

**Questions Commercial/Industrial Buildings RFP**

#	Question	Response
1.	I was wondering what the total appropriation of this RFP is. Also, is the funding for a group to administer a program for facilities, or is it for facilities themselves to request funds for their integration/E.E. upgrades?	Up to four million one hundred thousand dollars (\$4,100,000) is available. The maximum award under this solicitation is five-hundred thousand dollars (\$500,000). OES expects to award 25 to 55 grants under this RFP. OES has established the following minimum funding levels: <ul style="list-style-type: none"> <li>▪ Not less than 20% of funds will be awarded to non-profit entities;</li> <li>▪ Not less than 25% of funds will be awarded to commercial and industrial facilities;</li> <li>▪ Not less 25% of funds will be awarded to economic development authorities;</li> <li>▪ Not less than 37.5% of funds will be awarded to applicants outside the seven-county metropolitan area; and</li> <li>▪ Not less than 37.5% of funds will be awarded to applicants within the seven-county metropolitan area.</li> </ul>
2.	Is the \$4,100,000 per category?	No, the maximum funding available is \$4,100,000 for all categories.
3.	Will there be another window of opportunity for this type of grant in 2010? Will there be another window of opportunity for this type of grant in 2011?	OES is currently unaware of the future funding plans of the Federal Government.
4.	Are Independent School Districts (Local Educational Agencies) eligible to apply for this grant funding?	Political subdivisions of the state are not eligible applicants under this RFP. The focus of Laws 2009, chapter 138, article 4, sections 1 and 2 from which this RFP is generated, is to provide funding to commercial and industrial facilities in the State.
5.	Are schools considered to be 501(c)3? Are we eligible for the <b>Energy Programs in Commercial and Industrial Buildings-ARRA</b> grant?	
6.	As the superintendent of a public K-12 school in Northern Minnesota, I have a question regarding our eligibility as a recipient for this energy grant. In looking at the guidelines and restrictions for this RFP, I have noted that, in order to qualify, an applicant's matching funds must be provided by a source other than the state of Minnesota (see below). Since the majority of our district's funding comes from the state funding formula, do we become disqualified if we seek to provide funding from our fund balance when that fund balance comes from state aid?	
7.	Is a 2 year college is considered to be commercial building? Is it eligible to participate?	Private school facilities owned by a nonprofit organized under section 501(c)(3) of the Internal Revenue Code may be eligible for category 1 – Direct Improvement Projects only if the facility definition along with either the industrial or commercial definitions are met.
8.	Is the Energy Programs in Commercial and Industrial Buildings grant available for public schools? private schools? If not, are there any programs being offered by the state that could fund public school renewable energy?	

9.	<p>Our County Humane Society has nearly completed the construction of a new pet shelter. It will be the first LEED certified pet shelter in the state and the 4th or 5th in the nation. We have gone to great lengths to maximize an efficient energy system and minimize our "footprint" on the Earth.</p> <p>As I read the grant I read: Proposals ...cost effective energy efficiency and renewable improvements in their facilities.</p> <p>Do I interpret this correctly when I assume that means the grants are available for programs which are in the planning stages? Would our program not qualify because we are close to completion?</p>	<p>No new construction, expansion or preparatory work for new construction is permitted under Federal rules.</p>
10.	<p>If our company is awarded a grant through this program, are we obligated to accept the grant and the terms provided, or is there a clause to decline a grant award if our interests change?</p>	<p>If your proposal is evaluated and awarded funding, yes, you do have the option to decline that funding.</p>
11.	<p>We would like to use grant award money to help fund new equipment purchases for existing manufacturing machinery. As part of the Process Efficiency program, Xcel Energy will provide many of the estimates that are asked for in the Category 1 proposal. Would it be sufficient to indicate our participation in this program for evaluation, or is a detailed list of improvements and estimates required to participate? Is it possible to apply for the grant award and submit improvements and estimates as they become available?</p>	<p>A proposal must be complete and contain complete information required by the RFP.</p>
12.	<p>If an award is granted, is it possible to use this award in combination with other Minnesota Department of Commerce programs i.e. the Minnesota Solar Electric Rebate Program?</p>	<p>Matching funds are described in Section IV of the RFP. Matching funds may not come from the State of Minnesota.</p>
13.	<p>We are a non-profit hospital in southern MN are we eligible for this grant?</p>	<p>The information provided in the question is insufficient to provide a specific answer. Eligible applicants are owners of commercial, industrial and nonprofit facilities located in Minnesota. Eligibility requires that the facility where the proposed improvements are to take place meet the definition of facility provided in Section III of the RFP and that the business operation in the eligible facility meet the definition as commercial or industrial. Any non-profit entity submitting a proposal must be organized under section 501(c)(3).</p>
14.	<p>Does the type and amount of match affect the project/grant score?</p>	<p>The amount of match above the minimum requirements will, in most cases, increase project benefits per grant dollar requested. The type of match will not affect the score so long as it meets the match criteria in Section IV of the RFP.</p>

15.	Is Solar Hot Air heat eligible? If so, does it require a conditional document?	Solar air is eligible. Use the solar hot water heating system exhibit, omitting the plumbing licensure requirement and modifying other fields as necessary.
16.	Our county Solid Waste Management is planning to add a third incineration unit to the facility. We currently provide steam for industrial purposes. Our neighbor wants to obtain steam from our facility for their heating/cooling purposes. Our question is "Does this project fall under either Grant purpose category 1 or category 2?"	Projects involving the combustion of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste are ineligible expenses under this RFP.
17.	Our plant manufactures Mineral (Slag) Wool. Mineral/Slag Wool is a high temperature insulation material that is used for a variety of products. I would like to discuss with you if this project would be a good fit for the Category 1 grant criteria.	<p>Without more detailed information, a specific answer is difficult. However, based on the information provided it appears that this project does not fit within the RFP's eligible activities as listed in Section III of the RFP.</p> <p>It also appears that current process development is occurring. If that is the case, research, development, or demonstration of technologies that are not commercially available, or the purchase of equipment for those purposes are ineligible expenses under this RFP.</p>
18.	<p>On Page 5, III. Eligibility Definitions: <u>Commercial</u> – (1) the purchase, sale or provision of an article, substance, commodity or service;</p> <p>Would this include agricultural products such as Community Supported Agriculture business, growers and producers selling at Farmer's Markets, and/or traditional agricultural products, including livestock and crops?</p>	Yes, with the business operation contained within an eligible facility.
19.	<p>Page 6, IV. Minimum Applicant Match – Provided by a source other than the State of Minnesota.</p> <p>Our EDA received disaster assistance for our businesses after the floods in 2007. The repayment of the loans are being used to capitalize our revolving loan fund which would likely be used as match in our application for a new RLF. The funds were appropriated by the Legislature and awarded by the Department of Employment and Economic Development. Are these funds excluded for match purposes?</p>	The RFP is clear in that matching funds must be provided by a source other than the State of Minnesota. However, the repayment of loans may or may not, depending on your previous grant contract, remain program income and therefore be ineligible as a match in under this RFP. Check with the Minnesota Department of Employment and Economic Development.
20.	I don't see replacement of old windows to energy efficient windows in the list of acceptable projects. Is installation of energy efficient windows an acceptable project for consideration under this RFP?	The installation of energy efficient windows is an acceptable project but only in the eligible commercial/industrial building envelope which is defined as the building's foundation, walls, roof, windows, and doors; the envelope controls the flow of energy between the interior and exterior of the building.

21.	Can a Minnesota business receive both an C/I grant and the state \$2/watt solar rebate? Please provide an example of the match calculation assuming a private business installs a 10 kw solar system for \$100,000 and applies for both the C/I grant and state solar rebate.	When the solar rebate program is rolled out, it will be funded with American Recovery and Reinvestment Act of 2009 (ARRA) funds. Matching funds cannot be supplied by other ARRA funding sources.
22.	Which of the following funding sources can be counted as contributions to meeting the C/I grant matching requirement: (1) Federal tax deductions such as 179(d). (2)Utility company rebate programs?	The criteria for matching funds is listed in Section IV of the RFP. Federal tax deductions or rebates and utility incentives may be used as matching funds. However, matching funds must be documented as secured funding and tax credits, deductions and utility rebates might not be available until the project is completed. Applicants that plan to use documented matching funds that may not be available during the course of the work must provide evidence of cash-flow capacity in order to perform on grant contract.
23.	How is state grant funding characterized for purposes of state corporate income tax purposes?	Grant funds are taxable income.
24.	<p>We are seeking funding to replace the controls for the boilers that heat our facility and our in-door swimming pool. We project that this upgrade will provide a 5% savings in costs, savings in overall energy usage, and a reduction in CO2.</p> <p>I wanted to make sure that the project qualifies, but also that the amount we are looking for isn't too small-- is there a minimum amount that can be applied for?</p>	Systems control improvements are an eligible activity under this RFP. No minimum project size or grant request has been established for this program.
25.	I'm not clear on this: grant vs: matching minimum/cash or in kind? Is this, in fact, a grant or a loan? Do I have to insure I have 50% of the value of the project <u>available</u> or do I need to have 50% of the value paid toward the project?	Category 1 provides eligible applicants the opportunity to apply for a competitive grant. The applicant must provide at least 50% of the total project costs and depending on the size of the project, possibly a higher percentage of the total costs. Category 2 provides grant funding to eligible applicants who will then create, administer, re-capitalize and maintain a fund that will provide loans to eligible applicants for eligible activities.

