

Delaware DNREC
Energy Efficiency Investment Fund

**Program Guidelines and
Operational Procedures**

Version 2.1
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Table of Contents

1.0 Purpose.....	3
2.0 Statutory Authority	3
3.0 Energy Efficiency Investment Fund Statute and Appropriation.....	3
3.1 Statute	3
3.2 Appropriations	3
4.0 Delaware Energy Efficiency Investment Fund	4
4.1 General Provisions	4
4.2 Eligibility	6
4.3 Permits	6
4.4 Warranties, Insurance, and Licensure.....	6
4.5 Code Compliance.....	6
4.6 General Application Process.....	6
5.0 Delaware Energy Efficiency Investment Fund Pathways.....	7
5.1 Prescriptive Pathway Grants	7
5.2 Custom Pathway Grants.....	9
5.3 Energy Assessment Pathway Grants.....	11
5.4 Combined Heat and Power (CHP) Pathway Grants	13
6.0 Proprietary Application Information.....	15
7.0 Retirement and Disposal	15
8.0 Dispute Resolution	16
9.0 Tax Liability.....	16

1.0 Purpose

The purpose of these guidelines is to define procedures relating to the Energy Efficiency Investment Fund (EEIF). The goal in establishing these guidelines is to provide a streamlined procedure for administering and distributing program funds.

These guidelines provide rules of practice and procedures for grant applications and disbursement of grants for energy efficiency projects in Delaware.

2.0 Statutory Authority

These guidelines are disseminated under authority of 29 Delaware Code, Section 8030.

3.0 Energy Efficiency Investment Fund Statute and Appropriations

3.1 Statute

Amendments to 29 Del.C. §8030 and 30 Del.C. §5502 of the Delaware Code established the Energy Efficiency Investment Fund (EEIF). Under these titles, the State shall transfer in each fiscal year the first \$5,000,000 in tax receipts received under 30 Del.C. Ch. 55 that would otherwise be deposited to the General Fund to EEIF maintained by the Department of Natural Resources and Environmental Control (DNREC) pursuant to Chapter 80 of Title 29.

The EEIF program promotes the use of energy efficient technologies by Delaware non-residential (commercial and industrial) customers that are users of gas or electricity whose purchase of those commodities from a distributor is subject to the public utility tax on gas or electricity. For more information on who pays the public utility tax, please see the Public Utilities chapter of the Delaware State Code ([30 Del.C. Ch. 55](#)).

According to 29 Del.C. §8030, DNREC shall give preference to those applications proposing projects that are anticipated to produce the greatest reduction in energy consumption per Fund dollar invested, improve environmental performance, spur capital construction and facility modernization, encourage job retention and creation, and are likely to be substantially complete no later than one year following the issuance of financing from the Fund.

3.2 Appropriations

DNREC is the designated recipient and administrator of several funding streams, each having specific disbursement requirements and customer eligibility. EEIF is funded in part by the public utility tax (PUT), Regional Greenhouse Gas Initiative (RGGI), and merger between Exelon Corp and Pepco holdings (MERGER).

3.2.1 Public Utility Tax (PUT)

Funds from the public utility tax are required for the benefit of the energy consumers that pay for the funds. All non-residential entities that pay the PUT are eligible for PUT funding.

3.2.2 Regional Greenhouse Gas Initiative (RGGI)

Funds from RGGI, a mandatory market-based program among eleven states including Delaware to reduce greenhouse gas emissions, come from two sources. These funds are subject to change due to auction results which may result in changes to program eligibility. DNREC receives RGGI funding from the state selling emission allowances through auctions to be used for investments in energy efficiency. DNREC has elected to

utilize a portion of the RGGI proceeds to fund EEIF, open to all non-residential non-profit entities and local governments.

3.2.3 Exelon Corp and Pepco Holdings Merger Settlement (MERGER)

Part of the agreement involving the merger between Exelon Corp and Pepco holdings resulted in funds to be distributed to Delaware. The Delaware Public Service Commission approved the allocation of \$8,000,000 to the EEIF program. All non-residential entities that are Delmarva Power and Light (DPL) customers are eligible for MERGER funding.

