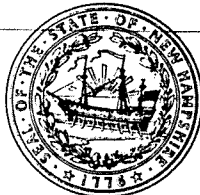


THE STATE OF NEW HAMPSHIRE

CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Clifton C. Below
Amy L. Ignatius

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland



Tel. (603) 271-2431

FAX (603) 271-3878

TDD Access: Relay NH
1-800-735-2964

Website:
www.puc.nh.gov

PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

G & C Date 12/8/10
Item Number #70
Approved ✓

November 24, 2010

His Excellency, Governor John H. Lynch
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

1. Authorize the New Hampshire Public Utilities Commission to award grant funds in the amount of \$5,000,000.00 to TRC Energy Services, a division of TRC Environmental Corporation, Vendor #174743, to develop and implement the Pay for Performance program, from Governor and Council approval through June 30, 2013. Funding is 100% Greenhouse Gas Emissions Reduction Fund (GHGERF), a nonlapsing special fund continually appropriated to the commission pursuant to RSA 125-O:23, I.

Funding is authorized from the account, Grants to Institutions - State, as follows with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified:

02-81-81-811010-54530000 Greenhouse Gas 125-O:23

010-081-54530000-073-500579

Grants to Institutions - State

	FY 2011	FY2012	FY 2013
	\$892,196.00	\$2,857,804.00	\$1,250,000.00

EXPLANATION

Pursuant to RSA 125-O:23, the New Hampshire Public Utilities Commission (PUC) is charged with administering the Greenhouse Gas Emissions Reduction Fund (GHGERF), the purpose of which is to reduce greenhouse gas emissions resulting from energy use in New Hampshire. On May 5, 2009, the PUC issued the second of a series of Requests for Proposals (RFP) for programs to be funded by GHGERF grants.

The RFP specified three program areas:

- I) continued funding for entities that received a 2009 GHGERF grant, applied for multi-year program budgets in their 2009 proposal, and had success in implementing their proposal;
- II) new programs that will establish a portfolio of energy efficiency projects at large energy user sites to produce significant energy savings and greenhouse gas reductions; and
- III) new programs that will improve energy efficiency and reduce greenhouse gas emissions in the affordable housing sector.



The PUC received 29 proposals to this RFP, requesting over \$78 million in grant funds. The TRC Energy Services (TRC) proposal and five others have been selected to receive a total of \$13.4 million in this funding round. The TRC proposal falls within Category II, Programs for Large Energy Users. Attachment A provides additional information on the grant review and award process.

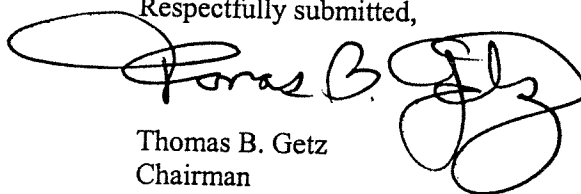
With these funds, TRC will establish Pay for Performance (P4P), a program that takes a comprehensive, whole-building approach to saving energy in large commercial and industrial facilities while linking incentives directly to energy savings. The Program will develop a network of qualified Partners who provide technical services under direct contract to building owners. Partners will develop an Energy Reduction Plan (ERP) for each project with a whole-building technical component of a traditional energy audit, a financial plan for funding the energy efficient measures, and a construction schedule for implementation of the facility improvements. An energy verification component ensures a minimum source energy savings of 15%. The P4P program also provides three levels of incentives (based on the projected savings outlined in the ERP) designed to encourage large energy users to fully implement energy efficiency measures.

This was the top-ranked proposal in the Large Energy User category. The proposal received high marks from the grant review committee across many of the eighteen evaluation criteria. It is expected to be highly cost-effective, with a benefit to cost ratio of 6.04; for every dollar invested, the program will create energy savings of more than \$6. It is estimated to substantially reduce greenhouse gas emissions – by 147,388 metric tons of CO₂ over the life of the measures – at a relatively low cost of \$71.44 per metric ton. In addition, the proposal will result in significant economic development not only by developing large projects that are highly leveraged and improving the economic competitiveness of New Hampshire businesses and institutions, but also by recruiting other engineering firms and installation contractors as program partners who will develop and carry out end user efficiency projects. Any large energy user, including businesses, non-profits, municipalities, and school districts, that meet program criteria, will be eligible to apply to participate in this program.