26.	Item: Eligible Activities and Limitations – Item 1G – “Ground-source heat pump systems of no more than 5.5 ton rated capacity used to heat or cool a facility.” Question: Can multiple 5.5 ton heat pump units be used to heat/cool a single building?	National Environmental Policy Act (NEPA) requires that all Federal agencies consider the potential environmental impact of their proposed actions before making decisions. This is called a NEPA review. DOE has concluded that many types or classes of actions <i>normally</i> do not have the potential to cause significant environmental impacts and are therefore categorically excluded from the need to prepare an Environmental Assessment or Environmental Impact Statement that can take up to a year or more to prepare and complete. DOE has categorically excluded horizontal/vertical, ground, closed-loop ground source heat pumps of up to 5.5 ton capacity from further NEPA review. Any ground source heat pump with a greater capacity would require NEPA review and would not meet the timeline requirements of this RFP.  Combined individual systems would require further NEPA review and are therefore not eligible under this RFP.
27.	We are in the bidding process with a non profit organization that would like to use ground source heat pumps for their heating and cooling systems. In reviewing the OES request for proposals I see that there is a 5.5 ton capacity limit for the heat pumps – effectively limiting the use of heat pumps to a 3500 square foot building. Is there a particular reason heat pumps were limited on the size?	
28.	The RFP includes ground-source heat pumps of no more than 5.5 ton rated capacity as an eligible activity for the grant. I am curious why it is limited to a 5.5 ton system and if it is allowable to do several systems (5.5 ton or smaller) paired together for a single project?	
29.	The limit of 5.5 tons of rated capacity for GSHP projects seems small for commercial/industrial settings. Are we interpreting this correctly, that systems over 5.5 tons rated capacity are NOT eligible for consideration?	
30.	<p>The RFP states that Ground Source Heat Pump (GSHP) would be considered in the Energy Efficiency eligibility requirements as long as the system is no more than 5.5 tons rated capacity.</p> <p>A client I'm working with is planning on installing a closed-loop water based (as opposed to land) GSHP system to heat and cool and for use in heating water. The system is appropriately sized at 80 Tons. If I read the RFP correctly, this applicant would be excluded from applying for a Grant under this RFP, even though the associated energy savings will be in the 50-60% range from current fossil fuel usage. Am I understanding this correctly? If so, can you provide some background on the reasoning for the size limitation?</p>	Based on the information provided, it appears that your understanding of the RFP is correct. Ground Source Heat Pumps are limited under the NEPA categorical exclusion and this RFP to 5.5 ton capacity or smaller, horizontal/vertical, ground, closed-loop systems. Any deviation from this requirement will require further NEPA review and is not eligible under this RFP.
31.	The Proposal Content outlined in Section V requires a detailed estimate of all equipment, material and labor? What if the project is implemented 1 year later and the project costs increases due to material / labor escalation by the vendor, does this void the grant match dollars? Or can we still receive the committed amount?	Applicants are responsible to provide all facts necessary for proposal evaluation. A proposal that includes a 12 month delay will have difficulty demonstrating project completion within the parameters of this RFP. If a proposer requires an escalation clause, the proposal must describe, identify and factor the worst case scenario into their proposal for evaluation.

32.	Under section IV of the RFP Commlnd grant (matching funds) it says "not from from other ARRA funds". Does this mean that companies that apply for funding under this program must forgo the 30% tax credit for renewable energy systems?	The Emergency Economic Stabilization Act of 2008 extended certain incentives authorized in the Energy Policy Act of 2005. Tax credits are not ARRA funds.
33.	I am also wondering if a manufacturer that is building a new facility can apply for funding under this RFP? If new construction is eligible can they apply for both efficiency and renewable energy improvements?	New construction, expansion or preparatory work for new construction is prohibited under Federal rules.
34.	Grant Purpose, Category 1 states "An applicant may propose one or more improvement in one or more commercial, industrial or nonprofit facility owned by the applicant and located in Minnesota." My question is if a manufacturer owns the manufacturing equipment, but leases the building housing this equipment are they eligible for grant funding to install solar PV equipment to power their facility?	Eligible applicants are limited to owners of commercial, industrial and nonprofit facilities under category 1 of the RFP. Based on the information provided it appears in this case, the manufacturer would need the property owner to respond to the RFP.
35.	We are hoping to secure a match from a corporate or foundation donor to satisfy the matching portion of the grant. Do we have to have the matching funds secured before applying for the grant? Also, are rebates eligible for the match?	The minimum applicant match must be documented as secured funding in the proposal. Rebates are eligible as long as the conditions in Section IV of the RFP are met and applicants provide evidence of the ability to cash-flow the project while waiting for any rebates.
36.	Will the evaluation process for responses to this RFP favor responses that utilize Minnesota based manufacturers of solar PV equipment?	No. Proposals will be evaluated based on the greatest impact on energy savings, renewable energy deployment and jobs created per grant dollar requested.
37.	We are a non-profit Federally Qualified Health Center. We received a CIP to remodel our clinic – HVAC system is inadequate among other needs. Would we qualify for this program? We will also construct a new dental clinic in late 2010 and that facility, of course, needs to be green construction and energy efficient. Would new construction qualify?	Only nonprofit facilities owned by a nonprofit organized under section 501(c)(3) of the Internal Revenue Code are eligible applicant under this RFP. New construction, expansion or preparatory work for new construction is prohibited under Federal rules.
38.	I am reviewing the RFP for Energy Programs in C/I Buildings – Category 1 – Direct Improvement Projects. On page 8, I was not able to find page limits for each section, as indicated with the Category 2 Programs. Would you be able to send me the information about the page limitations?	OES inadvertently omitted maximum page numbers for Category 1 proposals. They are listed below:
39.	On page 8 of the RFP the states "Proposals must be submitted in the format and within the page limits specified below." However there are no page limits listed. Could you please explain the page limits?	A. Application Summary (1 page) B. Facility Summary (5 pages) C. Improvement Savings and Cost Analysis (10 pages)
40.	In the RFP, Section V. Proposal Contents, Category 1. The "page limits" are not specified?	

41.	<p>In regards to OES-12212009-c/buildings, are the grant payments considered taxable income?</p>	<p>Yes. Under IRS's IRC Section 511, a 501(c) organization is subject to tax on its "unrelated business income," whether or not the organization actually makes a profit, but not including selling donated merchandise or other business or trade carried on by volunteers, or certain bingo games. Disposal of donated goods valued over \$2,500, or acceptance of goods worth over \$5,000 may also trigger special filing and record-keeping requirements.</p> <p><b>Unrelated Business Income Tax (UBIT)</b> in the U.S. Internal Revenue Code is the tax on unrelated business income, which comes from an activity engaged in by a tax-exempt 26 USCA 501 organization that is not related to the tax-exempt purpose of that organization.</p>
42.	<p>The Center is a non-profit agency and needs to find funding for cost-effective energy efficiency and renewable energy improvements in its facility. The building has been vacant for five years, part of the building was demolished, and there has not been heat in the building since 2004. The Center has a large number of volunteers, including mission groups that come and help with projects.</p> <p>We have the following questions:</p> <p>1) The grant requires a match of 50% if the project cost is less than \$100,000. Can the Center use volunteer labor as part of the match? What rate would be assigned to the volunteer labor? Would it be the same as the Davis-Bacon wages? Or would it be \$15 per hour or some other amount?</p> <p>2) The building has been vacant for over five years and therefore there are no energy costs for the past two years and there can be no comparisons made, including calculations of what would be saved. What can we do to address this requirement? We do have a RETAP report that provides some estimates of heating and cooling needs. Can we use that information in the grant application?</p>	<p>Unpaid services provided by individuals will be valued at rates consistent with those ordinarily paid for similar work in the organization. If the organization does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.</p> <p>Proposals will be evaluated according to Section VI of the RFP. It is the responsibility of the applicant to provide sufficient and adequate data so that an evaluation may be done. Defensible and reasonable baseline assumptions regarding typical energy demand and cost are appropriate in this case so long as they are verifiable.</p>
43.	<p>Could please tell me if a Minnesota Regional Development Commission and/or a 501c(4) non-profit organization are eligible to apply for funding under the Energy Programs in Commercial and Industrial Buildings.</p>	<p>501(c)(4) organizations are not eligible applicants under this RFP. Minnesota Regional Development Commissions established under the Regional Development Act of 1969 and described in M.S. § 462.381 - 462.398 do not meet the economic development authority defined in M.S. § 469.090 – 469.108.</p>