3.2.4 Limitation of Funds

All funding sources are subject to change based on availability. Every funding source will follow EEIF program requirements and the grant payment structure. The various sources of additional funding not pertaining to the PUT are all limited and should be considered one-time monies. The applicant shall follow program guidelines to ensure reservation of funds prior to any equipment purchase or installing a qualifying system. DNREC will provide notice if program funds are close to being exhausted for the fiscal year.

4.0 Delaware Energy Efficiency Investment Fund

4.1 General Provisions

All grants are on a first-come first-served basis. With the exception of energy assessments, in no event shall the Fund provide grant funding for more than 30% of the total costs of any proposed project nor support projects already receiving support from the Green Energy Fund under this chapter or the Strategic Fund under subchapter I-B of Chapter 50, Title 29 of the Delaware Code. DNREC reserves the right to suspend, terminate, or modify the Fund at any time. DNREC may change program requirements, eligible measures, or grant amounts at any time. DNREC is not obligated to approve any submitted application that may result in exceeding the program budget. In the event of a program change, submitted applications will be processed according to program terms at the time of application pre-approval. Applicant is fully responsible for providing a complete application and supporting documentation. Incomplete or missing information will delay and/or cancel processing of application.

All equipment must be new, purchased and installed before the grant payment can be issued. DNREC does not endorse any particular contractor, manufacturer, product, or system in promoting this program.

The applicant agrees to allow DNREC or its program evaluator to have access to the awarded facility's energy use data for a period of at least two years following installation of the incentivized measures. Additionally, applicant agrees to DNREC publicly publishing awardee details such as but not limited to: total grant award amount, facility address, total project cost, fuel type, energy provider, fund appropriation, date completed, project type, dollar savings per year.

4.1.1 Pre-Approval

All projects require pre-approval prior to any equipment purchase or any services completed. Upon pre-approval, equipment must be new, purchased, and installed before the grant payment can be issued. Both payment and commitment of grant are subject to availability of program funds. DNREC will provide designated grant payments for qualifying equipment. Applications for grants are subject to approval by DNREC and

DNREC reserves sole discretion to accept or reject any application under the Fund. DNREC makes no commitment to provide grant payment prior to final application approval.

4.1.2 Inspections

All applications are subject to pre-installation and/or post-installation inspections at the discretion of DNREC. All customers agree to allow access to proposed and installed equipment for the purposes of inspection and verification. If DNREC determines that the customer eligibility, proposed equipment, or installed equipment does not meet the program's criteria, DNREC may withhold payment of the grant amount and/or require changes before issuing payment.

4.1.3 Invoices and Other Final Documentation

After the applicant receives pre-approval and completes the installation, the customer or contractor performing services on behalf of the customer must provide copies of all itemized invoices and other documentation that verify the costs of purchasing and installing all qualifying equipment including material and installation costs. Invoices must be itemized for all eligible equipment. At the time of project completion quotes cannot be accepted, itemized invoices are required, and the applicant must highlight any changes in the project scope on those invoices from the proposed quote which may result in an adjustment of the approved grant amount. Proof of payment must be submitted prior to grant payment being issued.

4.1.4 Program Limits

The Fund will not pay more than 30% of the energy efficiency related project cost for any proposed project as detailed on itemized invoices. Program funds are limited. Grant awards will not exceed \$100,000 per individual location per year. DNREC reserves sole discretion to adjust the program grant caps. Particular consideration will be placed on organizations that support DNREC's commitment to helping vital, yet vulnerable sectors of the community, including: minority, women, and veteran owned businesses; small businesses (defined by the Delaware Dept. of Small Business as 100 employees or less); nonprofit organizations; educational institutions; state agencies; and local governments. To ensure availability, funding must be reserved prior to purchasing any equipment or beginning an audit or energy study.