TRC has been successfully operating a similar program in New Jersey for the past eighteen months and the New Hampshire P4P program will build on that well developed model. The program, with an annual budget of \$32 million, has been recently recognized by American Council for an Energy Efficient Economy as one of the top 18 exceptional and exemplary state-led energy efficiency programs in the United States.

The grant is contingent on sufficient GHGERF funds being available within 12 months of the effective date of the grant agreement. In the event that GHGERF funds are insufficient or are no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas B. Getz", with a large, stylized flourish at the end.

Thomas B. Getz
Chairman

ATTACHMENT A - GRANT REVIEW PROCESS

The PUC issued a Request for Proposals (RFP) on May 5, 2010 for the second round of Greenhouse Gas Emissions Reduction Fund programs. The RFP was developed in consultation with the state's Energy Efficiency and Sustainable Energy Board, created by the legislature in 2008 "to promote and coordinate energy efficiency, demand response, and sustainable energy programs in the state" and its specific statutory charge to "[p]rovide recommendations at least annually to the public utilities commission on the administration and allocation of energy efficiency and renewable energy funds under the commission's jurisdiction." RSA 125-O:5-a, I.

The May 5, 2010 RFP requested proposals in three categories:

- Category I was for continuation of programs by entities that applied for multi-year programs in response to the 2009 RFP; received a grant for initial or first year funding from the GHGERF fund in 2009; and, demonstrated successful implementation of the first stage of their proposal.
- Category II requested proposals for programs that will establish a portfolio of energy efficiency projects at large energy user sites to produce significant energy savings and greenhouse gas (GHG) reductions.
- Category III requested proposals for programs that will significantly improve energy efficiency and reduce GHG emissions in low-income residential housing.

The RFP was circulated electronically to a list of more than 950 individuals and organizations known to have an interest in energy policy and programs, as well as to members of the Energy Efficiency and Sustainable Energy Board (EESB Board) and over 100 interested parties. The RFP was also posted on the PUC and Office of Energy and Planning websites. Twenty-nine proposals requesting a total of \$78 million in funds were received in response to the RFP.

The PUC employed a two-tier grant review process to evaluate the proposals. The initial review team consisted of four members including Rebecca Ohler (Air Resources Division, DES), Joanne Morin and Eric Steltzer (Office of Energy and Planning), and Jack Ruderman and Barbara Bernstein (Sustainable Energy Division, PUC). The second tier review team consisted of the three-member Commission, Chairman Thomas Getz and Commissioners Clifton Below and Amy Ignatius.

The review team evaluated all proposals using the 14 criteria set forth in RSA 125-O: 23, VII and NH Code of Administrative Rules Puc 2604.03 and 4 general conditions set forth in the RFP (e.g., completeness and clarity of proposal content). Following an initial round of screening, the team interviewed ten applicants. The team scored all proposals using a range of 1 to 10 points for each of the 18 criteria and general conditions, and provided written comments highlighting the pros and cons of each proposal. The evaluations also provided a recommendation to the Commission as to whether each program should receive funding.

The initial review team met with the Commissioners to brief them on the committee's recommendations. The Commissioners were provided with copies of the written evaluation forms and had an opportunity to ask questions of members of the initial review team. Subsequently, the Commissioners met on

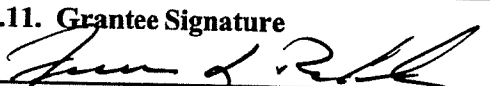

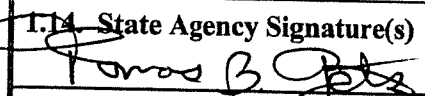
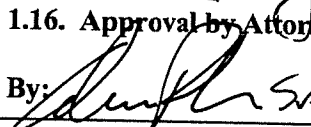

several occasions to deliberate on the review team's recommendations and their own assessment of the proposals.