44.	<p>I am interested in the "Energy Smart" grant program. As I understand this we need to have our application submitted to your office no later than January 29th. Is this when you want the entire application submitted with actual bids for the completing the project?</p> <p>I found the 47 page information and application online, is this what you want submitted?</p>	<p>The January 29, 2010 deadline is for when the State needs to receive a Notice of Intent to submit a proposal (details of what needs to be submitted for this Notice of Intent are outlined in Section II under Notice of Intent, in the RFP. Proposals are due February 12, 2010. Submission requirements are provided in the RFP depending on which category you choose to submit on. Please note: you must submit a Notice of Intent in order to submit a proposal.</p>
45.	<p>We would also like to know, with Cap and Trade pending, how are you calculating your 15 year paybacks. What prices are you recommending that we use for future energy costs, especially electric and propane?</p>	<p>The economics of energy projects depend on many factors. The applicant is responsible to provide the appropriate "simple payback" data that ensures proposal eligibility under Section III of the RFP is met. Simple payback calculations provide only a limited view of the financial performance of an investment and should be supplemented with more robust financial metrics, such as rate of return, net present value, and/or life cycle cost.</p> <p>Simple payback for this RFP is the cost of the improvement divided by the annual net income. Annual net income is the estimate of income after operating expenses, but before the cost of capital, interest, etc. Applicants must provide the projects assumptions, calculations and rates that result in values that can be verified by proposal evaluators.</p> <p>At a minimum, the simple payback calculations must include production, revenue and cost components that result in annual energy production, estimated annual revenue and estimated installed cost subtotals, respectively.</p> <p>For the sake of this RFP, future energy cost assumptions may be the average of the past two years.</p>

46.	<p>1. What is meant by simple payback (less than 15 years)? Does this exclude other incentives such as Xcel’s Solar Rewards or the Federal Tax Credit (+ depreciation)? If so, it will be very difficult for solar to compete as a stand-alone technology. Which leads us to our next question...</p> <p>2. Are we able to package energy efficiency projects (like lighting or water efficiency improvements) along with solar projects in the SAME application?</p> <p>3. How do third-party financing approaches (Power Purchase Agreements) fit into the matching funds requirement and simple payback calculations? If you need clarity on this question please email back and we can provide additional info.</p>	<p>One time cash incentives should be shown and included as a reduction in the cost of installation. Federal tax credits should be shown and included as a revenue component, but have a limited life. Tax credit revenue projections falsely inflate annual revenue beyond their availability.</p> <p>EE projects combined with RE projects are allowed under this RFP. Simple payback calculations must be performed on the individual components and combined for the complete proposal. RE simple payback revenue calculations must include assumed energy used on site and energy price when sold.</p> <p>Power Purchase agreements may not be eligible under this RFP unless an eligible facility makes application. If a proposal includes a PPA, it is the responsibility of the partners to include all necessary assumptions and calculations to verify simple payback.</p>
47.	<p>On page 7, a RE project is stated as being required to have a SIMPLE PAYBACK of 15 years or less. Could you give the definition of SIMPLE PAYBACK -- i.e.. cost of project/annual energy savings (\$) ONLY....or can other factors also be considered in the analysis - tax credits, grants, accelerated depreciation, etc, as well as annual energy savings?</p>	<p>For the sake of this RFP, simple payback means the number of years that it takes for an investment to “pay for itself” through the annual savings or benefits that the investment creates. <i>(See responses above.)</i></p>
48.	<p>This question is in regards to OES-12212009-C/Buildings RFP, IV Minimum Applicant Match, acceptable sources</p> <ul style="list-style-type: none"> <li>○ Provided by a source other than the State of Minnesota.</li> <li>○ Documented as secured funding.</li> <li>○ Not committed for use as match to another grant.</li> <li>○ Not from other ARRA funds.</li> </ul> <p>Three of the state's residential environmental learning centers are non-profits. All three of us received a joint federal allocation (Non ARRA funds). We would like your confirmation that these funds comply with you match requirements.</p>	<p>Funds meeting the minimum requirements of Section IV of the RFP, are eligible for use. Based on the information provided, assuming that the funds are not committed to another use or grant, it appears as though the funds would be eligible for use.</p>

49.	<p>Regarding Matching Funds:</p> <ul style="list-style-type: none"> <li>• Can a portion of the existing cash balances within our existing RLF program be used as match if we guarantee it will be used for the same purpose as the grant? If we apply, we would allocate cash resources to the Energy RLF, and disbursement of the match resources would be under the same conditions as the grant resources.</li> <li>• I need a clarification on the matching formula. If the total project cost amounts to \$400,000, then does that mean that \$200,000 is from the grant and \$200,000 is from the match? If the total project amounts to \$500,000 then would the grant amount to \$235,000 and the match amounts to \$265,000? <ul style="list-style-type: none"> <li>i. How much match does it take to qualify for a \$500,000 grant?</li> </ul> </li> </ul>	<p>Existing fund balance that meets the minimum criteria in Section IV of the RFP is eligible for matching funds.</p> <p>The calculations you provide are correct. Grant funds will provide 50% of the funds for a RLF up to a fund total of \$400,000. In order to receive a grant for \$500,000, a program would need to create a \$1,250,000 RLF. \$497,500 would be the appropriate grant request and the required match is \$752,500. In this example, the total grant amount is approximately 40% of the fund balance.</p> <p>At least the first spend of ARRA funds in a RLF must be utilized no later than June 30, 2011.</p>
50.	<p>Regarding Period of Performance:</p> <ul style="list-style-type: none"> <li>• If we establish a \$500,000 RLF Project with the money, does all money have loaned out by June 30<sup>th</sup>, 2011?</li> </ul>	Yes.
51.	<p>Item: Proposed Contents – Item 1B – “Monthly fuel and electric consumption and cost data for July 2007 through June 2009.”</p> <p>Question: Are copies of utility bills required, or is a spread sheet of monthly consumption and cost adequate?</p>	A spreadsheet is preferred if not required now, due to the page limit requirements.
52.	Section IV. sets forth minimum requirements for customer match, what if upon implementation, the owner receives utility incentives. Is this considered receiving a source of income from the State of Minnesota?	No.
53.	I also had a question regarding the veteran’s preference. Our company is owned by a Viet Nam era veteran. As I read through the RFP, it appears there would be no veteran’s preference for him. Am I correct in this?	Veteran owned small businesses are eligible for up to a 6% preference on state procurements. This preference does not apply to grants that include federal funding. The veteran’s preference clause was inadvertently inserted into this RFP.
54.	As an applicant looking to install solar PV on a commercial scale building, I am required to submit Exhibit E: The US DOE Environmental Questionnaire. Is that questionnaire to be filled out by me or do I need to contract that out to an environmental official?	The environmental questionnaire should be completed by the principal proposer and any appropriate subcontractors. Additionally, a proposal to install solar PV would also require the completed appropriate exhibit.
55.	We would like to propose a solar thermal system as a parking lot shade structure, sized to the building’s load. Can you clarify whether this is allowable under the commercial/Ind RFP?	Solar thermal systems are an eligible activity, however, ground mounted systems are limited to 400 collector square feet.
56.	Who must request the RFP, the commercial building owner or the installer of the equipment?	Eligible applicants are limited to owners of commercial, industrial and nonprofit facilities under category 1 of the RFP.

57.	I am curious to know whether the Metropolitan Council is eligible to apply for this funding opportunity. If we are eligible we would be applying for funding for a project related to our wastewater service operations.	Political subdivisions are not eligible under this RFP.
58.	<p>Our non-profit community development corporation, is interested in submitting an application for the Energy Program in Commercial and Industrial Buildings. As the community developer, we would like to compile an application for the Direct Improvements Projects category on behalf of several commercial and industrial businesses in the neighborhood. Our plan would be to spell out each property and their proposed improvements in detail individually as part of our application. This is an excellent opportunity for business owners, but we understand that running a business and managing capital improvements is often not feasible. We are interested in serving as project managers to ensure that the energy improvements are completed in a timely and efficient manner.</p> <p>Is this an approach that would be acceptable? If so, we are also wondering if you would be able to put on a workshop for those businesses interested in applying with us?</p>	<p>Eligible applicants are limited to owners of commercial, industrial and nonprofit facilities under category 1 of the RFP. (See Section III of the RFP) If the nonprofit community development corporation meets the eligibility criteria, it may submit a proposal. The proposal may include more than one activity and location, but the proposal must be cumulative and meet all of the requirements of the RFP.</p> <p>Once a grant is awarded technical assistance may be provided by the state for program design.</p>
59.	I did not find a section on "Ground-source heat pumps". What section should I refer to or is there a different application form?	Ground source heat pumps are an eligible activity and are listed under Section III of the RFP.
60.	<p>Our Business Finance Program is interested in applying for a grant in order to establish an RLF (category 2). As such, most of the questions in the questionnaire seem project specific and we could only speculate on what impacts would be realized as the projects we fund will only become know later.</p> <p>Also, with an RLF who is the Project investigator, and Project Manager-These also seem project specific.</p> <p>Also, if we are successful, and are awarded a grant, does and ENVIRONMENTAL QUESTIONNAIRE need to be filled out for each specific project.</p>	<p>NEPA applies to proposals that fund individual projects, as well as proposals for revolving loan funds. Revolving loan fund administrators must limit funding to only those projects that are categorically excluded from further NEPA review and eligible under category 1 of this RFP.</p> <p>The principal investigator is a(n) entity assisting a proposer providing specific information on the environmental questionnaire to facilitate a necessary review. The project manager relates to DOE review.</p> <p>An independent questionnaire should be prepared for each location.</p>