4.1.5 State Energy Program Revolving Loan Fund

The State Energy Program Revolving Loan Fund (SEPRLF) can be used to supplement an EEIF grant or as a stand-alone loan. The program offers low-interest loans for installation of energy efficiency measures that, in turn, lower their bills while reducing the environmental impacts of energy production, delivery, and use. Applicants can be from the commercial, industrial, nonprofit, schools, local government, agricultural, and institutional sectors. Underwriting is done in house by DNREC thereby allowing for greater flexibility in loan terms and conditions. Loan approval will not compromise an applicant's EEIF grant amount, meaning that loans can be used in combination with a grant to help pay the balance of the project cost. To apply for a loan, applicants need to include a detailed project description as well as documented energy savings.

4.2 Eligibility

The EEIF Program is available to all non-residential, commercial, industrial, local government, governmental, and non-profit entities in the State of Delaware. New construction is not eligible for EEIF Funding at this time. Therefore, all applications must be a retrofit of an existing building.

4.3 Permits

All EEIF projects must obtain all relevant permits from DNREC and all other necessary state, local, regional, and federal permits to be considered for an application.

4.4 Warranties, Insurance, and Licensure

All qualifying systems receiving an EEIF grant must have a full 3-year warranty against component failure, malfunction, and premature output degradation. The warranty must cover all components for which the applicant is receiving grant money. DNREC neither expressly nor implicitly warrants the performance of installed equipment. Participants should contact their contractor for details regarding the equipment warranties.

Installing contractor, and anyone acting under its direction, shall at its own expense procure and maintain in full force at all times Commercial General Liability Insurance with a bodily injury and property damage combined single limit of liability of at least one million dollars (\$1,000,000) for any occurrence.

Installing contractors shall maintain appropriate education and licenses, industry certificates, and accreditations to ensure the program preserves the end-user's expectation of professional work. The installing contractor must have an active Delaware business license, Delaware trade specific professional license, and training certificates.

4.5 Code Compliance

All qualifying systems must be installed in accordance with the standards and specifications of the manufacturers of the components in the system, in compliance with all federal, state, and local safety, building and environmental codes and ordinances and these guidelines. Where discrepancies, if any, exist with these guidelines and local codes, local codes shall govern.

With regard to Delaware's current building energy code, qualifying systems must exceed minimum code requirements in order to be considered for energy efficiency grant funds. For more on Delaware's energy codes, please see www.de.gov/energycodes.

All equipment must be tested to Underwriters Laboratory ("UL") standards, be UL listed and installed per manufacturer's instructions.

4.6 General Application Process

Applications for all EEIF projects must receive pre-approval from DNREC prior to beginning the project with the purchase of any materials. The applicant or contractor, acting on behalf of the applicant, should confirm that the proposed energy conservation measure (ECM) qualifies for a grant based on the program requirements. Then, submit a completed and signed EEIF Grant Application form for their applicable EEIF Pathway ("pathway") with required supplementary documentation outlined in each pathway's Application Requirements Section. After an application is received, it is classified as 'pending' status, and will expire after 30 days if all missing documentation is not provided.

After receipt of the completed application and all required supplementary documentation, DNREC will evaluate the project for consideration of project pre-approval. The contractor and

customer are fully responsible for ensuring that all forms and documentation have been supplied and the system meets all program requirements. If the requirements have been successfully met, a pre-approval letter will be issued by DNREC to the applicant. Applicants must acknowledge receipt of the EEIF pre-approval letter. By acknowledging receipt of the pre-approval, applicants request grant funding be held on their behalf from the pre-approval notification date, agree that they understand and will comply with all program and pathway requirements, and agree to notify DNREC of any changes in project scope. DNREC reserves the right to conduct an inspection of the existing systems prior to grant pre-approval.

Applicants are required to register as a supplier with the State of Delaware and fill out the DNREC eSupplier Information Sheet prior to final approval document submittal. The eSupplier Information Sheet, provided during pre-approval, should accurately match the information as it was entered in the eSupplier Portal. Supplier ID number, name of the payment recipient, and mailing address provided on the eSupplier Information Sheet will be confirmed against original project application prior to final payment review.