The overall funding level – \$13.4 million – was determined based on the balance currently available in the Greenhouse Gas Emissions Reduction Fund plus a reasonable estimate of likely RGGI auction proceeds through early December, 2011. (RSA 125-O:23, VIII provides that the “commission may enter into agreements for the implementation of programs under this section that are contingent, in whole or in part, on future proceeds from budget allowance auctions held within 12 months of the date such agreements become effective.”) Within this budget, the Commission selected six winning proposals among the three categories and established funding levels for each of them. In Category I (program continuation), three entities, the Business Finance Authority, the Retail Merchants Association, and the New Hampshire Department of Resources and Economic Development, were selected for funding totaling \$4,400,000. A single entity, TRC Energy Services, was selected for Category II (energy efficient projects at large energy user sites) for a grant amount of \$5,000,000. Finally, two entities, the New Hampshire Housing Finance Authority and the New Hampshire Community Loan Fund, Inc., were selected for Category III (programs for low-income residential housing) for funding totaling \$4,000,000.

The State of New Hampshire and the Grantee hereby mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name Public Utilities Commission		1.2. State Agency Address 21 South Fruit Street, Suite 10 Concord, NH 03301	
1.3. Grantee Name TRC Energy Services, a division of TRC Environmental Corporation		1.4. Grantee Address 21 Griffin Road North Windsor, CT 06095	
1.5. Effective Date G&C Approval	1.6. Completion Date June 30, 2013	1.7. Audit Date	1.8. Grant Limitation \$5,000,000
1.9. Grant Officer for State Agency Jack Ruderman		1.10. State Agency Telephone No. 603-271-2431	
1.11. Grantee Signature 		1.12. Name & Title of Grantee Signor Francis X. Reilly, Senior Vice President	
1.13. Acknowledgment: State of <u>Massachusetts</u> , County of <u>Suffolk</u> , on <u>11/17/10</u> , Before the undersigned officer, personally appeared the person identified in block 1.11., known to me (or satisfactorily proven) to be the person whose name is signed in block 1.12., and acknowledged that <u>he</u> executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace (Seal) 		DIANE M. ZUKAS NOTARY PUBLIC Commonwealth of Massachusetts My Commission Expires May 13, 2016	
1.13.2. Name and Title of Notary Public or Justice of the Peace <u>DIANE M ZUKAS</u>			
1.14. State Agency Signature(s) 		1.15. Name & Title of State Agency Signor(s) Thomas B. Getz, Chairman	
1.16. Approval by Attorney General (Form, Substance and Execution) By:  Assistant Attorney General, On: <u>11/17/10</u>			
1.17. Approval by the Governor and Council  DEPUTY SECRETARY OF STATE On: <u>11/17/10</u>			

DEC 08 2010

2. **SCOPE OF WORK:** In exchange for grant funds provided by the State of New Hampshire, acting through the agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT A (the scope of work being hereinafter referred to as "the Project"). Except as otherwise specifically provided for herein, the Grantee shall perform the Project in the State of New Hampshire.

3. EFFECTIVE DATE; COMPLETION OF PROJECT.

3.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date in block 1.5 or on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire whichever is later (hereinafter referred to as "the effective date").

3.2. Except as otherwise specifically provided for herein, the Project, including all reports required by this Agreement, shall be completed in its entirety prior to the date in block 1.6 (hereinafter referred to as "the Completion Date").

4. GRANT AMOUNT; MANNER OF PAYMENT; LIMITATIONS.

4.1. The Grant Amount is identified and more particularly described in EXHIBIT B, attached hereto.

4.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT B.

4.3. In accordance with the provisions set forth in EXHIBIT B, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 4.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.

4.4. The payment by the State of the Grant amount shall be the only, and the complete payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.

4.5. Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Grant limitation set forth in block 1.8 of these general provisions.

5. SPECIAL CONDITIONS. Modifications to these General Conditions and any additional grant conditions shall be set forth in Exhibit C attached hereto.

6. COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS. In connection with the performance of the Project, the Grantee shall comply with all applicable statutes, regulations, and orders of federal, state, county, or municipal authorities that impose any legal obligations or duty upon the Grantee, including the acquisition of any and all necessary permits.

7. RECORDS AND ACCOUNTS.

7.1. Between the Effective Date and the date seven (7) years after the Completion Date the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.