61.	<p>What is expected of the RLF-Northland Foundation with respect to monitoring DAVIS-BACON wages rates? Do we need to monitor and if necessary enforce wage rates, or only have the applicant agree to them by signing the form?</p>	<p>See exhibit J of the RFP. Laborers and mechanics employed or working on a site financed in whole or in part from Federal funds must be paid a prevailing wage determined by the Secretary of Labor. Contracts between loan recipients and contractors; between contractors and subcontractors must contain the appropriate Davis-Bacon Act language. All parties must comply with the Act. RLF administrators should review and understand Davis-Bacon Act requirements since ultimately, the weekly payroll reports that will be comingled and submitted by contractors to owners, will then be forwarded through the RLF administrator to the Minnesota Dept. of Commerce.</p>
62.	<p>I am reading over the RFP for the energy program for commercial and industrial buildings and was wondering why biomass-based technologies are not included with wind and solar under the eligible activities section?</p>	<p>Biomass thermal projects limited to 3 MMBTUs of per hour or smaller with appropriate Best Available Control Technologies are eligible under this RFP.</p>
63.	<p>Under Category 2, could the grant funds be used by an EDA to provide the loan loss reserve for a bond fund to fund energy retrofit loans i.e. is this an eligible use of grant funds?</p>	<p>ARRA funds can be used for loan loss reserve funding. However, a grant request that only proposes to use grant funds for a loan loss reserve fund does not meet the required eligible activities as listed under Section III.</p>
64.	<p>The RFP states: “For the purposes of this RFP, a residential structure is not used for a business purpose unless it has no fewer than 10 dwelling units and no fewer than 4 stories above grade.” Can you confirm whether residential Multifamily buildings (owned by a business or nonprofit) that have 10 or more dwelling units or 4 or more stories would be eligible for grant funds under Category 1 (directly) and Category 2 (through a loan program)?</p>	<p>As defined in this RFP, a residential structure is not used for a business purpose unless it has at least 10 dwelling units and has more than 4 stories above grade. A facility meeting the criteria in Section III, category 1, eligible applicants may respond directly through this RFP. A facility meeting this criterion is also eligible to apply for a loan from a successful grant recipient under category 2 of this RFP.</p>
65.	<p>I was told that a third party could apply for the “Energy Programs in Commercial and Residential Buildings” RFP released 1/4/10. This party would own the system and sell the energy to the college.</p> <p>I would like to install solar on a college as a project for our solar installation program. Is a MNSCU school able to apply as a nonprofit.</p>	<p>Eligibility is limited to Section III of the RFP.</p>

66.	The City is interested in applying for a grant to capitalize a revolving loan fund for energy audits and conservation improvements in facilities for commercial/industrial/non-profit entities. Our proposal would involve that low interest loans would be available to qualified applicants based upon a due diligence credit analysis with the applicants evidencing funding commitments and providing a minimum 1:1 match. Will this arrangement satisfy the match requirements for the grant program? Also, is there a minimum loan interest rate requirement? Our intent is to provide 0% loans with a 1%origination fee to cover processing of applications. The EDA will operate, review and service the loans.	Municipalities are political subdivisions of the state and therefore are not eligible to respond to this RFP. However, EDA's are eligible applicants.  A committed loan to cover the match portion of the costs for an eligible activity is allowed. However, there are additional opportunities available that an RLF administrator should identify, evaluate and incorporate. The viability, stability and sustainability of a RLF program that combines a market rate loan with a low interest rate loan may be challenging to market and meet the timeline requirements of this RFP.
67.	I understand we cannot use other State of Minnesota grants or rebates to show matching funds. In determining the source of matching funds for a Category I application, can we use: a) the Xcel Energy solar energy rebate? b) the Federal Business ITC? c) the Federal Treasury Grant?	All of the examples listed appear to be eligible sources of matching funds. However, the actual funds may not be available to the grant recipient during the course of the project. Category 1 and category 2 applicants must ensure that matching funds meet the requirements specified in Section IV regarding documented and secured and ensure that adequate cash-flow exists in order to perform on the grant contract.
68.	Under the heading <u>Eligible Activities and Limitations</u> : can you further define "exterior envelope"? Does this include windows, insulation, paint, caulking, etc?	The building envelope consists of the building's foundation, walls, roof, windows, and doors; the envelope controls the flow of energy between the interior and exterior of the building.
69.	Under Section VIII-Attachments: Can you please specify who "key personnel" resumes should include? Specific Board Members or Administrative Staff, or both? How does one determine the level personnel to be included in the project?	Key personnel are those necessary and responsible for ensuring contract performance, measuring and verifying outcomes, over-seeing the scope of work, etc.
70.	Under Notice of Intent, can you quantify how many words a "brief description of the proposed project" should be?	Provide an abstract of the proposed activities. The total Notice of Intent should not be more than one page.
71.	Is a project to increase efficiency by improving water usage on guidelines for this RFP? Could such a project be a portion of an application that also included energy efficiency efforts related to lighting and electric usage?	The conservation of water resources is not a component of this RFP. While improving water usage may be an indirect effect, and may be addressed within the page limits, it is not part of the evaluation criteria.
72.	Could you please discuss how best to document jobs creation for agencies hiring contractors to complete projects rather than creating or retaining permanent jobs within the agency.	See Exhibit J of the RFP. The section on Davis-Bacon clearly describes the process of documenting hours for contractors. These hours will be considered in the State's required Federal reporting.
73.	On page 3 concerning minimum funding levels, the RFP states that "not less than 20% of funds will be awarded to non-profit entities." So the amount guaranteed to nonprofits is not less than \$820,000?	Correct.

74.	On page 7 under Minimum Match Requirements for Direct Improvement Projects: do the Total Project Costs include the match amount? In other words, if you apply for a \$300,001 project would you receive \$125,000 in stimulus money (since you have a \$175,000 required match) or would you receive the requested \$300,001 because you proved you had a \$175,000 required match?	The total project cost includes grant funding and matching funds. A proposal that contains a total project cost of \$350,000 could receive no more than \$137,500 in a grant award. A total project costing \$500,000 would require at least \$325,000 in matching funds.
75.	We received some matching money in 2008 and 2009 from some foundations for our project. Can this money be used for the proposal match?	Yes, as long as the funds meet the minimum applicant match in Section IV of the RFP and can be documented as not committed for another grant.
76.	On page 5 under definition of Facility it states “a residential structure is not used for business purpose unless it has no fewer than 10 dwelling units and no fewer than 4 stories above grade”. Our residential structures are a maximum of 3 stories high. Without these structures we have no business. Does this mean our residential structures are not eligible for this grant?	Residential structures that have less than 10 dwelling units and are less than 4 stories above grade are considered residential structures and are not eligible for this RFP.
77.	On page 10 under Ranking there are three scoring areas - total energy savings, energy cost savings and labor hours per grant dollar requested. Should the labor hours be high or low to get the best rating? If seems the labor hours should be high if job creation is a priority. Or should labor hours be low per grant dollar to show efficiency of the project?	The efficiency of labor is not an evaluative criterion. OES intends to promote activities that will have the greatest impact on energy saving, renewable energy deployment and jobs created or retained, collectively. Applicants must provide the facts that demonstrate and support an achievable scope of work for the facility.
78.	Can you please define “dwelling unit”? We have a mixed use building that includes dormitory space for 30 people that occupies approximately 26% of the 2 story building square footage. Will this qualify?	A dwelling means any building or structure which is wholly or partly used or intended to be used for living or sleeping by human occupants. A dwelling unit means a single unit providing complete, independent, living facilities for one or more persons, including permanent provision for living, sleeping, eating, cooking and sanitation. Facilities with dwelling units are eligible under this RFP as long as the facility is used for business purposes; has more than 10 dwelling units; and is more than 4 stories above grade.
79.	Are there fillable forms available for the appendices required for the Energy Programs in Commercial and Industrial Buildings opportunity? Can fillable versions of the documents be posted on OES web-site.	No, at this time please print out and complete the pdf forms that are available with the RFP.
80.	Are proposals allowed to incorporate more than one technology, i.e...PV and Solar Thermal or wind together?	Yes, special consideration should be paid to the payback requirements in Section III in the RFP.
81.	Solar Air technology is not listed. Would installation of Solar Air panels such as those manufactured by MN company RREAL be eligible for funding?	Solar thermal is eligible. Ground mounted systems are limited to 400 collector square feet and building mounted must be appropriately sized to the building load.
82.	Fuel Cell technology is not listed. Would that be considered?	Not under this RFP.

