

RFP QUESTIONS AND ANSWERS

Updated August 18, 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 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.

“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.**”*

10. **Question:** Our department would like to apply for video conferencing technology. Would this project be eligible under this funding opportunity as it does reduce the “vehicle miles traveled?”

Answer: A video conferencing technology proposal would appear to qualify as an allowable proposal to the extent it results in reduced Greenhouse Gas emissions. As required in the RFP, it would be important that such a proposal demonstrate measurable, quantifiable results in terms of reduced miles driven and reduced vehicle GHG emissions. Allowable proposals should also note they are not receiving funding from any other State sources and that alternative funding is not generally available.

The proposing party should also be aware that, if the proposal qualifies for an award, the proposing party will be expected to enter into the Attachment B, “Contract for Professional Services” which will identify the scope of the project and expected emission reduction targets. It will be the responsibility of the proposing party to document and report the actual emission reductions achieved by the project.

11. **Question:** We operate several major state buildings and many historical buildings and state museums and would like to pursue more energy conservation and recycling at those facilities. We are unaware of our current greenhouse gas emissions inventory and were wondering if this is something we might pursue?

Answer: The agency is unable to give specific guidance to individuals beyond what is contained in the RFP project examples. The intent of the RFP is to secure actual greenhouse gas reductions directly or indirectly enable organizations to initiate actions that can likely lead to future greenhouse gas emission reductions such as a project for calculating carbon footprints as suggested on RFP page 11.

The agency cannot offer specific suggestions to any party beyond what is contained in the RFP. A competitive grant process requires that all potential applicants receive the same information via the RFP or published questions and answers. However, it is important to note that applicants are not restricted to the specific examples contained in the RFP. Each proposal will be evaluated on its overall merits, consistent with the scoring mechanism identified on page 8 and 9 of the RFP.

Pursuit of the carbon footprint of the various facilities that you operate and which could help focus follow-on actions to reduce GHG emissions would be an acceptable project

proposal. In addition, proposals that would provide for the use of clean fuels, such as system fuel changes from oil to gas, or solar or wind would also be acceptable.

12. **Question:** We are considering applying for the Delaware Greenhouse Gas Reduction Projects Grant Program, but have a few questions:

- Are there any page limits on each section of the grant application?
- Is there an overall page limit?
- Is there a preferred font you'd like to see? And/or a preferred font size (or range)?
- Are there specific page margins we must use when formatting our document?

Answer: There are no page limits on any section. There is no overall page limit. There is no preferred font or font size. There are no specific page margin requirements.

The application must contain the information requested in the RFP. The application may be represented in whatever style and/or format you believe is appropriate for your organization's proposal, keeping in mind the need to balance good readability with conservative use of resources.

13. **Question:** We anticipate a large project which may require significant funding to help reduce greenhouse gases. Should we request full funding for the project even though the awards will have a \$500,000 maximum?

Answer: Grant applicants should identify the total cost of their proposed project, even though they may not receive full funding. Knowing that there may be funding limitations on large or more costly proposals, it may be helpful to break such proposal applications down into Phase 1, Phase 2, etc. efforts if the award of a partial grant would still permit the project to move forward.

14. **Question:** When will we know if we have received an award on our grant applications?

Answer: Applications are due in no later than 4:00 PM on Wednesday, September 15, 2010. The agency anticipates approximately 60 days to review, score and select the applications for award. All parties should be notified of the result of their application by November 30, 2010 at the latest. If for any reason, applicants have not received notice by then, they should call for information.

15. **Question:** We have already initiated a project to change our energy source from No. 6 oil to a cleaner natural gas fuel. Could we apply for a grant to help offset some of those costs?

Answer: The RFP does not limit grant applications to proposals which have not yet begun. Projects that are already underway and will reduce greenhouse gas emissions are eligible for a potential award under this grant program. However, the grants will be awarded on a go forward basis and previously incurred costs will not be eligible for award reimbursement.

16. **Question:** I have a brief question regarding eligibility of a project that we are evaluating. The project would primarily involve the upgrade of two inefficient boilers. The upgrade is expected to improve natural gas consumption by approx. 30%.

Answer: The upgrade to more efficient equipment would certainly qualify for consideration, assuming the outcome is fuel use reductions that contribute to GHG emission reductions. A 30% increase in efficiency could certainly be beneficial and a proposing party should also consider co-benefits such as improved air quality, depending on where located and how long the equipment runs.