7.2. Between the Effective Date and the date seven (7) years after the Completion Date, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these general provisions.

8. PERSONNEL.

8.1. The Grantee shall, at its own expense, contract for or provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.

8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who is a State officer or employee, elected or appointed.

8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.

9. DATA; RETENTION OF DATA; ACCESS.

9.1. As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs or data, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.

9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State, unless otherwise specified in Exhibit C.

10. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.

11. EVENT OF DEFAULT; REMEDIES.

11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):

11.1.1. failure to perform the Project satisfactorily or on schedule; or

11.1.2. failure to submit any report required hereunder; or

11.1.3. failure to maintain, or permit access to, the records required hereunder; or

11.1.4. failure to perform any of the other covenants and conditions of this Agreement.

11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

11.2.1. give the Grantee a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Grantee notice of termination; and

11.2.2. give the Grantee a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Grant Amount which would otherwise accrue to the grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and

11.2.3. set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and

11.2.4. treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

12. TERMINATION.

12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination.

12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.

12.3. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.

12.4. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.

13. CONFLICT OF INTEREST. No representative, officer, member or employee of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

14. GRANTEE'S RELATION TO THE STATE. In the performance of this Agreement the Grantee, its employees, and any contractor, subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its representatives, officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State nor are they entitled to any of the benefits, worker's compensation or emoluments provided by the State to its employees.

15. ASSIGNMENT AND SUBCONTRACTS. The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State.

16. INDEMNIFICATION. The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses

suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or its contractors, subcontractor, or subgrantee or other agent of the Grantee in the performance of the Project. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this agreement.

17. **INSURANCE AND BOND.**

- 17.1. The Grantee shall, at its sole expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 statutory worker's compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 comprehensive general liability insurance for all claims of bodily injuries, death or property damage, in amounts not less than \$2,000,000 for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and

17.2 The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than ten (10) days after written notice thereof has been received by the State. A certificate of insurance demonstrating compliance with subparagraphs 17.1 and 17.2 shall be attached to this Grant Agreement.

18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure or waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Grantee.

19. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.

20. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire.

21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.

22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

23. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.

EXHIBIT A

SCOPE OF SERVICES

In exchange for receiving grant funds in the amount of \$5,000,000 from the New Hampshire Public Utilities Commission (PUC), TRC Energy Services, a division of TRC Environmental Corporation, (TRC or Grantee) agrees to develop and implement a program, titled Pay for Performance (P4P), that will establish a portfolio of energy efficiency projects at large energy user sites to produce significant energy savings and greenhouse gas reductions. Large energy users are defined as facilities that had an electric demand of 100 kilowatts or more in any of the previous 12 months (where demand is defined as the maximum metered amount of power required to operate the facility's electrical equipment) as shown on the facility's electric utility bill or bills, or used the energy equivalent of 1,000 MMBtu or more annually for space heating and/or process heat. Except as otherwise provided in this contract, the requirements set forth in the NH Public Utilities Commission Request for Proposal dated May 5, 2010 and Grantee's Proposal dated June 1, 2010, are incorporated herein by reference as further defining the services to be rendered. Specifically, TRC agrees to accomplish the following, and to undertake any additional measures necessary to achieve the program goals set forth in its proposal:

1. Establish partnerships with a minimum of five qualified engineering and energy consulting firms who will act as the building owners' energy expert to act as P4P Program Partners to service large energy users throughout New Hampshire.
2. Provide Program Partners with specific training and support to further the success of the P4P program.
3. Prepare documents for the New Hampshire P4P program including, but not limited to:
 - a. P4P Partnership Agreement;
 - b. P4P Application;
 - c. P4P Program Guidelines to address energy auditing requirements, building model simulation guidelines, metering plan, combined heat and power systems and the post construction benchmarking report;
 - d. P4P Energy Reduction Plan (ERP) Template; and,
 - e. P4P ERP Tables.
4. Oversee the Project Partners to ensure they:
 - a. Complete the ERP per the TRC proposal, including a required scope of work to achieve a minimum of 15% source energy savings from the baseline energy use when implemented;
 - b. Assist the building owner in project scoping and contractor procurement;
 - c. Complete construction verification and quality assurance;
 - d. Collect post-construction utility data for the energy verification period; and,
 - e. Submit all documentation to TRC per Program requirements.
5. Verify that there are valid contracts between the building owners and the Partners.
6. Ensure that Partners provide requests for payment (incentives from the Program will be requested by the Partner but paid directly to the building owner). This strategy provides a critical "check and balance" between the Partner and building owner.
7. Ensure that no project consumes a disproportionate share of the budget by instituting an incentive cap of \$250,000. Cap may be modified with prior approval from the PUC.
8. Institute the incentive plan as referenced in the TRC proposal and as follows:

Grantee Initials TRC
Date 4/5/10
G&C 12/08/10
Page 1 of 2

Incentive #1	<ul style="list-style-type: none"> • \$0.10 per square foot • Capped at \$50,000 • Full payment is contingent on proceeding with recommended work scope (min. 15% savings)
Incentive #2	<ul style="list-style-type: none"> • \$0.19 per projected kWh saved and \$20.00/projected MMBtu saved • Designed to cover approximately 30% of total project cost • Paid upon successful post-construction inspection
Incentive #3	<ul style="list-style-type: none"> • \$0.05/actual kWh saved and \$5.00/actual MMBtu saved • Designed to cover approximately 10% of total project cost • Paid upon approval of one-year past construction benchmarking report

Note: Proposed incentives may be modified with prior approval from the PUC.

9. Provide notice and access to Carbon Solutions New England and the PUC to participate in the Monthly Partner conference calls.

EXHIBIT B

GRANT AMOUNT, TERMS AND METHODS OF PAYMENT

1. This is a two phase grant award. Phase One commences upon approval of this grant agreement by Governor and Council and concludes on December 31, 2011. Phase Two begins January 1, 2012 and ends June 30, 2013.
2. In consideration of the satisfactory performance of the Phase One services described in Exhibit A as determined by the State, the State agrees to pay TRC Energy Services, a division of TRC Environmental Corporation, (TRC or Grantee) an amount not to exceed \$2,500,000 for Phase One of this \$5,000,000 grant agreement.
3. Grantee may invoice the PUC on a monthly basis, or at a minimum on a quarterly basis, through a process developed by Carbon Solutions New England (CSNE) and the NH PUC using electronic documents and web-based applications ("the Reporting System"). Expense transactions, including but not limited to, receipts, purchase orders and sales invoices will be the basis for invoices generated to the NH PUC using the Reporting System. Grantee agrees to use the Reporting System provided by CSNE and the NH PUC and Grantee also agrees to accept and use system changes to the Reporting System during the grant term. Invoices, reports and supporting documentation will be submitted using the on-line invoicing and reporting system developed by CSNE.
4. The first quarterly report will cover the period from the date of Governor & Council approval through March 31, 2011; the quarterly report is due April 30, 2011. All other quarterly reports will cover calendar year quarters.
5. Invoices will be reviewed and measured against the scope of services and approved by the Director of the Sustainable Energy Division or his designee upon approval of the quarterly report. Quarterly reports must be current at the same time or before the invoice is submitted. Otherwise the invoice will be held until the report and invoice backup are received. Invoices shall be supported by a summary of activities and a detailed listing and documentation of expenses incurred.
6. Funding for Phase Two is contingent upon approval of the PUC after reviewing the results of Phase One. The PUC reserves the right to withhold funding, in whole or in part, for Phase Two if, at the conclusion of Phase One, the PUC determines that the Grantee has failed to successfully perform the Phase One services described in Exhibit A.
7. In consideration of the satisfactory performance of the Phase Two services described in Exhibit A, as determined by the State, the State agrees to pay the Grantee an amount not to exceed \$2,500,000.
8. Five (5) percent of the total Phase Two funding, (\$125,000) will be held back until completion of the project. Payment of this final 5% will be made after Grantee provides a final grant report, no later than 30 days from completion of the project, or from the end date of this grant agreement, June 30, 2013, whichever comes first.
9. Grantee will document expense transactions with appropriate back-up including receipts for all project partners, contractors and subcontractors. This includes expenses incurred by companies employed on construction projects funded through the grant. At a minimum, receipts must be provided documenting labor cost, labor overhead, material cost, material overhead, and capital expenditures for all partners,

Grantee Initials JEL
Date 11/5/10
G&C 12/08/10
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contractors and subcontractors. Expense transactions for the Grantee will need to be provided and matched to expense categories listed in the grantee's proposal.