83.	Does all (solar) technology utilized need to be SRCC rated? If non-SRCC rated technology is included as eligible materials, will use of that score LESS during scoring than a project utilizing SRCC-rated technology?	Solar thermal requires SRCC ratings. Solar PV requires UL listing. Solar thermal proposals that have not achieved SRCC ratings will not be reviewed.
84.	If an organization has received a MN State Solar rebate in years past, on a different project, would they be precluded from applying for funding from this project on a NEW solar project?	No.
85.	Calculation of Labor Hours - can you give some guidance on how to calculate labor hours for the project. Should only DIRECT labor hours be included? Can Indirect Labor Hours be included as well...such as production labor hours for manufacture of the equipment to be used in the project, trucking of the equipment to the install site, permitting work, accounting work associated with the project, etc. (with the understanding that all indirect labor hours occur within the State of MN as well).	Labor hour estimates should include all laborers and mechanics employed or working on the site where specific improvements are being made. Estimates should also include hours for work intrinsic to the project (i.e. accounting and reporting). Recipients should not attempt to report on the employment impact on materials suppliers, central service providers and any anticipated induced hours.
86.	On Page 8, Item C (under Direct Improvement Loans): Does the bulk of that item, including the 1st 2 bullet points, refer ONLY to Energy Efficiency projects? Line 3 of the text reads "...At a minimum, each ENERGY-EFFICIENCY improvement must include:" OR - Does Item C in it's entirety also apply to RE projects?	Section V. Proposal Contents apply in its entirety to all category 1 proposals for energy efficiency improvements, renewable energy improvements and/or any combination of eligible activities under Section III of this RFP.
87.	Both page 8 and page 9 have items A through D listed under them -- split out by Pg 8 referring to Direct Improvement projects and Pg 9 referring to Revolving Loan Programs. Are we interpreting correctly if we use Pg 8 ONLY for a Direct Improvement project, and ignore the info requested on Pg 9 under Revolving Loan? It seems like some of the items under Revolving Loan, in particular Item D (Work Plan, Tasks, Milestones) would be helpful information for OES to have on a Direct Improvement project as well.	<p>Eligible applicants may apply for funding under this RFP for either category 1 or 2, or both, but must submit separate proposals for each category.</p> <p>The minimum required category 1 proposal contents are described on under <b>Category 1 – Direct Improvement Projects</b> and minimum proposal content for a category 2 proposal is under <b>Category 2 – Revolving Loan Programs</b>.</p> <p>Proposal contents of category 2 do not apply to category 1 applicants and category 1 proposal contents do not apply to category 2 applicants. <i>Successful category 2 grant recipients are limited to providing funding to businesses meeting this program eligibility who will install eligible activities under this RFP.</i></p>
88.	Page 8 Direct Improvement Projects, Item C Improvement Savings and Cost analysis - the RE Improvement bullet reads "Complete exhibits D, E, or F as appropriate." Are the exhibits given in error, and is the intent to have RE projects complete Exhibit G,H, I as appropriate (Wind Energy rqmnts application, Solar Hot Water application, Solar Photovoltaic application, respectively).	Yes, this was an error, applicants that propose eligible renewable energy measures are also required to fill out and submit the appropriate exhibits in addition to submitting the required proposal content.

89.	Top of Page 10, item E. This SEEMS to be Item E following on items A-D for the Revolving Loan Program only. There is no Item E given under Direct Improvement projects. Should the Top of page 10, Item E be supplied for Direct Improvement Programs also?	The detailed budget only applies to category 2 proposals. Category 1 – Direct Improvement Projects will be technically evaluated for accuracy and reasonableness and then ranked under a quantitative scoring system. Successful category 1 applicants will be required to provide a project budget prior to grant award.
90.	Page 10, 1st line, re scoring criteria "Program Impact per grant dollar" 20 points - can you clarify this section. How will program impact be calculated? Is there a metric that is being used to measure against, and if so, what are the delineations to score various levels of points...i.e....what does it take to get 10 points, vs. 15 or 20 points?	An example; a RLF program that leverages matching funds in a greater percentage would provide greater impact per grant dollar.
91.	Pg 12, Buy American provisions. Do all components of the system have to be American made? IF the majority of the technology is US or even MN made, but the inverter is foreign made, does the applicant need to justify a Buy American exclusion for that component? Would you clarify the process on how to apply for exclusionary approval to the Buy American clause.	Buy American provisions are defined in Section VII General Requirements. Any need for an exclusion of the Buy American requirements will be addressed on an individual basis only after such a project has been placed on the short list for funding.
92.	Pg 15-16 give certifications that must be made regarding Disbarment. There are not forms provided to do this, however. To meet this requirement, should create a certification with the appropriate wording and include a signed copy in with the application package, along with the rest of the signature forms?	You do not have to submit a form; Please see item #1 in that section "By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below."
93.	Appendix G, H, I are included as RE worksheets. There are no application worksheets for Solar Air or Geo-thermal (Ground Source Heat Pump) installations. Should a Solar Air installation use the Solar Hot Water application amending it as necessary?	Solar air is eligible. Use the solar hot water heating system exhibit, omitting the plumbing licensure requirement and modifying other fields as necessary. A ground source heat pump worksheet will be developed and must be completed by a short-listed applicant if applicable.
94.	Davis-Bacon act is applicable "...in any contract in excess of \$2000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating..." An installation of Solar on a building isn't technically CONSTRUCTING, ALTERING or REPAIRING...but rather ATTACHING the components. Would this ATTACHMENT then be construed as requiring Davis-Bacon act conformance?	Yes, the Davis-Bacon Act applies.
95.	The goals of the OES are given as energy savings, renewable energy deployment and jobs created or retained. A project can be argued to meet those goals, but also bring with it value as a demonstration project, due to the highly-visible location for installation. "Program Impact" under scoring criteria is not yet defined but will favorable weighting consideration be given under IMPACT for projects that are positioned well as demonstration projects?	Research, development or demonstration of technologies that are not commercially available, or the purchase of equipment for those purposes are prohibited by Federal rules under this RFP.

96.	Labor will primarily be provided as in-kind contribution...supplied by the applicant organization. For calculating budget, should the retail labor rate be used (since laborers are not available to work on another project) or should the labor cost rate be used?	Unpaid services provided by individuals will be valued at rates consistent with those ordinarily paid for similar work in the organization. If the organization does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.
97.	We are an industrial business and we currently lease our building and pay the all utilities costs for the building and our manufacturing equipment. Are leased facilities eligible for either the Category 1 Direct Improvement Projects or Category 2 Revolving Loan program or must the building & site be owned by the applicant?	Applicant eligibility is limited to facility owners in either category 1 of this RFP or secondarily through a successful category 2 RLF recipient.
98.	We are planning to construct a new large industrial manufacturing facility in MN between June 2010-June 2011. Are RFP eligible expenses utilized for future buildings that will be constructed during the grant period (May 3, 2010 to April 30, 2012) be eligible for either the Category 1 Direct Improvement Projects or Category 2 Revolving Loan program?	New construction, expansion or preparatory work for new construction is not permitted under category 1 or 2.
99.	If RFP eligible expenses for a new building constructed during the grant period is eligible for the Category 1 or 2 programs, would the applicant still be eligible if the new building & site was leased or must the building & site be owned by the applicant?	Grant eligibility in category 1 is limited to owners of commercial, industrial and nonprofit facilities. New construction, expansion or preparatory work for new construction is not permitted under category 1 or 2.
100	What is the required or typical documentation required for the "matching funds commitment" attachment?	Typical documentation includes bank letters of credit, resolutions, grant contracts, loan documents, bank statements, contracts, etc.
101	What qualifies as "documented" secured funding? A signed letter from the funding source, the funding contract, etc.	
102	In regards to the Category 1 project "Ranking" by OES, is a higher score obtained with a higher or lower "labor hours per grant dollar requested"?	The efficiency of labor is not an evaluative criterion. OES intends to promote activities that will have the greatest impact on energy saving, renewable energy deployment and jobs created or retained, collectively. Applicants must provide the facts that demonstrate and support an achievable scope of work for the facility.
103	In Regards to Exhibit B Affirmative Action Certification, Box A. Is an Affirmative Action Certificate required or required to be submitted to MDHR prior to submitting this RFP?	This requirement is for companies who have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. If that is the case. Your proposal WILL be rejected unless your business either: (1) has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR), or (2) has submitted an affirmative action plan to the MDHR, which MDHR received prior to the date and time the proposals are due.