After completing the installation of the project, the applicant or contractor, acting on behalf of the applicant, must submit the final documents pertaining to the project outlined in their pathway's Application Requirements Section. DNREC will evaluate the project and the required accompanying documents for consideration of grant final approval. DNREC reserves the right to conduct an inspection of the systems prior to final grant approval.

DNREC will process the grant upon receipt of the final application package and all supporting documentation. DNREC will ordinarily process the payment to the applicant, however, if the applicant so designates on their application and documentation reflects the grant value was reduced directly from the purchase price, DNREC will process the payment to the specified retailer or installing contractor.

5.0 Delaware Energy Efficiency Investment Fund Pathways

There are four grant pathways available to Delaware non-residential entities with existing buildings tailored to differing needs and resources. All four pathways can be paired with the DNREC State Energy Program Revolving Loan Fund (SEPRLF) detailed in Section 4.1.5. Loan approval will not compromise an applicant's EEIF grant amount, meaning that loans can be used in combination with a grant to help pay the balance of the project cost. Applications for SEPRLF are available on the EEIF website (<https://de.gov/eeif>).

5.1 Prescriptive Pathway Grants

Prescribed measures contain technologies where energy savings can be predicted with reasonable accuracy across all applications. The technologies currently eligible for the program include lighting, high efficiency commercial gas heating, and hot water heating.

The program may modify or expand the list of eligible measures under the prescriptive grant pathway at any time. DNREC will notify applicants of any changes on the website and update any published materials.

5.1.1 Prescriptive Grant Limits

Program limits are detailed in Section 4.1.4. The grant for a prescriptive project will be paid per unit installed at a rate detailed in the corresponding prescriptive grant pathway application, up to 30% of the energy efficiency related costs, whichever is less. In no

event shall DNREC pay a prescriptive rate more than the final unit price detailed on itemized quotes and/or invoices for equipment cost.

5.1.2 Accepted Prescriptive Products and Equipment

The following list details the products and equipment eligible for a grant under the Energy Efficiency Investment Fund Prescriptive pathway.

Lighting

All products must meet the technical requirements listed on the Prescriptive Lighting Grant Application for lighting equipment to be eligible for a grant. All products must be UL listed and be installed according to local building codes. All products must be installed in such a way that the lighting power allowance in the Building Area or method of ASHRAE 90.1 2016 and the current Delaware building codes is not exceeded.

All products must be listed on the Energy Star Certified Light Bulbs list (energystar.gov/productfinder/product/certified-light-bulbs), Energy Star Certified Light Fixtures list (energystar.gov/productfinder/product/certified-light-fixtures), or the current Design Lights Consortium (DLC) qualified product list (www.designlights.org/search).

- DLC has released the Solid-State Lighting Technical Requirements Version 5
- DLC V5.0 will go into effect 1/1/2021: increase in efficacy
- DLC V5.1 will go into effect 1/1/2022: increase in quality standards
- Distributors should work with their manufacturer to identify the products they have in stock that will be falling off the qualified product list if they plan to continue receiving EEIF grant support

Heating Equipment

All products must meet the technical requirements listed on the Prescriptive Heating Grant Application for natural gas heating equipment to be eligible.

Water Heating Equipment

All products must meet the technical requirements listed on the Prescriptive Heating Grant Application for water heating equipment to be eligible.

The following are not eligible for a prescriptive grant:

- Routine maintenance procedures
- Building energy code requirements (see 2018 IECC and ASHRAE 90.1 2016)
- Other restrictions as deemed appropriate by DNREC

5.1.3 Prescriptive Application Requirements

Applications must be completely and accurately submitted before grants can be paid. Required documentation includes:

Pre-Approval

- Specification (cut) sheets and model numbers for all equipment;
- Itemized quotes and estimates for all equipment and scope of work;
- One (1) month of electric and/or natural gas utility bills (DNREC reserves the right to request 12 consecutive utility bills);
- Installer's appropriate business and professional licenses for the State of Delaware;
- Installer's Commercial General Liability Insurance certificate; and
- Documentation of energy savings calculations and cost estimates.

