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ENERGY EFFICIENCY FUND

REQUEST FOR PROPOSALS #14-004 ISSUED NOVEMBER 25, 2014

The New Hampshire Public Utilities Commission (PUC or Commission) requests proposals from qualified parties to administer comprehensive energy efficiency programs for retail businesses and large energy users for a period of up to three years beginning on or about January 1, 2015. Total funding available under this RFP is dependent on revenues from New Hampshire's participation in the Regional Greenhouse Gas Initiative (RGGI). The Commission anticipates that roughly \$1.2 million will be available for programs funded through this RFP over a period of three years. Applications are due December 22, 2014.

SUBMISSION REQUIREMENTS

1. Proposals are due no later than December 22, 2014 at 4:00 p.m. at the PUC. Proposals must be submitted to:

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

2. One original signed copy, four additional paper copies, and an electronic copy of the proposal must be filed by the deadline. The electronic copy must be in PDF (portable document file) format and filed on a CD or USB drive with the paper copies. Proposals sent via fax or email will not be accepted.
3. Bidders may submit written inquiries about this RFP by email to: RFP@puc.nh.gov no later than December 10, 2014. Inquiries and responses will be posted on the PUC's website as they are received. Please note that answers to questions are carefully considered and may

require several days before they are posted. It is strongly recommended that bidders review the RFP in its entirety as soon as possible to allow the PUC time to answer questions and to allow the bidder time to complete the proposal.

BACKGROUND

In 2008, the New Hampshire General Court enacted RSA 125-O:19-28¹ authorizing New Hampshire's participation in the Regional Greenhouse Gas Initiative (RGGI). RGGI is a cooperative effort by nine Northeast and Mid-Atlantic states to reduce greenhouse gas emissions from the electric power sector through individual CO₂ Budget Trading Programs in each of the nine participating states.

The legislation also created the State's Greenhouse Gas Emissions Reduction Fund (GHGERF), to be funded with the proceeds from the auction sale of the State's CO₂ budget allowances and administered by the PUC. In 2009, the PUC awarded \$17.7 million in GHGERF funds for a total of thirty energy efficiency projects and programs via a competitive grant process. In 2010, a second competitive grant process resulted in grant awards for six energy efficiency programs totaling \$13.4 million.

Among the winning bidders in 2010 were the Retail Merchants Association (RMA) and TRC Energy Services. RMA, which had established an all-fuels, comprehensive efficiency program for the retail sector with a 2009 GHGERF grant award of \$1.3 million, was awarded an additional \$2 million to continue its program. TRC was awarded \$5 million to establish Pay for Performance, an all-fuels, comprehensive efficiency program targeting large energy users in both the private and public sectors. The RMA and TRC grants were awarded in December of 2010 for a period of two years. Since that time both programs were granted no cost time extensions on two occasions, and continue to operate today. The RMA program will expire on December 31, 2014, while the TRC program will end on June 30, 2015.

In June of 2012, the New Hampshire legislature enacted HB 1490, a provision of which terminated the GHGERF as of the end of 2012, and replaced it with the Energy Efficiency Fund (EEF). The bill also placed a cap of \$1 for each RGGI CO₂ allowance sale, and directed that any proceeds above the cap be rebated to electric ratepayers. The legislation directed the PUC to allocate remaining RGGI revenues to the CORE energy efficiency programs administered by the State's electric distribution utilities, beginning in 2013.

¹ For the text of the statute, see, www.gencourt.state.nh.us/rsa/html/NHTOC/NHTOC-X-125-O.htm

In June of 2013, the New Hampshire legislature enacted SB 123, providing additional requirements regarding the allocation of RGGI funds remaining after the rebate to ratepayers. The bill directs the Commission to allocate at least 15% of the remaining RGGI proceeds to the low-income core energy efficiency program, and then directs the electric utilities to set aside up to \$2 million of the remaining RGGI funds for municipal and local government energy efficiency projects.

SB 268, enacted in June, 2014, directs that any RGGI proceeds remaining after the rebate to ratepayers and the set-asides for the low-income core efficiency program and municipal and local government energy efficiency projects be allocated “to all-fuels, comprehensive energy efficiency programs administered by qualified parties which may include electric distribution companies as selected through a competitive bid process.” Funding is to be distributed among residential, commercial, and industrial customers based upon each customer class’s electricity usage to the greatest extent practicable as determined by the Commission. The legislation directs the PUC’s Electric Division to conduct the competitive bid process.