104	Does the OES have an expected or desired number of successful applicants and/or desired grant amounts?	OES expects to award 25 to 50 grants under this RFP.
105	Is a city eligible to apply for the grant funds under Category 1 – Direct Improvements Projects? If so, do we apply as an industrial, commercial or nonprofit?	Political subdivisions are not eligible applicants under this RFP.
106	Also, what type of document of match funds commitment is required from the City (i.e. resolution, motion of the Council, signature of Administrator or Mayor)?	
107	Will Direct Improvement Projects be allowed to also employ utility incentives for the proposed technologies or does the use of the state grant rule out that additional source of funding?	Utility incentives are an eligible source of additional funding and may be used for matching funds. However, the availability of these funds may not be timely and Section IV requires that applicant match funding be documented as secured funds. Applicants must provide evidence that adequate cash-flow exists to perform on the grant contract.
108	Will single technology proposals face a disadvantage? In other words, will a direct improvement project that is for only one technology be viewed less favorably than a multiple technology application?	Inadequate information exists to provide a complete answer to this question. Proposals will be ranked and scored based on total energy savings; energy cost savings; and labor hours per grant dollar requested, collectively.
109	Is there a preference to Category 1 (Direct Improvement) vs. Category 2 (Revolving Loan) applications? For example, the USDA REAP grant applications from last year favored a grant/loan combination over large grant applications.	<p>Not less than 20% of funds will be awarded to non-profit entities;</p> <p>Not less than 20% of funds will be awarded to commercial and industrial facilities;</p> <p>Not less 30% of funds will be awarded to economic development authorities;</p> <p>Not less than 37.5% of funds will be awarded to applicants outside the seven-county metropolitan area; and</p> <p>Not less than 37.5% of funds will be awarded to applicants within the seven-county metropolitan area.</p> <p>Minimum funding levels will be maintained only to the extent that sufficient eligible and complete applications are received to utilize all funds in a category. All applicants may compete for funds not reserved for minimum funds levels.</p>
110	Our main project would be the installation of a solar photovoltaic system. However, after an energy conservation audit, two other items are of interest: the installation of T8 Fluorescent High Bay Fixtures and 28-WATT T8 Fluorescent Lamps. Can we include all 3 projects in the same application if they meet the specific criteria or are we allowed to apply for only one project?	While a proposal may have a number of projects or phases, the proposal will be evaluated based on the overall energy savings, energy cost savings and jobs created or retained. It is the responsibility of the applicant to ensure that their proposal is comprehensive.

111	For the Category 2 Revolving Loan Fund, can we consider the period 24 months to disperse loans?	The first time spend of grant funds used for RLF programs must occur during the grant period of performance.
112	Under the Revolving Loan Fund does a self-contained, all-in-one standby power device such as those offered by Silent Power, Inc. qualify as an Eligible Activities (and Limitations)?	With the limited information provided in the question, it does not appear that standby power devices are an eligible activity.
113	As an administrator of an OES – Energy RLF, would we be able to include municipally owned structures as eligible applicants to apply for RLF loans? (...or in other words Can our proposal include municipally owned structures as an eligible applicant to borrow Energy RLF funds that are established through the OES “Energy Programs in Commercial and Industrial Buildings – ARRA”?)	Recipients of revolving loan funds must meet the applicant eligibility as described in the RFP under Section III. Municipalities are political subdivisions of the state and therefore are not eligible under this RFP.
114	Are the matching funds required to be from the EDA or can a portion be from the end C/I property owner applicant?	Matching funds must meet the RFP requirements. While a loan recipient may provide matching funds through a number of means, they may not be in the form of loan repayments.
115	How and when is Davis-Bacon required?	See Section VII and Exhibit J of the RFP.
116	<p>I currently have a few different styles of beef production facilities. Some of them I am proposing to abandon and replace with a new facility. The reason for doing so is because the design of the new, replacement facility will allow for much greater energy efficient production methods and reduce a tremendous amount of fuel, electricity and nitrous oxide gasses being emitted from the redundant product handling methods required with the existing facility. The existing facilities will be completely abandoned and will not be functional after project completion.</p> <p>In this instance, decommissioning the old facilities rendering them useless or not being allowed to use them, would I be allowed to use the cost for the replacement facility as eligible costs? If so or possibly, would concrete floors, walls, roof structure, lighting, and curtains qualify?</p> <p>If a new facility itself would not qualify as an eligible cost than would some of the components in it qualify since we are going to eliminate the ones currently being used? For example lighting, electricians hired, water fountains, curtains that prevent excess cold or heat from entering facility causing higher heating or cooling costs, a type of pre-cast concrete sub floor that eliminates a large amount of diesel fuel being consumed and prevents a large amount of nitrous oxide gasses from being formed which is the only commercial design available, insulation under the roof structure, or any other similar equipment or components not part of the new facility that have</p>	<p>New construction, expansion or preparatory work for new construction is prohibited by Federal rules under this RFP. Upgrading existing facilities with eligible activities are appropriate under this RFP.</p>

	energy efficiency tied directly to them. Do you require an energy audit? If not, would it help if we included one? At what point do I need to have a lenders commitment on remaining expenses?	
117	This appears to be a cost reimbursement program, so the loans would have to be funded first by the applicant and then invoiced to the State. Is that correct and if so what type of turn-around time might we expect?	Specific details regarding invoices and payments will be adequately addressed and agreed upon during contract negotiations with short-listed applicants. OES understands the significance of this issue and plans to fund RLF programs monthly based on executed loan documentation from RLF administrators.
118	You use the terminology of “grant”. Once the initial loans have been made and paid back made I assume to the applicant agency, do these funds become an asset of the applicant?	Program income includes among other things, payments of principal and interest on loans made with grant funds. Program income means gross income received by the RLF directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. “During the grant period” is the time between the effective date of the award and the ending date of the award reflected in the final financial report. The RLF grant is intended to provide capital for long-term funding of eligible activities.
119	If the applicant is allowed to keep paid back funds in a revolving loan fund, do the same State and Federal requirements stay with the funds for subsequent loans?	Program income will be deducted from total allowable costs to determine the net allowable costs. Program income will be used for current costs unless OES authorizes otherwise. Program income which the grantee did not anticipate at the time of the award shall be used to reduce the grant and matching contributions rather than to increase the funds committed to the project unless written approval is obtained from OES. All State and Federal requirements apply to program income.
120	After the initial loans have been paid back what reporting requirements will there be on future use of the funds?	Reporting requirements on program income will continue throughout the course of the grant period at a minimum. Further reporting may be required until grant funds are de-federalized. OES will continue to provide information regarding this as it becomes available.
121	How will losses on loans apportioned between OES grant funding and match?	The RLF administrator should obtain adequate and appropriate financial security from borrowers and act diligently to protect the interests of the RLF through collection, foreclosure, or other recovery actions on defaulted loans. It is the responsibility of the RLF administrator to identify, avoid and consider unrecoverable losses to the fund in order for proposal evaluation.

122	How will grant funds be awarded if the program is oversubscribed? Lower awards or more rejection of applications? (Concern being that establishing a revolving loan fund with minimal grant funds may not be of benefit.)	OES intends to maximize the impacts of comprehensive proposals that have the greatest cumulative impact on energy savings, renewable energy deployment and job creation/retention within the funding and geographic parameters established for this program. OES understands the complexity of establishing RLF programs.
123	Will there be any limitations place or parameters established for the interest rates or terms of the loans?	Program components are the responsibility of the RLF applicant. For example, loan terms, maximum/minimum amounts borrowed, percent of funds permitted for use, administrative charges, interest rates, etc are all part of the proposal contents required under this RFP for evaluation.
124	Could you comment on technical help available from the state or turn around and processing times for some of the general federal requirements such as National Environmental Policy Act, Waste Management Plan, Davis-Bacon Act Requirements, and National Historic Preservation Act?	OES has secured the required categorical exclusions under NEPA for all eligible activities under this RFP. Proposals that would require NEPA compliance would not meet the timeline requirements of this RFP and are therefore not eligible. The Waste Management Plan must be completed and submitted with the proposal. Once a grant agreement is under negotiation the State will provide prospective grantees the procedural requirements for the Davis Bacon Act and National Historic Preservation Act.
125	Are there any qualifications or certifications needed for personnel conducting pay-back analysis of improvements financed with revolving loan funds?	The RLF administrator is responsible to ensure that the proposed scope of work can be achieved and additionally responsible to loan recipients who rely on pay-back analysis. Proposals must address all program components to ensure that the goals and objectives of the RLF program are successful, including pay-back analysis.
126	Will implementation of re-commissioning energy improvements comply as an eligible project?	Commissioning and re-commissioning are eligible activities under this RFP. See Section III of the RFP.
127	Can eligible programs and eligible projects start before May 3, 2010 (for long lead type items)?	<p>Grants under this RFP shall be awarded to cover eligible costs of only those tasks which are undertaken and completed during the grant period established in the grant agreement. Grant funding may not be used to cover any cost associated with tasks performed prior to the award of a grant or after the expiration of the grant agreement. Grantee shall assume responsibility for costs before and after the grant period.</p> <p>However, costs incurred prior to grant award may be eligible project costs covered within the match requirement only if the following conditions are met:</p> <p>(A) the work plan requires the early expense and adequately</p>