Final Approval

- Itemized invoices for all equipment and the scope of work;
- Proof of payment;
- Online registration through the State of Delaware eSupplier Portal; and
- Completed eSupplier Information Sheet.

Additional information may be requested upon review of initial proposal as deemed appropriate by DNREC.

5.1.4 Prescriptive Funds Reservations

Funds will be reserved for 120 days on a first-come, first-served basis. Applicants may request a one-time extension for 60 days. Final itemized invoices, proof of payment, and supporting documents shall be submitted within the 120 days of the reservation date or funds will be forfeited. DNREC will determine if a reservation extension should be granted.

5.2 Custom Pathway Grants

The custom pathway grant option is designed to encourage non-standard energy efficiency measures, including measures not listed in the prescriptive pathway above and prescribed measures bundled into a comprehensive full facility upgrade that maximizes energy savings and cost effectiveness. Projects qualifying under the custom pathway are generally more complex incorporating aggressive measures that permanently raise the efficiency levels beyond that of standard equipment.

5.2.1 Custom Grant Limits

Program limits are detailed in Section 4.1.4. Custom grants are based on calculated energy and demand savings of retrofit projects, as well as cost-effectiveness and project comprehensiveness. The custom incentive structure consists of three tiers which are determined by the comprehensiveness or number of end uses involved in a project. Projects including only one (1) end use are eligible for the Single Tier incentive level (except lighting). To qualify for the Multi-Tier, a project must be a building energy management system (EMS) or contain at least two (2) end uses (see Section 5.2.2). A project including three or more (3+) end uses is eligible for the highest incentive level known as the Comprehensive Tier. End uses may be gas and/or electric.

Projects that solely deliver savings from lighting are not eligible for the custom grant pathway. A control system that only controls lighting is not an EMS. A control device/system that just establishes the space temperature and a setback temperature is not an EMS. To qualify as an end use for the Multi-Tier, 80% of the lighting must be dimmable as defined by the Design Lights Consortium (DLC). To qualify as an end use for the Comprehensive Tier, lighting must include fixture-integrated or networked lighting controls.

The grant for a custom project will be paid at the following rates for each tier, up to 30% of energy efficiency related costs, whichever is less.

	Single Tier	Multi-Tier	Comprehensive Tier
Electric Incentive	\$0.15 / kWh	\$0.20 / kWh	\$0.25 / kWh
Gas Incentive	\$9 / MMBtu	\$18 / MMBtu	\$27 / MMBtu

Typically, the savings generated by these custom measures are site and end use specific and require a detailed analysis to qualify for a grant. Recognizing this, DNREC reserves the right to require a detailed system design and a predicted performance calculation verified by a professional engineer (P.E.).

All custom applications require documentation of the energy savings information. Acceptable forms of documentation include: energy modeling by a consultant or other third party, nameplate data on all existing systems, specification sheets for ALL proposed systems, signature by a licensed professional engineer (P.E.) and/or DNREC approved calculator tools. Failure to submit acceptable documentation will result in a determination of ineligibility. For example, ASHRAE 90.1-2010 Appendix G simulation may be used to demonstrate beyond-code energy performance, and ASHRAE's energy cost budget method may be used to demonstrate energy cost avoidances.

5.2.2 Accepted Custom End Uses and Example Measures

The table below provides a list of various building end uses eligible for custom grants, as well as examples of energy efficiency measures for these end uses.

Energy End Use	Description (consumption related to...)	Example Measure
Space Heating	heating interior building conditioned spaces	Steam / Boiler improvements
Space Cooling	cooling interior building conditioned spaces	Chillers
Ventilation	distribution of air to interior building conditioned space	Variable speed motors for fans
Domestic Hot Water	heating water for sinks, showers, and other plumbing fixtures	Service water heating improvements
Interior/Exterior Lighting	illumination for interior building spaces or exterior lighting fixtures	LED fixtures and lighting controls; Parking lot LED fixtures
Refrigeration	related to cold/freezer spaces	Adding door gaskets or suction pipe insulation for walk-in and reach-in coolers and freezers
Industrial Process	industrial functions such as compressed air systems	Aerator efficiency improvements at wastewater treatment plants
Plug Loads	appliances and equipment plugged into standard wall sockets	Smart power-strips, energy efficient office equipment, etc.
Whole Building*	multiple building energy end uses	Energy Management Systems (EMS) have the ability to impact several building energy end uses