10. Grantee agrees to provide economic data for activity performed during the project for up to three years after completion of the project including time records for all employees, contractors and subcontractors who directly work on the project as a result of this contract. This includes workers employed on construction projects funded through the grant.
11. Grantee will utilize the Reporting System for every audit and provide at the beginning of each project:
 - a. Summary information including, at a minimum, project contact, project location and a project description including, but not limited to, project timeline, project scope (measures to be installed) and budget;
 - b. Building type, square footage, and year of construction;
 - c. A basic description of the business/organization including (at minimum) the number of employees (students if a school), and 6 digit NAICS code (if applicable);
 - d. A minimum of two years and preferably three years of pre-project energy usage in an Excel format and a signed data release form authorizing CSNE access to three years pre-project energy usage and three years of post-project of energy use. If two years of energy usage data is not available, Grantee must request an exception from the PUC. Energy usage data is to include at a minimum, account number, energy provider, energy type, energy units, fill or read dates, and cost. Electric accounts will also include kW demand (if applicable). If the facility has a competitive supplier, data on energy usage and cost, and a signed data release form will also be required;
 - e. If the facility has energy use that varies significantly due to measurable change in activity (such as material produced at a manufacturing facility), the project facility will be required to provide a monthly production/activity factor data for the same period as energy usage. (If the project facility does not wish to provide actual unit output, it can provide an indexed value of production relative to the first measurement month).
 - f. Notification to the NH PUC and CSNE upon completion of each audit; and,
 - g. Electronic copies of audits performed will be submitted upon completion.
12. Grantee will notify the NH PUC and CSNE when the construction phase of each project is complete and provide a complete list of all energy savings measures undertaken and associated costs.
13. If CSNE is unable to obtain energy usage data from any energy provider after the project is completed, the Grantee is responsible for providing energy usage for missing periods of time to CSNE in an Excel spreadsheet for that energy provider upon request.
14. The State agrees to make payment to the Grantee within 30 days from the receipt of approved invoices.
15. All obligations of the State, including the continuance of any payments, are contingent on the availability of funds derived from the Greenhouse Gas Emissions Reduction Fund pursuant to RSA 125-O:23.

DELIVERABLES

1. The Grantee agrees to prepare and submit quarterly reports to the PUC, in a form and manner prescribed by the PUC. The first quarter report will cover activities in December 2010 through March 2011, with the report due April 30, 2011. All reports thereafter will be due one month after the end of the quarter continuing throughout the life of the grant. Reports shall include a detailed summary of all work completed in comparison to the scope of services, including an account of milestones achieved, and a description of any obstacles encountered as well as any planned milestones that were not achieved. Any activities or benefits that occurred as a result of the grant not included in the scope of services should also be noted. In order to receive approval to proceed with Phase Two, Grantee will provide the PUC with a summary of Phase One activities. Within thirty (30) days of the conclusion of the grant award, in lieu of a quarterly report, Grantee shall submit a final report providing a detailed summary of the results of the grant project, obstacles encountered and any work from the Scope of Service that was not completed.
2. The Grantee agrees to carefully collect all data requirements of the project listed in Exhibit A & B and provide such data to Carbon Solutions New England (CSNE) and the NH Public Utilities Commission using the Reporting System described in Exhibit B. Required data for all projects must be complete at the time of invoicing and quarterly reporting.

