend upon completed work in the awarded energy programs and compliance with reporting requirements, including providing data to MassEnergyInsight.

20. Do services, such as power factor correction, qualify in instances where penalties are imposed by the host utility (e.g., < .90)?

A: No, these do not qualify.

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21. Are “in-kind” services performed by the MLP for initiatives such as light replacement considered an MLP “leveraged fund” under the grant application?

A: Yes, the value of “in-kind” services performed by the MLP may be considered as a MLP “leveraged fund” if quantified and included in a grant application.

22. Would DOER consider retro-incentives for MLP commercial/industrial customers that have already completed EE projects?

A: No, energy efficiency projects that have been completed do not qualify and DOER will not consider retro-incentives.

23. Would the creation or expansion of rebates for residential solar installations be considered for a Grant?

A: No, this grant opportunity is for energy efficiency. Solar PV installations are not an energy efficiency measure and do not qualify.

24. If a Town is participating in a performance contract, the available municipal building efficiency projects are limited. Can the light plant provide incentives to the Town to help buy-down the cost of the electrical retrofits as its municipal project? Or, would other measures not considered as a part of the performance contract need to be identified either with the performance contractor or separately?

A: Yes, the MLP may use funds from this PON to either buy-down a municipal performance contract or to add additional measures not previously included in the performance contract.

25. If grant money is awarded – does it go directly to the MLP or are funds dispersed to the MLP and municipality jointly?

A: The contract and all funds disbursed will be with the MLP.

26. Do Energy Committees need to have specific members other than the one liaison from the MLP?

A: No, an Energy Committee need only have a representative from the municipality and a representative from the MLP, although typically they often include multiple members from the different municipal departments and/or the broader community.

27. Do MLP boards, staffed by citizens of the municipality as appointed by town leadership, which oversee operations of the MLP including energy procurement, qualify as an Energy Committee in the context of this grant application?

A: No. A MLP board's purpose is to oversee the MLP, not municipal facilities and operations. The purpose of an Energy Committee is to oversee the energy impacts resulting from municipal facilities and operations and/or from the broader, community-wide municipality.

28. For an entity representing multiple MLPs that wish to apply for this grant opportunity, who should be the entity and contact for the purpose of submitting the application? Would it be the organizing entity or the individual MLPs? Also, for the attachments, should each MLP have a separate file or can these be consolidated into one file?

A: The entity that represents the multiple MLPs should be the entity and contact for submitting the application because it will be the entity with which DOER contracts to disburse grant funds if funds are awarded. For attachments, each attachment may be submitted as a file with multiple MLPs included. For example, if the entity has one group of three MLPs that wish to partner for an efficiency program and an additional MLP that wishes to propose an independent efficiency program, the entity should submit independent applications for these two groups. For the group of three MLPs, the entity can submit one copy of each attachment. For Attachment B – Program Narrative, it must be clear how the MLPs and their municipalities differ. For Attachments C-F, one file may be submitted with a separate page for each of the three MLPs.

Posted 3/28/14

29. Can a light board member be the MLP representative/liaison on the energy committee?

A: Yes.

30. Need clarification regarding the performance contract and using DOER grant funds to buy-down: Can electrical measures that have recently been installed qualify?

A: Measures that have recently been installed do not qualify either for the municipal efficiency project or the MLP efficiency program. If a municipality is looking at an efficiency project that is part of a performance contract, the measures must either have yet to be installed or added as additional measures not previously included in the performance contract.

31. For performance contracts, may these grant funds be used for a buy-down for QECB-financed projects?

A: Grant funds may be used for buy-downs for performance contracts that include efficiency measures or programs using QECBs financing.

32. Can funds from a municipality toward a muni project be included in the total leveraged funds?

A: No. Leveraged funds are funds contributed by the MLP or another granting agency, not the municipality or customers, to efficiency projects.

33. Can customer contributions towards an EE program be considered in the total leverage funds?

A: No. Leveraged funds are funds contributed by the MLP or another granting agency, not the municipality or customers, to efficiency projects.

34. The narrative requires resumes, how does that affect the 7 page limit? Can the full resumes be an appendix to the narrative?

A: Resumes are not included in the 7-page limit for the narrative. Please include resumes in an appendix not to exceed 10 pages.

35. As long as the minimum \$25,000 requirement were met for a municipal energy efficiency project intended to conserve the fuel provided by the MLP (in our case, electricity only), would a project to provide financial assistance for oil heating household weatherization projects be considered for some or all of the remainder of a grant request under PON-ENE-2014-027?

A: Yes, this type of efficiency program would be considered in the competitive application process.

36. For a MLP that sells electricity only, would an electric heat system conversion to high efficiency natural gas heating be a qualifying project for a muni building?

A: Yes, this type of efficiency project would be considered in the competitive application process.

37. If a muni building is going to be a gut-rehab, and the portion of the project regarding the installation of high energy efficient lighting and/or HVAC (above local building code) would a MLP be able to request grant funding to apply toward the difference of that project installing lighting/HVAC equipment to meet code. (In other words, could the grant funds be used to incentivize the project to install the highest efficiency for applicable equipment)?