The following are not eligible for the custom pathway grant:

- Routine maintenance procedures
- Renewable energy generation (e.g. wind, geothermal, solar, etc.)
- Projects with less than a 6-month simple payback
- Industrial technologies not approved by nationally recognized laboratories
- Power conditioning/power factor equipment
- Equipment studies
- Projects that bring the building up to minimum code requirements
- Other restrictions as deemed appropriate by DNREC

5.2.3 Custom Application Requirements

Applications must be completely and accurately submitted before grants can be paid. Required documentation includes:

Pre-Approval

- Specification (cut) sheets for all equipment;
- Technical data and testing laboratory information;
- Itemized quotes and estimates for all equipment and scope of work;
- 12 consecutive electric and/or natural gas utility bills;
- Installer's appropriate business and professional licenses for the State of Delaware;
- Installer's Commercial General Liability Insurance certificate;
- Documentation of the energy savings calculations and cost estimates; and
- Project schedule including detailed milestones.

Final Approval

- Itemized invoices for all equipment and the scope of work;
- Proof of payment;
- Online registration through the State of Delaware eSupplier Portal; and
- Completed eSupplier information sheet.

Additional information may be requested upon review of initial proposal as deemed appropriate by DNREC.

5.2.4 Custom Funds Reservations

Funds will be reserved for 12 months on a first-come, first-served basis. The applicant may request a one-time extension for 60 days. Final itemized invoices, proof of payment, and supporting documents shall be submitted within the 12 months of the reservation date or funds will be forfeited. DNREC will determine if a reservation extension should be granted.

5.3 Energy Assessment Pathway Grants

For businesses in need of technical assistance to evaluate their facility for cost effective energy efficient upgrades, grants are available to help with the cost of the audit, feasibility study, and project design.

5.3.1 Energy Assessment Grant Limits

Program limits are detailed in Section 4.1.4. Energy Assessment grants pay 50% of the proposed audit cost, up to \$10,000 for targeted energy audits or up to \$20,000 for comprehensive energy audits, per application. The remaining 50% of energy audit costs may be covered (within program limits) by an additional grant payment if the applicant proceeds with one recommended energy conservation measure from targeted audits and two or more of the recommended ECMs from comprehensive audits. DNREC reserves the right to determine qualifying energy conservation measures for additional grant payments on a case-by-case basis.

5.3.2 Accepted Audits

Targeted Energy Audit

A single-purpose or a targeted energy audit will provide a detailed analysis on one or more types of projects. Audit types included but are not limited to a focused analysis on lighting, energy management systems, variable speed drives, refrigeration systems,

boiler/chiller replacements, thermal energy storage systems, energy generation, or a combination of these projects.

Comprehensive Energy Audit

A comprehensive energy audit will provide a detailed analysis of a facility and potential project. The audit will include the interactive effects of the projects and account for the energy use of all major equipment while providing detailed energy cost savings calculations and installed project costs. Comprehensive audits typically use computer models such as DOE-2, Trane/Trace, or equivalent packages to simulate building and equipment operations based on weather, equipment set points, and hours of operation.

Recognizing that a comprehensive audit evaluates all major energy using systems, the audit will include an implementation plan for the facility upgrades. The audit must comply with ASHRAE Level II audit requirements. Systems eligible for a comprehensive audit include, but are not limited to:

- Building envelope
- Lighting
- Domestic hot water
- HVAC and controls
- Combined heat and power

5.3.3 Energy Assessment Application Requirements

Applications must be completely and accurately submitted before grants can be paid. Required documentation includes:

Pre-Approval

- Audit proposal detailing estimates of audit and scope of work;
- 12 months of electric and/or natural gas utility bills;
- Auditor's Commercial General Liability Insurance certificate; and
- Auditor's appropriate training certificates and State of Delaware business license.

