



Delaware Energy Efficiency Investment Fund Program

Program Background:

During the 2011 Legislative Session, Governor Markell proposed, and the General Assembly passed, a reduction in Public Utility Tax rates and the creation of an Energy Efficiency Investment Fund to be capitalized annually with the first \$5 million in public utility tax receipts (HB 129). The Fund was created to help Delaware businesses make strategic investments in capital equipment and facility upgrades that will help reduce operating costs and support job creation while reducing energy consumption and improving environmental performance (air, water, waste). In addition, nearly \$10 million of low-interest financing is available through the American Recovery and Reinvestment Act to supplement these investments. The Energy Efficiency Investment Fund is anticipated to support several projects proposing significant energy efficiency improvements through capital investment, including, but not limited to, combined heat and power and heat recovery systems; efficient production equipment, such as air compressors, motors, and variable frequency drives; building systems upgrades such as envelope, mechanical insulation, and lighting upgrades; fuel switching; etc.

Flexible financing options available:

- Competitive grants (grants not to exceed 30% of the project costs)
- Low-interest loans (flexible terms: low-interest up to 100% of project cost)
- Applicants are also encouraged to take advantage of existing ARRA loan programs to further reduce project costs and leverage Investment Fund dollars:

<http://www.energizedelaware.org/business/efficiency-plus-program>

Program Selection Criteria:

Applications will be ranked based upon anticipated performance of the following criteria:

- 1) Cost-Effectiveness (35%): reduction in energy consumption per Energy Efficiency Investment Fund grant dollar invested;
- 2) Environmental Benefits (20%): quantifiable improvements in environmental performance (measured by reductions in air emissions, water consumption/pollution, waste, etc);
- 3) Job Creation (25%): projected construction jobs created and long-term job retention and creation benefits
- 4) Private Investment (10%): anticipated private investment in the proposed project, including capital construction and facility modernization (dollar amount and percentage of total project)
- 5) Timeline (10%): demonstration of readiness to complete project within 12 months of an award.

Program Eligibility:

- Program participants must “be consumers or users of gas or electricity whose purchase of those commodities from a distributor is subject to the public utility tax on gas or electricity.”
- Specific projects already receiving support from the Green Energy Fund or Strategic Fund are not eligible.

Application Process: Delaware Energy Efficiency Investment Fund Program

Timeline: Applications submitted by **September 15, 2011** will be evaluated for funding as part of the first round of the program. Applications received after September 15, 2011 will be evaluated on a rolling basis depending upon resource availability.

Award Criteria: Applications will be ranked based upon anticipated performance of proposed projects using the five program selection criteria listed in the program description. The most important decision criteria will be cost-effectiveness as measured by energy savings projected per grant dollar invested.

Application Requirements (2-3 pages):

- **Project Narrative:** Applications must present a concise description of the proposed project and the applicant's capabilities for satisfying the program requirements.
- **Anticipated Project Performance (80%):**
 - **Energy Reduction/Cost-Effectiveness (35%):** describe projected annual and lifetime savings resulting directly from implementation of the proposed project: energy reduction (kWh, MMBtu) and peak demand (MW). Applications must include a description of the proposed measurement and verification (M&V) plan to create reliable and verifiable *ex post* quantifications of project impacts. Applications should provide sufficient data for the technical review committee to recreate the analysis used to calculate projected savings. Criteria evaluation: projected energy savings per requested grant amount.
 - **Environmental Benefits (20%):** describe projected reductions in air pollution (NO_x, SO₂, CO₂, PM_{2.5}, VOCs, etc), water (consumption/mgd, or discharge of pollutants), waste generation, etc.
 - **Job Creation and Retention (25%):** describe projected construction jobs created and long-term job retention and creation
- **Project Budget (10%):** Provide the estimated total project cost and financing sources, including private investment leveraged, financial assistance being sought (grant amount, preferred loan structure, ARRA program participation, etc), and any other public funds received or applied for related to the project.
- **Project Schedule and Readiness (10%):** Describe the proposed project schedule and an assessment of the likelihood of completion within twelve months of the award, including:
 - **Key milestones:** timeframes for engineering, equipment purchases, installation, commissioning, etc.
 - **Site Control and Project Approval:** Demonstration of sufficient site control for project completion (agreements, licenses, lease agreements, land ownership, etc); Identification of timeline for internal approvals required to proceed with proposed measures.
 - **Permitting:** anticipated permit requirements (local, state, federal) and timeline;
 - **Project Management Organization and Qualifications:** demonstration of the company/key personnel's ability to complete the project as proposed.

Submissions: Please send question and applications electronically to Jacqueline Bryant (Jacqueline.Bryant@state.de.us; phone: 302-735-3480). All applicants should specify and explain whether their applications should be treated as confidential.