

ADDITIONAL QUESTIONS REGARDING THE STIMULUS ENERGY GRANT PROCESS

UPDATED 10/19/2009

- 1) If the district performs a detailed energy audit after Phase-I of the district selection will the SFB cover 30% of the cost of the study up to \$0.10/sf or does the district pay that money 100% out of their local funding separate from the project cost?

If the district's application is approved, the SFB will cover 30% of the cost of the project including 30% of the IGA cost. If the district cancels the project after the application is approved, the district is liable to pay 100% of the cost of the IGA. If the SFB cancels the project after the application is approved, the SFB will cover 100% of the cost of the IGA.

UPDATED 10/15/2009

- 1) Does the cost of the 3rd party M&V need to be covered by the savings in a performance contracting project? Do the applications need to include this cost? (including the cost will affect the payback.) How do we price the 3rd party M&V?

There is no 3rd party M&V requirement. However, there is a third party commissioning requirement for all projects. The commissioning cost should either be part of the project cost or the district should cover the cost with grant funds.

Commissioning is required only for approved applications. Districts do not have to disclose commissioning costs as part of the initial application. However, the cost will be included in the IGA for all approved applications if the district intends to include commissioning as a part of the project cost, and not pay with grant funds.

M&V is the ESCO's responsibility and the application asks for M&V cost for the first year only. M&V costs for subsequent years will be included in the IGA for all approved applications.

- 2) Is measurement and verification the same thing as third party commissioning?

If the district is using local funds to cover 70% of the project cost, an IGA is not required. However, the district still has to produce engineering calculations to support the claim on energy savings.

Measurement & Verification (M&V) and Commissioning are two separate things. M&V is the annual verification of the energy savings that a performance contractor guarantees the implemented project would produce each year. M&V is required by statute for all performance contracting projects and is completed by the performance contractor on an annual basis for at least the first three years after the project is complete.

When the district pays 70% from the local source, the district may choose to do M&V by an engineer to make sure there are savings realized as initially projected by an engineer, but this is not a requirement of the SFB. However, commissioning is a requirement regardless of the funding source. The third party

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commissioner has to be on contract as soon as the district's application is approved by the SFB.

Original Posting:

- 1) Does the Davis Bacon Act apply to in-house labor?
The Davis Bacon Act does not apply if the district wants to use in-house labor. However, it does apply if labor is contracted for this grant project only.
- 2) What type of district space qualifies for the grant?
All space that the district owns and pays the utility costs for.
- 3) How do we calculate cost for KWh/Therm/Gallons of Propane?
Energy Savings in dollars should be calculated based on strict cost of KWh/Therm/Gallons of Propane. Do not include any added fees as service fees, delivery fees, etc. to the cost.
- 4) Who will pay for the Investment Grade Audit if the project is cancelled – the District or the SFB?
If the District cancels the project after the grant award the District pays the audit fee.
If the SFB cancels the project after the grant award the SFB pays the audit fee.
- 5) When does the application review process begin?
We will start reviewing the applications as early as October 2, 2009. However, projects will be thoroughly evaluated only after the November 6, 2009 deadline.
- 6) Will the SFB notify the district if additional info is needed?
The SFB may notify district if there any minor discrepancies in the application.
- 7) Do the districts have to use vendors from the State contract?
No. Districts can choose ESCOs from co-ops or through their own RFQ process. The State contract is only one of the options available.
- 8) What kind of vendors from co-ops are qualified to do performance type of work?
The co-ops should have selected or should select the vendors for performance contracting type of projects. Vendors selected for other types of projects will not qualify as a performance contractor.
- 9) Is commissioning a requirement if the district is funding 70% of the cost from local funds?
Commissioning is required for all projects regardless of the funding source.
- 10) Is the SFB favoring performance contracting?
The SFB is presenting performance contracting as an option to finance projects for those districts that do not have local funding available. Districts do not have use performance contracting if they have local funds to contribute to the project. The evaluation criteria is set up so that districts will have fair chance of qualifying whether the district opts for performance contracting or not.