Final Approval

- Itemized invoices for all equipment and the scope of work;
- Proof of payment;
- Online registration through the State of Delaware eSupplier Portal;
- Completed eSupplier information sheet; and
- The completed energy study, which shall include all requirements needed for the prescriptive and custom grants including the following:
 1. Executive Summary
 2. Technical Information and Analysis
 - a) Description of the project and proposed energy saving measure
 - b) Base case information
 - c) Enhanced case information
 - d) Estimated energy and demand savings associated with the proposed project
 - e) Any applicable figures and tables
 - f) Simple payback period and/or life cycle costs
 - g) Estimated costs including design, materials, and installation
 3. Conclusions and Recommendations
 - a) Findings and key points summarized

- b) Recommendations should be evaluated separately and combined in the enhanced case
4. Appendix
 - a) Engineering assumptions and supporting information
 - b) Building data and plans
 - c) Cost assumptions
 - d) Publication information for each source cited in the “Technical Information” section of the report
 - e) Listing of the publication title, author, place of publication, page numbers, and date of publication

5.3.4 Energy Assessment Funds Reservations

Funds will be reserved for 120 days on a first-come, first-served basis. Applicants may request a one-time extension for 60 days. Final itemized invoices, proof of payment, and supporting documents shall be submitted within the 120 days of the reservation date or funds will be forfeited. DNREC will determine if a reservation extension should be granted.

5.4 Combined Heat and Power (CHP) Grant Pathway

The combined heat and power (CHP) pathway is designed to encourage the development of CHP in Delaware. Unlike traditional systems that produce electricity and heat separately, CHP, or cogeneration, is the concurrent production of electricity and useful thermal energy from a single source of energy. CHP systems are ideal for businesses with high annual hours of operation and a high thermal load. CHP systems yield increased energy efficiency, reduction in energy operating costs, and improvements in energy resiliency.

5.4.1 CHP Grant Limits

Program limits are detailed in Section 4.1.4. Grants for CHP projects will be paid at a rate of \$500/kW of the installed system, up to 30% of the energy efficiency related costs, whichever is less.

Eligible measures for installed costs are limited to Genset equipment, associated equipment (e.g. heat recovery jacket, switchgear, absorption chillers), installation costs, engineering and project management costs, and decommissioning costs of pre-existing equipment.

5.4.2 Accepted CHP Products and Equipment

The following CHP system designs are eligible for review. Professional Engineer (P.E.) signatures are required for the design portion of the project.

- Reciprocating Engine
- Microturbine
- Steam Turbine
- Gas Turbine
- Fuel Cells

Equipment must be new and permanently installed, meet the minimum 60% annual efficiency requirement.

A decommissioning plan must be provided outlining the proper disposal and recycling details of any pre-existing equipment that will be removed.

Expansion of an Existing System

The incremental expansion of an existing CHP system is eligible. Grants will be calculated based on the incremental expansion of the system, not total system size. Equipment must be new and permanently installed.

Power Purchase Agreements

Third-party vendors and power purchase agreements (PPA) are eligible. The full power purchase agreement with final signatures must be provided prior to receiving grant payment.

Existing and Future Flood Risk Mitigation

Installations must be designed to avoid impacts from flooding, including future sea-level rise. Applicants are encouraged to utilize the Flood Risk Adaptation Map (FRAM) to determine whether the proposed site is within the 100-year, one-meter, sea-level rise floodplain. See site: <http://www.firstmap.delaware.gov/FRAM>. A flood risk mitigation plan must be submitted with the application as part of the proposed system design plan if the proposed project location is within the floodplain.