		<p>identifies and describes in detail the necessary expenditures prior to award;</p> <p>(B) the applicant makes a request to OES after being notified of being placed on the program short-list;</p> <p>(C) written authorization is obtained from OES detailing the ineligible expenses that will be allowed under the applicant’s matching fund requirements; and</p> <p>(D) the justification of need for costs incurred prior to grant award is made on an addendum to the RFP proposal and submitted with the proposal by the due date.</p> <p>Any written notification from OES clarifying ineligible expenses as eligible matching expenses prior to grant award does not indicate or imply that an applicant will be successful in the final grant review. All risks for any incurred costs prior to grant award is borne by the applicant.</p>
128	<p>If an EDA applies for a grant to establish a revolving loan fund to assist with financing energy conservation improvements to eligible end users, may the matching funds be provided through the end users. e.g. A commercial business wants to purchase energy efficient LED lighting for \$200,000. They provide the EDA with a bank commitment for \$100,000 and apply to the EDA for a \$100,000 low interest loan. Does the Bank commitment satisfy the grant program match? We want to apply for a grant to operate the revolving loan program in this manner, but we do not have matching funds to commit up front. The match will be provided by the end user at the time the loans are made.</p>	<p>A committed loan to cover the match portion of the costs for an eligible activity is allowed. However, there are additional opportunities available that an RLF administrator should identify, evaluate and incorporate. The viability, stability and sustainability of a RLF program that only combines a market rate loan with a low interest rate loan may be challenging to market and meet the timeline requirements of this RFP.</p>
129	<p>We have more than one project under consideration. We understand that energy usage and energy savings must be calculated separately. Is this correct?</p>	<p>Yes.</p>
130	<p>If we submit more than one project in our proposal, how will you consider them? Will they be grouped together or separated for ranking and award determination?</p>	<p>While a proposal may have a number of projects or phases, the proposal will be evaluated based on the overall energy savings, energy cost savings and jobs created or retained. It is the responsibility of the applicant to ensure that their proposal is comprehensive.</p>

131	Page 4 of the RFP, Terms and Conditions, indicates that any changes to the RFP will be posted to the OES website. Will any such changes be highlighted or marked in some way so that they can be easily located? The concern is that a small change would be hard to find within the 47 pages of the RFP and could be overlooked.	OES will follow standard practices when and if any changes are made to this RFP to ensure all applicants have the necessary information.
132	We have many buildings on our campus that include temporary lodging (from one weekend to one month duration) in a dormitory setting for up to 64 people. Is it your intent to exclude these types of buildings from the grant, or are you specifically excluding single family and multi family housing?	Grant eligibility in category 1 is limited to owners of commercial, industrial and nonprofit facilities. Owners of residential facilities are not an eligible applicant under this RFP. Residential structures more than 4 stories above grade and at least 10 dwelling units are eligible facilities under this RFP.
133	Do grants from foundations qualify as an applicant matching fund?	Yes, as long as foundation funds are not provided by the State of Minnesota; are secured funds; are not committed for use as a match to another grant; and are not from other ARRA funds.
134	We are a state inspected meat processing plant. Any remodeling or upgrading has to have the approval of the Minnesota Department of Agriculture. Do we need to have this approval before applying for the grant or can the grant be made contingent upon approval of the project by the MDA?	Due to timeline requirements contingent grant awards cannot be made. It is the responsibility of responders to ensure that the scope of work proposed can be completed within the grant period.
135	Would projects like parking ramp lighting, motion sensors, and heat recovery systems be eligible activities?	Eligible activities must be performed in or on existing buildings and energy-using equipment.
136	What types of projects have the best chance of getting approved?	Projects with large energy savings; significant energy costs savings; and projects that create and/or retain jobs with small grant dollar investments.
137	What factors would improve a projects chance of getting approved?	
138	My business leases space in a building, can my building owner (who supports my projects) apply on my behalf? If so, would the application process be the same?	Only an eligible applicant may apply and enter into an OES grant contract.
139	Does a new heat pump need to be of a certain energy efficiency standard in order to be eligible for the grant?	No minimum standard for heat pump energy efficiency ratings has been set for this RFP. However, all project components must meet all applicable energy code requirements.
140	Our contractor has provided us information on energy savings, furnace efficiencies, and project cost for the replacement of our 47 year old boilers. What other information might be necessary when planning for boiler replacement? Will the attachment of a bid price and spec sheet provide everything necessary?	The RFP describes the specific requirements for proposal submission.

141	When considering the replacement of an existing DMS system for the above mentioned boilers, what minimal specifications are required?	All project and intrinsically related components must meet all applicable energy and building code requirements.
142	In the last 4 years we have replaced over 300 of the 80 year old double hung windows and we have one more building with 50 windows yet to do. When replacing these windows what specifications need to be met, such as low-E glass, double or triple glazing and air infiltration?	There are no minimum grant criteria for window replacements. Proposals will be evaluated based on total energy savings; energy cost savings; and labor hours per grant dollar requested.
143	When considering lamp replacements in a warehouse area does induction lighting qualify for grant money under this RFP?	Induction lamping is not prohibited in the RFP.
144	Can two EDA's serving different areas of the state and three 501(c)3's covering the same areas apply as joint applicants?	A proposal may have numerous partners, but it must be submitted by one eligible applicant. Joint applications will be rejected.
145	Must all parties to a category 2 Revolving Loan Program application meet the "eligible applicant" requirements?	A proposal submitted to create a RLF program must be submitted by one eligible applicant as described in Section III of the RFP. This applicant, if successful, will be the grant recipient and will be solely responsible for grant, scope of work and program performance.
146	For a category 2 Revolving Loan Program application, if multiple economic development authority's partner to submit an application - each covering its own geographic territory - does it matter which plays the lead role on the application?	Program partners, subordinate to the applicant are not required to be an eligible applicant. However, loan recipients (borrowers) must meet the eligibility criteria as described in Section III of the RFP.
147	For a category 2 Revolving Loan Program application, if multiple parties jointly submit an application, are all required to complete the requested forms or just the primary applicant? Likewise, must all submit financial statements or only the primary applicant?	A proposal under category 2 is limited to one responsible eligible applicant. Only the applicant is responsible to submit all necessary information in order for OES to effectively evaluate the proposals merits. However, if the proposal includes partners that contribute substantially to the success of the program, the applicant may need to include additional information.
148	For a category 2 Revolving Loan Program application, if multiple parties jointly submit an application and only one will administer the actual loan funds, is it preferred that that organization be the primary applicant?	Yes, An eligible applicant under category 2 is responsible for the overall management of the RLF program and grant requirements. Specific duties of the program need to be identified and may be carried out by program partners or others in accordance with the proposed scope of work.
149	Contracts and subcontracts are listed as an eligible expense. For category 2 Revolving Loan Program applications, may awardees also subcontract to other organizations who would not otherwise meet the "eligible applicant" requirements?	No. RLF grant recipients may provide loans for eligible activities as described in Section III of the RFP to eligible applicants as described also in Section III of the RFP.

150	Will Category 2 Revolving Loan Program loan recipients be required to fulfill all of the Federal Requirements listed in section VII of the RFP?	Yes.
151	For a category 2 Revolving Loan Program application, does the loan term need to end by the Grant Completion Date of 4/30/2012?	No.
152	We have two stores with 70 foot sliding glass entry doors. We'd like to install new energy efficient doors. Would this upgrade qualify under the building envelope improvement category?	Category 1 if the facility meets all of the eligibility requirements.
153	We'd like to install a more efficiency electrical panel. Under which eligible activity category will this fall?	Category 1 if the facility meets all of the eligibility requirements.
154	Under which eligible activity category would triple pane glass refrigeration doors in a grocery store fall (the current doors are 10 to 15 years old)?	Category 1 if the facility meets all of the eligibility requirements.
155	As pertains to re-commissioning studies and work following, what level of detail must the re-commissioning study be? May it focus only on balancing and operation and upgrade of HVAC controls, for example, or must it also include lighting, water use reduction, all equipment, etc.? If it must be comprehensive, can you prescribe a list of requirements that must be covered in the study and resulting upgrades considered/included or that may be included?	The required proposal contents are listed in Section V of the RFP. It is the responsibility of the applicant to provide the necessary and required information that will allow OES to review and evaluate a projects technical feasibility, reasonableness and accuracy of estimated cost savings and implementation costs.
156	We have a project wherein equipment replacement is being considered versus overhaul of the existing equipment. While there are already some existing prescribed rebate incentives for such high efficiency equipment, is such a project eligible for this grant if payback on an energy basis or overall (energy plus avoided) cost basis is 2-15 years?	Adequate information has not been provided in order to answer the question. However, if the questioner is inquiring if the simple payback is based solely on energy saved or energy saved plus energy avoided, depending on the equipment and the extent of the proposal, simple payback could include energy avoided when combined with RE installations.
157	If the cost of a project overall for energy efficiency is \$600k, is it possible to just get award on \$500k of the project so that it is still eligible? If so, would you calculate the payback based on the \$600k or \$500k spend?	If the overall project cost is \$600,000, the maximum grant under category 1 is \$200,000. There is no maximum project size under this RFP, only a maximum grant award of \$500,000.
158	Federal awards typically allow for project costs incurred, to include engineering and grant application preparation and administration, up to 90 days prior to the award. What are the rules for using the funds awarded toward work that will be completed prior to the award date? Are there restrictions for Labor, Grant application writing, administration, engineering, equipment, or other purchases/spending? What about when these take place after award?	Eligible and ineligible expenses are detailed in Section IV of the RFP. Cost of activities initiated and costs incurred prior to grant agreement execution are not eligible expenses. Eligible expenses after a grant award must be identified and addressed in the applicant s proposal. See  <i>See response to question #127.</i>

