

RFP QUESTIONS AND ANSWERS

JULY 26, 2010

DELAWARE GREENHOUSE GAS REDUCTION PROJECTS GRANT PROGRAM

1. **Question:** One of the items on the eligible project table is performing a GHG inventory. Are municipalities and/or local governments the only types of entities eligible to receive grants for GHG inventory projects, or could businesses in Delaware also be eligible to receive a grant to conduct a GHG inventory of their operations?

Answer: The grant program is open to Delaware businesses. As you will note in the Applicant Eligibility portion of the RFP, Delaware based Businesses are included.

"APPLICANT ELIGIBILITY:

Delaware-based businesses, state/municipal agencies, non-governmental organizations (NGOs) such as business sector associations, homeowner associations, academia and/or non-profit assistance providers are eligible to apply for funding under this Grant Program."

2. **Question:** Would it be possible for the Delaware Electric Cooperative to get a grant to help us meet our new RPS requirements?

Answer: The RPS requirement would not qualify under the RFP as it is already mandated by law.

"ELIGIBILITY REQUIREMENTS FOR PROPOSED PROJECTS:

In accordance with 76 Del. Laws, c. 262, §6046 (4), projects eligible for funding are those that "result in quantifiable and verifiable reductions in greenhouse gas emissions in Delaware **not otherwise required by federal or state law and not receiving funding from any other state sources.**"

3. **Question:** In considering a carbon sequestration project such as a managed forestry site, would there be a mandatory time frame during which the project was dedicated to the sequestration use?

Answer: While there is no mandatory duration requirement in the RFP, a project that is sustainable and managed over a longer period of time would be evaluated at a higher score than a short term project. The Regional Greenhouse Gas Initiative (RGGI) notes the following: “To ensure that CO2 offset allowances awarded for Afforestation projects represent permanent carbon sequestration, the RGGI participating states require a legally binding *permanent conservation easement* approved by the relevant state agency where the offset project is located.¹” While proposals are not required to qualify as a RGGI offset project, those that meet longer duration requirements may qualify for a higher score than those that have a shorter duration. See Question 4.

4. **Question:** If a managed vegetation project was accepted and the property later changed hands, would there be any special requirements?

Answer: Any project accepted for grant will be expected to meet the conditions and duration described in its application. On page 5, the application procedure notes:

“Applicants should quantify, to the extent possible, the reduced or avoided greenhouse gas emissions attributable to the project **over the duration of its implementation.**”

Projects will be evaluated on the basis of greenhouse gas emissions reduced or avoided and longer duration, higher reduction projects will be scored higher than short duration, low reduction projects. To the extent that a project contemplates the sale of a vegetation management site, it would need to have enforceable legal restrictions on the sale of the property and an obligation to enforce such restrictions to qualify for a longer duration period.

5. **Question:** Are co-benefits of the proposal limited to those described on page 9 of the RFP?

Answer: The grant proposal should identify any and all co-benefits it believes will result from the project. The definition is provided to help respondents understand the concept of co-benefits. The second sentence notes:

“Co-benefits include, **but are not limited to,** the creation of job opportunities, reduction of air pollutants other than greenhouse gases, reduction of the costs of electricity or natural gas to consumers, improvements in local electric system reliability, and the contribution to regional initiatives to reduce greenhouse gas emission.”

¹ Regional Greenhouse Gas Initiative, Afforestation Offset Projects,
<http://www.rggi.org/offsets/categories/afforestation>

6. **Question:** Can respondents submit a draft proposal for DNREC/Climate Division review prior to the final submission date?

Answer: No. Respondent proposals are expected to be submitted in final form on or before the September 15, 2010 deadline. See Question 7.

7. **Question:** If a project proposal fails to address certain requirements in its application, will the project be rejected or disqualified?

Answer: Proposals that have minor irregularities will be given an opportunity to cure identified deficiencies. The last paragraph on page 4 of the RFP notes:

“Cancellation

The Department reserves the right to cancel this RFP, accept or reject any and all proposals in whole or in part, received in response to this RFP, **to waive or permit cure of minor irregularities, and to conduct discussion with all qualified or potentially qualified offering parties in any manner necessary to serve the best interests of the State.** The Department also reserves the right, in its sole discretion to award grants based upon the written proposals received without prior discussions or negotiations.”

8. **Question:** Section 4, “Personnel” of Appendix B, “Contract for Professional Services” specifies a contractor “shall not subcontract any of the work or services covered by this Contract without the prior written approval of DEPARTMENT.” Does this mean a proposal may not use subcontractors?

Answer: No. It means that the use of a subcontractor to meet the objectives of the proposal must be approved by the Department, either during the initial proposal evaluation or before any new subcontractors are hired as part of the project.

9. **Question:** As a Delaware business, we are considering the installation of a solar and/or wind generation at our facility. Would we be eligible for consideration under this grant process?

Answer: Delaware energy consumers currently have opportunity for grant assistance for these types of projects. If the proposal anticipates application for any of these state grants, then it is not eligible under this GHG RFP. To be eligible under this RFP, a proposal must clearly declare that it will not seek funding from any other State sources

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