Total funding available for this RFP, for the years 2015-2017, is estimated to be roughly \$1.2 million based on projected RGGI revenues and expenditures.

This RFP focuses exclusively on energy efficiency programs for the retail sector and for large energy users. There is insufficient funding at this time to support a residential efficiency program.

PURPOSE

The purpose of this RFP is to provide for the continued delivery of fuel neutral, whole building energy efficiency services to 1) retail businesses, and 2) large energy users seeking to reduce electrical and thermal energy costs. Retail businesses are entities located in New Hampshire that sell goods, commodities or services directly to consumers. Large energy users are private or public sector facilities located in New Hampshire that have had an electric demand of 100 kilowatts or greater in any of the previous twelve months, or used 1000 MMBTU’s or greater annually for space heating and/or process heat.

The overarching goal for these programs will be the reduction of end user energy usage, costs, and emissions of greenhouse gasses.

The Commission will entertain applications from entities who propose to serve as program manager for either of these programs, or for both. The program manager will be responsible for conducting outreach and identifying and/or developing promising energy efficiency projects at user sites.

Successful applicants will demonstrate significant technical expertise and qualifications in whole building energy management, as well as the ability and means to create a successful program.

PROPOSAL REQUIREMENTS

Applicants are strongly encouraged to print or copy their proposals double-sided and stapled in the upper left hand corner. Proposals shall use 12 point fonts with 1" page margins. Page numbers are required. Proposals shall include the following:

1. Letter of Transmittal (1 page limit).

- Include name of bidder, name of proposed program, target sector (retail businesses, large energy users, or both), contact information for and signature of, project lead.

2. Program Summary (1 page).

- Provide 1-2 paragraphs describing the essential elements of the proposed program. Please provide details of all sources of funding to be applied to the project.

3. Proposed Scope of Work and Schedule (up to 3 pages)

- a. Describe program goals and milestones for a three year program.
- b. Provide a schedule for achieving milestones and indicate an estimated number of hours allocated to each major task/milestone.
- c. List the staff member(s), program partners, or subcontractors who will complete the tasks.
- d. List key partners or allies.

4. Program Benefits (up to 2 pages)

- a. Energy savings. Quantify projected energy savings (annual and cumulative) that will result from the proposed program. Please list energy savings by fuel type (e.g. electricity, natural gas, heating oil, etc.). Provide all assumptions and calculations used to compute projected energy savings, including a description of the types of energy efficiency measures expected to be installed or adopted. Include estimated measure lives.
- b. Projected cost-effectiveness. Quantify projected ratio of benefits to costs for program as a whole.
- c. Ancillary benefits. Describe additional benefits such as economic development (including jobs retained/created), market transformation for particular energy efficiency technologies, use of innovative technologies, and other direct or indirect program benefits.

5. Measurement and Verification (1 page)

- Describe in detail how program performance will be measured and verified against stated goals and program benefits.

6. Program Budget (one to three pages plus spreadsheets as attachments).

- a. Provide annual program budgets for a three year period.
- b. Provide details on key personnel including position, rates, and hours or full-time equivalents.
- c. Describe the extent to which the proposed program will leverage other funds or services in order to maximize the grant funds and the proposed program's impact.

7. Applicant Qualifications (up to two pages)

- a. Describe the applicant's prior experience and qualifications.
- b. Identify key persons that will be employed in the proposed work. List each person's job title along with his/her anticipated responsibilities. Provide a resume for each person. (Resumes do not count towards the two page limit.)
- c. List known subcontractors including the firm name and address and contact person, and complete description of work to be subcontracted. Include a brief description of the contractor's organization and expertise/abilities.