159	Can you describe what type of monitoring and verification or commissioning will be required of the projects that win award? We are concerned about cost of Monitoring and Verification. If required, is the cost of M&V allowable in the grant? Some of the projects we may propose are small, and our estimates of M&V cost may increase the payback considerably.	Costs of data collection, performance measurement, tests and inspections necessary to the performance of an approved scope of work are eligible expenses.
160	How will the projects be competitively compared? Is there a ranking or grading system used? How does it work? Can you provide a sample calculation?	Section IV – Application Review and Evaluation describes the process for evaluation.
161	Will any of the OES grant as percentage of the Award be for less than the prescribed assistance amount? For instance, if the project will cost \$90k, with a 3 year payback, is it possible that the OES may provide a third, vs 50% assistance on the award? Does the proposer have to prescribe this, or might the OES respond and negotiate the amount of assistance?	The RFP prescribes the minimum required match to each category. OES strongly encourages that applicants propose matching funds beyond the minimum requirements as this will increase grant leverage and increase program impacts per grant dollar requested.
162	Please clarify the definition of the Grant Completion Date of April 30, 2012 and the Period of Performance completion date of June 30, 2011, or the difference between the two. More explicitly, does the funding received through this grant need to be completely expended by June 30, 2011 or April 30, 2012?	The period of performance requires that applicants, regardless of categorical application, complete the proposed scope of work no later than June 30, 2011. The final grant completion date of April 30, 2012 allows OES to provide a period of performance extension if conditions outside of the grant recipients control warrant such and extension. OES at its sole discretion may or may not provide a period of performance extension.
163	Can you please give further explanation or clarification re the differing dates given under PERIOD OF PERFORMANCE pg 6 (completed by 30Jun, 2011) and GRANT COMPLETION DATE pg 3 (completed by 30April, 2012). Do the terms Period of Performance and Grant Completion refer to different concepts/activities and if so, can you explain the difference? If not, and they are referencing the same concept/activity, would you clarify the "end date" that must be met for grant related project work?	
164	On page 3 "Grant Completion Date" is indicated as April 30, 2012 and on page 6 the "Period of Performance" indicates a completion no later than June 30, 2011. Which date is correct?	
165	The RFP Timeline states the Grant completion date is April 30 <sup>th</sup> , 2012, while the Period of Performance states that the scope of work must be completed no later than June 30 <sup>th</sup> , 2011. Can you clarify the expectations for each date?	
166	Assuming a revolving loan fund is established, once the initial funds are repaid are the revolved funds de-federalized?	The date of ARRA grant fund de-federalization for SEP funds has not been provided. Grants will be evaluated and awarded for RLF's that provide long-term funding of eligible energy efficiency improvements. <i>(See responses regarding program income above.)</i>

167	Will the grantee be the final authority [once we receive the funds] on whether the project is eligible?	Funding requests will be submitted based on executed loan documents. OES will work with RLF administrators to ensure that funds are provided to eligible recipients for eligible activities. Projects performed by loan recipients are limited to the eligibility requirements of this RFP.
168	Will labor for these projects have to follow the Davis Bacon Act requirements?	Yes.
169	What is the reporting requirement?	At a minimum, all grant recipients will need to report monthly on the projects progress including calculated energy saved vs. actual, calculated energy cost savings vs. actual and hours worked and funding leveraged, number of buildings retrofitted with square footage, number and monetary value of loans and number and size of renewable energy systems installed.
170	How are grants for Revolving Loan Program ideally administered in partnership situations? Is a re-granting situation allowable?	No, re-granting is not permitted. It is the responsibility of the applicant with or without partners to develop a program that will provide long term funding opportunities for eligible activities. OES anticipates that a number of different innovative approaches will be proposed.
171	VI, Cat.1, Ranking, pg.10: Regarding labor hrs. Will higher ranking be given to increased labor hrs per dollar (more jobs created) or decreased labor hrs per dollar (fewer jobs at better pay rates)? Keeping within Davis Bacon rules.	Evaluation of proposals regarding jobs will address labor hours per grant dollar requested; a component of the total project cost. The Davis-Bacon Act prescribes the minimum pay scale for certain job classifications. If an applicant desires to pay wages greater than that required by the Davis-Bacon Act, the project cost may increase while the project hours will remain the same.
172	Exhibit G, eligible equipment, pg.29: There are other manufactures of wind equipment with in the United States, Even here in St. Paul. Are we precluded from using other sources of American made wind equipment without penalty to the Grants point system?	Current eligible wind energy manufacturers are identified in Exhibit G of the RFP. Minimum grant eligibility for wind applications requires, among the other items described, the installation of eligible equipment.
173	We are contemplating improving the energy effectiveness of our administration building by adding insulation to the walls and roof along with replacing the windows. I have two questions – 1. Our proposal for funds would only include the materials and labor costs to install the insulation and windows and not the labor and material costs for the new roof membrane and siding. Is this the proper approach?	1. The building envelope consists of the building's foundation, walls, roof, windows, and doors; the envelope controls the flow of energy between the interior and exterior of the building.  2. All work to be performed within the proposed scope of work must be completed within the grant period, no later than June 30, 2011. The proposed scope of work may be part of a larger scope of work that is outside of the grant period, but the proposal will only evaluate the proposed scope of work that is within the grant

	2. Due to the size and costs of our project, we are planning on a phased installation over the course of 4 years with work being done each year. Because our complete project will extend past the required completion date of June 30, 2011 – Is it acceptable to only include a proposal for the 1 <sup>st</sup> 2 years of our 4 year project?	period.
174	Section IV, Ineligible Expenses: Do alternative fuel systems (such as propane) or power factor correction which generate savings based on a utility rate change qualify?	Costs for equipment or systems that reduce energy costs without also causing energy use reductions are not eligible expenses under this RFP. However, fuel system changes as a component of an eligible activity that produces energy demand reductions and proves long-term cost savings may be a permitted use of matching funds.
175	Section V, Category 2- Is it correct to assume that item E , detailed budget applies to only Revolving Loan Programs?	Yes, the detailed budget is required in the RFP only for category 2. Successful grant recipients will be required to provide a detailed budget for their project prior to grant award.
176	Section VII, General Requirements, Subsection-State Requirements: In the paragraphs titled <u>Disposition of Responses</u> , and <u>Organizational Conflicts of Interest</u> , the term “vendor” is used. 1. Does vendor mean the contractor we choose to do the work? And if so, does that imply that the contractor of our choice will be negotiating the grant with the state as mentioned in <u>Disposition of Responses</u> paragraph?	The term “vendor” in these two cases may be interchangeable with “applicant” or “respondent”, but refers to successful grant recipients to this RFP.
177	Do I have to solicit multiple bids for the envisioned scope of work?	All proposals will be evaluated at least in part on project cost and participant match. Competitive bids to perform the proposed scope of work will assist applicants to maximize energy savings per grant dollar requested.
178	Please provide a definition, reference or example as to what is considered “lower tier”. I could not find it defined in my copy or 48 CFR, Part 2.	A ' <i>lower tier participant</i> ' is an applicant applying to somebody other than a Federal agency or department; an applicant in this latter case is called a ' <i>primary</i> ' prospective participant.
179	If a grant is awarded, and my contractor discovers that either there was a math error in his bid, or there was some latent cause that affects the costs to perform his work, is the grant at risk, or is there recourse to adjust the final numbers.	The applicant is responsible to perform according to the proposed scope of work. Direct improvement projects will be ranked and scored based on total energy savings, energy cost savings and labor per grant dollar requested. If “math errors” or “changes in condition” impact that scoring, a grant may be at risk. It is the responsibility of the applicant to provide the necessary facts and assurance that a proposed project can be performed as described in the response to the RFP.
180	Are these grants available for County governments?	Counties are not eligible applicants under this RFP.