17. **Question:** The Delaware Center for Horticulture has been reviewing the RFP for greenhouse gas reductions and DCH has numerous projects that would be eligible for this program. The challenge is how to determine (with the exception of our tree planting program) the net reduction in greenhouse gases or energy use. Programs that we run that I would consider applying for include:

- Expanding the state's urban tree canopy
- Expanding DCH's urban agriculture in Wilmington
- Installing a green roof and other energy efficient systems as part of our capital improvements to our site
- Coordinating an environment film festival of shorts called "Hort Shorts"
- Installing native and/or hardy landscaping in public spaces (traffic islands, roadsides, parks etc)

Can you provide me with any guidance, for example, on how we begin to calculate energy savings or reduced greenhouse gases from establishing another urban farm or hosting a film festival? How and when does it become measurable?

Answer: As previously noted in Question 11, the agency is unable to provide specific program guidance with respect to your efforts. Expertise for estimating the GHG impacts of the various projects must come from the applicant. However, in expanding the state's urban tree canopy, you would have to provide for some permanence since trees that die or are prematurely removed offer limited GHG savings. Energy efficiency improvements, such as a green roof could certainly qualify for submission, but I have no specific information that could provide guidance.

With respect to measurability, it will be necessary for any party receiving an award to execute a contract, similar to the one attached to the RFP, specifying the scope of work related to the estimated savings and providing reporting to ensure completion of the proposed work effort. The actual greenhouse gas reductions resulting from the project are subject to post project verification via technical calculations or project audits that may be conducted by the granting agency.

18. **Question:** As a Delaware business, I wanted to verify that businesses are eligible to apply for the GHG projects grant program as we have several current and proposed projects that address energy conservation and/or GHG emissions reduction.

Answer: All Delaware businesses are eligible to apply as noted in Question 1. However, awards that may be provided can only cover project expenditures incurred after the date of the award.

19. **Question:** The GHG Reduction RFP says grants should generally last one year. For longer terms such as a 2 year sequestration project be allowable? Could such a project budget for longer term continued maintenance and secure those costs as part of the award, even after the first year is completed?

Answer: While the RFP specifies an expected general term of one year and perhaps up to two years, there is no mandatory time frame other than what will be agreed to in the contract scope of work between the agency and the grantee. A project that goes longer than two years could still be considered but may have funding limitations.

Since the award will be reimbursement on receipt of paid invoices from the grantee, it will not be possible to budget funds early and spend later in the project. All award payments will be made only after submission and approval of invoices for work accomplished.

20. **Question:** We are looking at various methodologies in calculating the potential decrease in our carbon footprint by decreasing the number of miles driven to meetings, trainings, etc. by increase of usage of our conference room with the addition of videoconferencing technology. We are reviewing current conference room usage, Fleet service charges, and surveying the divisions in regards to their expected use of video conferencing. We would like to provide the most accurate estimate in regards to the number of car miles driven that will be saved and therefore reduced GHG emissions with the purchase of video conferencing technology. Can you offer any suggestions regarding best practice methodology for calculating an estimate of mileage saved through the usage of videoconferencing technology?

Answer: I'm afraid there are not many simple ways to arrive at the mileage saved via video conferencing. It would depend on how many times it would be used, how many individual vehicle trips were avoided and how many miles each avoided trip saved. There are no easy generic estimates that I'm aware of. Once you have an estimated mileage you could calculate the avoided GHG reductions. Although I've not used it, the Environmental Protection Agency has a good website that can help through the process. They identify a six step process which basically involves estimating the mileage.

<http://www.epa.gov/oms/climate/420f05004.htm>

In simple terms, a 100 mile avoided trip @ 22mpg = 4.545 gallons of fuel. At 19.4 lbs of CO2 per gallon, it is 88.2 lbs for the 100 mile trip. There is also a 5% factor for other gases which boosts that number to about 92.8 lbs for a 100 mile trip. You can certainly change the variables and do more precise calculations, but for general passenger vehicle travel purposes you could use 0.928 lbs per mile. Sorry, but there is no easy way to estimate system usage to get to the bottom line miles without estimating your own usage patterns

21. **Question:** As a representative of the Department of State, we operate buildings (DE Veterans Home, Woodburn, Buena Vista Conference Center, Biggs Museum in Dover, Old State House, and many smaller historical buildings and state museums) and I am trying my best to push toward energy conservation and recycling. Would it be possible to pursue a proposal for calculating our greenhouse gas emissions and potential projects for reduction?