Grantee Initials *FRJ*
Date *11/5/10*
G&C 12/08/10
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EXHIBIT C
SPECIAL PROVISIONS

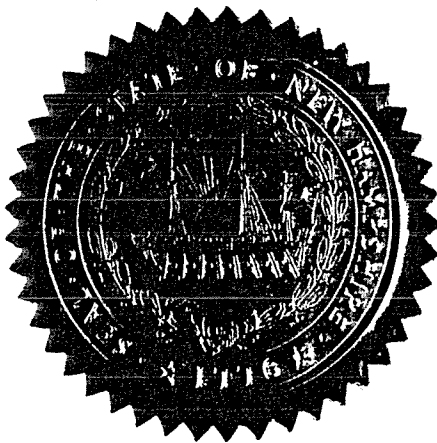
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State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that TRC ENVIRONMENTAL CONSULTANTS, INC. doing business in New Hampshire as TRC ENVIRONMENTAL CORPORATION, a(n) Connecticut corporation, is authorized to transact business in New Hampshire and qualified on July 25, 1983. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 4th day of November, A.D. 2010

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

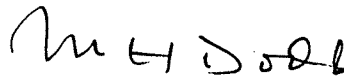
TRC ENVIRONMENTAL CORPORATION

CERTIFICATE OF VOTE AUTHORITY

I, Martin H. Dodd, do hereby certify that I am the duly elected and qualified Secretary of TRC Environmental Corporation, (the "Company"), and that the following is a true and correct copy of a resolution duly adopted by the Board of Directors at a meeting of said Board of Directors in accordance with the Bylaws of the Company on the 19th day of November, 2009, and that said resolutions are now in full force and effect:

RESOLVED: That Francis X. Reilly, Jr., as duly appointed Senior Vice President of the Company, is hereby authorized to sign and deliver in the name of and on behalf of the Company any and all documents pertaining to services provided to the New Hampshire Pay for Performance Program.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 2nd day of November, 2010.



Martin H. Dodd, Secretary



(Corporate Seal)

NOTARIAL CERTIFICATE

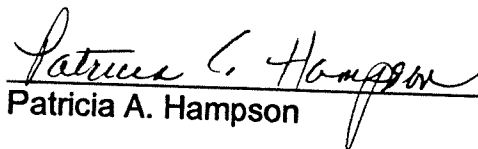
State of Connecticut

ss. Windsor

County of Hartford

On this the 2nd day of November, 2010, before me, Patricia A. Hampson, the undersigned officer, personally appeared, Martin H. Dodd who acknowledged himself to be the Secretary, of TRC Environmental Corporation, and he as such Secretary, being duly authorized to do so, executed the foregoing instrument for the purposes therein, by signing the name of the corporation by himself as Secretary.

In witness whereof, I hereunto set my hand.



Patricia A. Hampson

PATRICIA A. HAMPSON
NOTARY PUBLIC
MY COMMISSION EXPIRES JUNE 30, 2012



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/25/10

PRODUCER Es & Gough, Inc. 100 Northridge Parkway Suite 102 Atlanta, GA 30350 Matias Ormaza	1-770-552-4225	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURERS AFFORDING COVERAGE		
INSURER A: Commerce & Industry Insurance Company		
INSURER B: Chartis Specialty Insurance Company		
INSURER C: Twin City Fire Insurance Company		
INSURER D: Hartford Fire Insurance Company		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/>	GL 7168709	07/01/10	07/01/11	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Comp. Ded. \$2,000 <input checked="" type="checkbox"/> Coll. Ded. \$2,000	CA 7168886 A/O CA 7168888 MA	07/01/10 07/01/10	07/01/11 07/01/11	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$
B		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	UMB 7168710	07/01/10	07/01/11	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ \$ \$
C		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	20 WN MF5434 A/O 20 WBR MF5433 WI	07/01/10 07/01/10	07/01/11 07/01/11	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B		OTHER Professional Liability E&O-Including Pollution Liab.	3778255	07/01/10	07/01/11	Per Claim 10,000,000 Aggregate 15,000,000
D		Property	20UUMIY7462	07/01/10	07/01/11	Blanket Pers. Prop 24,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Re: Providing Energy Benchmarking Services; Location - New Hampshire
Certificate Holder is named as an Additional Insured on the above referenced liability policies with the exception of workers compensation & professional liability. Waiver of Subrogation is applicable where required by written contract allowed by law.

CERTIFICATE HOLDER

State of New Hampshire,
Public Utility Commission
11 S. Fruit Street, Suite 10
Concord, NH 03301-2429
USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Michael H. Hickey

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