5.4.3 CHP Application Requirements

Applications must be completely and accurately submitted before any grant can be paid. Required documentation includes:

Pre-Approval

- Specification (cut) sheets for all equipment;
- Technical data and testing laboratory information;
- Itemized quotes and estimates for all equipment and scope of work;
- 12 consecutive electric and/or natural gas utility bills for each meter on site;
- *If enrolled in a third-party supplier agreement for electric and/or natural gas, 12 consecutive electric and/or natural gas supply bills for each meter on site;*
- Typical Day (Peak Day alone is not sufficient) Hourly Electricity and Heating Load Profile for the facility for each month of the year (based on metered data, utility 15-minute interval data, or estimated based on other documented facility usage data);
- Installer's appropriate business and professional licenses for the State of Delaware;
- Installer's Commercial General Liability Insurance certificate;
- Design plan with professional engineer signature showing waste-to-heat end use, make and model, operation schedule, and generation capacity;
- Detailed energy model (showing monthly electrical generation, monthly heat recovery, avoided annual energy use, monthly fuel input, total annual fuel input, total annual avoided electricity and natural gas or other fuel consumption, and calculation of overall system efficiency);
- Installation schedule (outlining delivery dates for major components and showing full operation within a year of pre-approval);
- Decommission and disposal/recycle plan for removed equipment;
- Interconnection agreement;
- *If system is greater than or equal to 800kW, a Measurement and Verification Plan (M&V) submitted as part of application;*
- *If project site is within 100-year, one-meter, sea-level rise floodplain, flood risk mitigation plan as part of proposed system design plan; and*
- *If financed through power purchase agreement (PPA), full PPA and final signatures.*

Final Approval

- Itemized invoices for all equipment and the scope of work;
- Proof of payment;
- Online registration through the State of Delaware eSupplier Portal;
- Completed eSupplier information sheet;
- Finalized Interconnection Agreement with Proper System Inspections; and
- Commissioning Report.

Additional information may be requested upon review of initial proposal as deemed appropriate by DNREC.

5.4.4 CHP Funds Reservations

Funds will be reserved for 18 months on a first-come, first-served basis. Final itemized invoices and supporting documents shall be submitted within 18 months of the reservation date or funds will be forfeited. If the project cannot be completed within the 18-month period of reservation and the applicant wishes for an extension, a milestone accomplishments report and form letter should be submitted to DNREC two months ahead of the reservation expiration date. DNREC reserves the right to either approve or deny any extension request based on currently available grant funds and/or milestone progress achievement.

6.0 Proprietary Application Usage Information

DNREC or its third-party program implementor may make all applications submitted available to non-State personnel for the sole purpose of assisting in its evaluation of the applications. These individuals will be required to protect the confidentiality of any specifically identified proprietary information obtained as a result of their participation in the evaluation.

Proposals submitted may contain trade secrets and/or privileged or confidential commercial or financial information which the applicant does not want to be used or disclosed for any purpose other than evaluation of the application. The use and disclosure of such data may be restricted, provided the applicant follows DNREC's "Request for Confidentiality" procedure contained in DNREC's "Freedom of Information Act" or "FOIA" regulation. It is important to understand that this FOIA regulation's confidentiality procedure is a necessary part of this regulation in that any information submitted to DNREC is subject to public review unless deemed to be confidential by the Secretary in accordance with the criteria and procedures established in the FOIA regulation.

The burden lies with the applicant asserting the claim of confidentiality to meet the criteria established in the FOIA regulation.

7.0 Retirement and Disposal

The intent of the Energy Efficiency Investment Fund is to increase energy efficiency through retirement and replacement of inefficient equipment. The customer and contractor shall appropriately retire and dispose of any product replaced as a result of an Energy Efficiency Investment Fund grant.

The customer is responsible for the proper disposal or recycling of any waste generated as a result of the project, including the disposal of fluorescent lamps (which contain mercury) and ballasts suspected of containing PCBs. Any fluorescent ballast dated pre-1979 should be considered to contain PCBs unless otherwise labeled.

8.0 Dispute Resolution

Should an applicant be denied a grant and disagrees with outcome, the applicant must contact DNREC in writing. DNREC will respond within 10 days after the determination. Should DNREC deem the application eligible, the application will be processed within the next 10 business days.

9.0 Tax Liability

The applicant is responsible for any tax liability imposed as a result of the payment of grants. Applicants are advised to contact a tax professional for more information