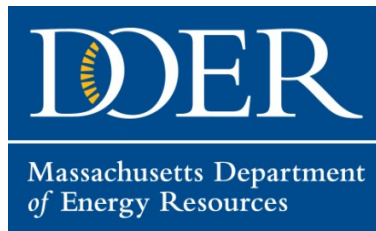


The Commonwealth of Massachusetts

Department of Energy Resources

100 Cambridge Street, Suite 1020

Boston, MA 02114



**Notice of Intent to Contract with Energy
Federation, Inc. for Management of the Enhanced
Energy Efficiency Financing Program**

NOI-ENE-2014-017

Issued: February 24, 2014

Department of Energy Resources

NOTICE OF INTENT TO CONTRACT

Notice of Funding to Energy Federation Inc. (EFI) for Management of the Enhanced Energy Efficiency Financing Program

The purpose of the Enhanced Energy Efficiency Financial Incentive Program (“the Program”) is to encourage residential energy efficient upgrades by expanding the existing residential HEAT loan program funded by the Massachusetts Program Administrators (PAs). The Program is managed by the Massachusetts Clean Energy Center and funded through MassDOER by the U.S. Department of Energy American Recovery and Reinvestment Act (ARRA) State Energy Program (SEP) funds (ARRA SEP funds). The program will leverage the outreach and delivery infrastructure of the existing HEAT loan program (“existing program”).

The Massachusetts Clean Energy Technology Center (MassCEC), a quasi-public entity created by the Green Jobs Act of 2008, is the custodian of this funding. Richard Sullivan, Secretary of the Executive Office of Energy and Environmental Affairs (EOEEA) is the Chair of the Board of MassCEC. Mark Sylvia is the Commissioner of the Department of Energy Resources (DOER) and is a MassCEC Board Member. As part of its mission, MassCEC supports new technologies and models for advancing clean energy. In addition, MassCEC has significant experience with the energy efficiency industry and with financing, having made debt and equity investments in dozens of companies and having an experienced team. As such, DOER selected MassCEC as the custodian of funding to implement a energy efficiency and renewable energy financing program.

The existing residential HEAT loan is a statewide program funded by the Massachusetts PAs offering 0% interest financing, up to \$25,000 per household for up to seven years, for certain qualified energy efficiency improvements.

The DOER consulted with a number of entities, including various lending institutions, the Massachusetts Bankers Association, a focus group of building performance contractors from around the state, and the PAs, to get input on how the existing HEAT loan program could be expanded so as to reduce barriers to implementing energy efficiency improvements. Based on those discussions, DOER proposed (to the U.S. Dept of Energy) an expansion of the existing

program that supplements but does not supplant the existing program offerings. These expansions are described in Appendix A to this Notice.

Subsequently, DOER received DOE approval to fund the expansion of the existing financing program using \$3.8 million in ARRA SEP funds that are currently managed by CEC.

This Notice serves to publicize the CEC award to EFI, the Heat Loan vendor, to manage the Program.

Scope of grant performance to be achieved or funded under the grant:

EFI will manage and coordinate services needed to implement the program, including marketing and outreach to potential customers and lending institutions, reviewing and processing applications from customers, paying interest to lending institutions and funds to customers for approved efficiency measures, and reporting on key program metrics.

Award Amount:

Approximately \$3.8 million to EFI. No more than 10% of these funds may be used for administrative costs to ensure the successful management, implementation, marketing, and reporting of the Program.

Duration of Contract: The contract will run from contract execution date until June 30, 2016 . Note that this date may be extended by mutual agreement of the parties.

Selection Criteria:

The most effective way to implement the Program is to leverage the existing HEAT loan program infrastructure and integrate the expanded program offerings into the existing program, including using the entities that manage and implement the existing program and following the same administrative processes. Currently, the Massachusetts PAs have each contracted with Energy Federation Inc. (EFI) to manage and implement the existing program funds, including managing the processing of interest payments to lending institutions. EFI was competitively procured by the PAs to provide those services.

In order to fully leverage the existing HEAT loan program and ensure that the expanded offerings are seamlessly integrated into the existing program, MassCEC will contract with EFI to manage and implement the Program without a separate competitive procurement.

Please direct any questions or comments related to this Notice of Award to:

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