Answer: You can pursue calculating the carbon footprint of the various facilities that you operate, which would then help to focus on follow-on actions to reduce GHG emissions. A proposal to identify and reduce GHG emissions by some percentage would be an acceptable proposal. In addition, proposals that would provide for the use of clean fuels, such as system changes from oil to gas, or solar or wind would also be acceptable.

22. **Question:** I am writing on behalf of a non-profit organization in Rehoboth Beach. We are expanding our 100-year-old building and installing solar panels on the roof to decrease the energy consumption and installing more energy-efficient systems and appliances. Does this fall under the retro-commissioning program guidelines? We are still in the design phase and have not yet begun to apply for building permits. We have a preliminary cost estimate, but not a final estimate. Is this an annual program and might these funds be available next year at this time?

Answer: Without knowing the specifics, and assuming your current building can be made more energy efficient, I believe your project could be considered under the retro-commissioning program guidelines. Although you are still in the design phase, it does

not preclude you from applying for the award, unless of course you anticipate the design and implementation to exceed two or three years. Project cost estimates should be based on comparable type projects and may include some small amount of contingency funds for unknowns as the project moves forward. The one caution I would add is that your project cannot receive funding from any other state sources such as grants or loans through other agencies. Projects can receive only one source of state funds. That doesn't mean you can't have private matching funds and, in fact, that would be encouraged.

DNREC anticipates this to be an annual offering, but funding may be limited and will be based on Regional Greenhouse Gas Initiative (RGGI) carbon emission revenues as available

23. **Question:** The Delaware Department of Agriculture is considering submitting two applications for the Delaware GHG Project Grant Program and I wanted to check with you to make sure they will qualify for consideration. We are looking at installing a solar PV array at our Redden State Forest office (ground mount) and a roof-mounted solar array at our main DDA office in Dover to reduce the amount of electricity we are purchasing from the grid. Would these qualify for the program? (I believe the maximum that we could receive for each project is \$100,000.)

Answer: The proposals you suggest could qualify. However, I would point out that this is a competitive proposal process and qualification does not assure an award. I should further point out that the projects you propose would be restricted from receiving any other state funding that may be available. You may want to check out the Q&A on the DNREC website.

<http://www.dnrec.delaware.gov/ADMIN/Pages/RFPsAndRFQs.aspx> located under Climate Change Division.

24. **Question:** Would Delaware Tech be able to apply for one of these grants to improve lighting efficiency on our campuses? If so, what would be the maximum we could request?

Answer: A lighting retrofit would appear to fall under "GREEN INFRASTRUCTURE, SEQUESTRATION and RESOURCE CONSERVATION" which provides for a project up to \$100,000. That category is designed to pick up projects that reduce greenhouse gases, via infrastructure changes which would seem to include lighting retrofits.

Please keep in mind that this RFP is looking for projects that typically have limited availability or sources of funds to accomplish the project and it excludes any projects that have funding from any other state sources or programs. Awards will require the recipient to certify that they are not receiving any other state funds for the project.

25. **Question:** We are planning to apply for SEU funds for a group of projects including lighting. Since these are loan funds rather than grants would they qualify as "other state sources"?

Answer: Funding via the SEU, whether grant or loan, would be considered State funding under the GHG RFP rules.

26. **Question:** Is there a planholders list available for the below project? I am looking for a list of companies who have picked up any bid documents

Answer: The RFP was made available on the DNREC website with a press release announcing its availability. There are no bid documents beyond what is shown on the website. No one has stopped in to pick up any documents related to this effort. This is a competitive grant program that specifies eligibility and application requirements in the RFP. It is open to any party who qualifies under the eligibility rules and that won't be known until the September 15 closure date.

27. **Question:** We will be submitting a grant application for Land Use Planning and Transportation. I saw the number \$25,000 to \$200,000 assigned to this category. Does this mean that we are eligible for a maximum of \$200,000? Our expenses for the engineering of this project will be in excess of \$2,000,000 and wanted to know how to best present our case. Secondly, I am assuming that the grant will be for expenses not yet incurred and that prior expenses would not qualify. Is that correct?

Answer: You are correct on both counts. The maximum award specified for the Land Use and Transport Category is \$200,000. Also while a project may have already begun, it would only be eligible for reimbursement of future expenses. No prior expenses would be covered.