A: Yes, this type of efficiency project would be considered in the competitive application process.

38. What if this same muni gut-rehab project spanned 2 years and did not begin until the fall of 2014, would a MLP be able to apply to the grant with this project and if so, how does that affect the MEI reporting? (Would the authorized MEI user enter the previous year data, then after the project is officially completed (two years later), begin to enter date on a quarterly basis for the next two years, regardless of being beyond the grant period?)

A: Yes, this type of efficiency project would be considered in the competitive application process. DOER anticipates that MLPs and municipalities will enter the prior one or more year's energy consumption data into MEI. If an efficiency project were to be completed in the fall of 2014, this would mean CY2013 or FY2014 energy consumption data. If the efficiency project took two full years to complete, DOER would request that the MLP and municipality provide energy consumption data in MEI for a minimum of one year following the completion of the efficiency project.

39. When does the two year grant period begin?

A: The two-year grant period will begin upon the execution of a contract with DOER and close two years later. Alternatively, if both parties agree, the two-year grant period may extend to the close of 2015 or FY16 if that will facilitate program delivery or reporting.

40. Can a municipal building project that has no formal funding currently in place be considered for this grant opportunity?

A: Yes, this type of efficiency project would be considered in the competitive application process.

41. For an entity representing multiple MLPs that wish to apply for this grant opportunity, if I have a group of MLPs that are doing the same energy efficiency program, and one or two other MLPs that are choosing something else, would I be able to submit separate narratives?

A: MLPs that are not collaborating on an efficiency program together should submit separate applications. So, if an entity is working with five MLPs – three of whom will do the same energy efficiency program and two others doing independent work, then that entity should submit three separate applications for each efficiency program regardless of the number of MLPs participating.

42. Can you please clarify the definition of a “municipal facility?” Would DOER consider a state facility to be a municipal facility for the purpose of allocating grant funds towards energy efficiency projects at that site?

A: A municipal facility is a building, water or wastewater pumping station or treatment facility, streetlights, or other energy-consuming infrastructure that is owned by a municipality or other local or regional governmental entity such as a regional school district or water or waste water district. Also included would be facilities for which all energy bills are paid for by a local or regional governmental entity and which is under operational control by that entity, but may be owned by an independent party. State facilities do not qualify as a municipal facility; any incentives for efficiency projects they receive must be in addition to the required municipal efficiency projects.

Posted 4/04/14

43. In regards to a joint application between multiple MLPs, please clarify how to know if an application should be submitted as a joint application or as separate applications.

A: All MLPs in a joint application should be able to use the same marketing materials. I.e., ask whether the same opportunities exist for all customers in a joint application regardless of their MLP. This will provide consistent services and messaging that can be transferred amongst all the joint MLPs. For example, a partnership between one MLP expanding a residential efficiency program and another MLP starting a commercial efficiency program, but using a common vendor and delivery mechanism, should not be included in a joint application. In contrast, a joint application could consist of a residential efficiency program that provides consistent services, such as audits, and consistent expectations for rebates to all residential customers. Differences between the MLPs in a joint application can include the proposed budget, number of customers served, and the projected energy and cost savings. Additionally, the municipal efficiency project proposed by each MLP can vary.

44. For an entity representing multiple MLPs that wish to apply for this grant opportunity, how should they submit their application to the online application system?

A: For an entity submitting an application on behalf of one MLP, their entity name should be the MLP name. For an entity submitting an application on behalf of more than one MLP in a single application, please submit the entity name and EE Program Name to the online application system. See Question 41 above for more information in regards to joint applications versus independent applications.

45. We would like to request funds to pay a contractor to market one of our existing energy efficiency rebate programs to our customers, in order to increase participation in that program. Are outreach programs considered administrative (i.e. subject to the maximum of 10% of the award that may be used for administrative purposes) or are they considered true program costs?

A: Outreach programs are not considered administrative costs.

46. Could an oil-to-gas heating equipment conversion project in a school, served by MLP (electric only) that has just over 1 year payback be considered for grant funds?

A: If the oil-to-gas conversion has accompanying energy savings, then this could be considered in the application as a municipal project. We would require such a project to leverage all available incentives from the investor-owned gas utility and to provide proof of receipt of these funds in grant reporting. Additionally, the total municipal efficiency grant project must be a minimum of \$25,000, so if the oil-to-gas heating equipment conversion project is reduced to less than \$25,000 of funding from this grant after receipt of all investor-owned gas utility incentives, additional municipal efficiency measures must be implemented.

Posted 4/11/14

47. Can local governments contract with their municipal light plant for implementation services for EE projects under \$100,000 as stated in Chapter 25A section 14?

A: Yes, municipalities can contract with their municipal light plant for energy efficiency services under \$100,000 per Chapter 25A section 14.

48. Would a Solar Hot Water Heating system upgrade to the current system, which is old and out of date, be considered an efficiency measure and qualify for grant funds?

A: Yes, a solar hot water heating system could qualify for grant funds as a municipal efficiency project.