EVALUATION AND SELECTION PROCESS

Commission staff will review and evaluate all grant proposals. In accordance with SB 268, evaluations will be based on the following criteria (points noted in parentheses):

- (1) A benefit/cost ratio analysis for proposed energy efficiency measures including projected fuel savings. (15 points)
- (2) Demonstrated ability to provide a comprehensive, fuel neutral program. (8 points)
- (3) Demonstrated infrastructure to effectively deliver such program. (7 points)
- (4) Experience of the bidder in administering energy efficiency programs. (10 points)
- (5) Ability to reach out to customers. (5 points)
- (6) The validity of the energy saving assumptions described in the proposal. (10 points)

In addition, staff will consider:

- (7) The quality, clarity and completeness of proposals. (7 points)
- (8) The qualifications of the project team. (8 points)

- (9) The ratio of program management costs to the value of technical services and/or rebates/incentives provided to program participants. Program management costs include internal and external administrative costs, general overhead, indirect costs or profit, marketing, measurement and verification, internal implementation services, and any other expenditures that do not constitute a direct benefit to program participants. Such benefits must be either financial incentives or technical services, the value of which is readily apparent and easily calculated. (10 points)
- (10) Energy savings. (10 points)
- (11) Other Benefits:
- (a) Environmental benefits. The Commission will evaluate the proposal based on the environmental benefits as measured by annual CO2 emissions reduced or displaced. (12 points)
- (b) The extent to which proposed program(s) will promote economic development and other ancillary benefits. (8 points)

Applicants may be asked to make presentations and answer questions from staff.

Staff will score all proposals numerically based on the ten criteria enumerated above, and will then make a recommendation to the Commission as to which applicant or applicants should receive funding. The Commissioners will review Staff's recommendations and will determine which proposals are to receive funding.

GENERAL CONDITIONS

- A. The Commission reserves the right to reject any or all proposals, or any part thereof, to determine what constitutes a conforming proposal, to waive irregularities that it considers nonmaterial to the proposal, to make funding decisions, including partial awards, solely as it deems to be in the best interest of the State, and to negotiate with any party in any manner deemed necessary to best serve the interests of the State.
- B. The Commission reserves the right to request additional information from any or all parties submitting proposals to assist in its evaluation process.
- C. All information relating to this proposal (including but not limited to fees, contracts, agreements and costs) are subject to the laws of New Hampshire regarding public information. RSA 21-I:13-a, II provides that "No information shall be available to the public, the members of the general court or its staff, notwithstanding the provisions of RSA 91-A:4, concerning specific invitations to bid or other proposals for public bids, from the time the invitation or proposal is made public until the bid is actually awarded, in order to protect

the integrity of the public bidding process.” If any applicant asserts that any portion of its application is exempt from public disclosure as “confidential, commercial, or financial information” pursuant to RSA 91-A:5, after funding decisions are made, it should provide support for such claim as part of the application, explaining what measures the applicant has taken to keep such information confidential and the privacy or competitive business interest that would be harmed if such information were to be publicly released. The Commission would then determine, if needed, whether such information qualifies under the law (RSA 91-A) for exemption from public disclosure.

- D. The Commission shall not be responsible for any costs incurred by any party in preparation of any proposal submitted in response to this RFP.
- E. All parties submitting proposals shall be Equal Opportunity Employers. Funding recipients will be expected to comply with all federal, state, and local laws respecting non-discrimination in employment.
- F. The Commission reserves the right to amend or cancel this RFP at any time if the best interest of the State requires such action. Applicants should check the Commission website at <http://www.puc.nh.gov/Sustainable%20Energy/RFPs.htm> for any addenda to this RFP before filing their proposals.
- G. Recipients of funds will be required to submit their Taxpayer Identification Number (TIN) or Social Security Number (SSN).
- H. The terms and conditions set forth in the State’s “General Provisions” for grant agreements, attached hereto as Attachment __, will apply to the funding agreement to be entered into with grant recipients. In addition, each agreement will be supplemented by three exhibits. Exhibit A will set forth in detail the Scope of Services. Exhibit B will set forth the amount of the grant, and schedule and conditions of payments. Exhibit C will include any special provisions including any modifications to the General Provisions.
- I. If an applicant’s proposal is selected, any subsequent material changes or modifications to the overall program budget or key program personnel must be submitted for approval.
- J. This program is not an offer. Neither the State nor this program shall create any commitment on the part of the State or confer any rights on the part of the applicant unless and until a binding written award agreement is executed between the Commission and the Applicant.