

Questions and Answers (Q & A)

RE: Availability of Grant Pursuant to American Recovery and Reinvestment Act
PROGRAM: Innovation in Energy Efficiency and Renewable Energy- Public Entities¹

Eligible Entities

1) Q: Are municipalities and counties excluded from applying?

A: Yes. Only proposals received from State Departments, State Agencies, State Authorities, State Colleges and State Universities (collectively, "State Entities") will be potentially eligible for funding through this grant.

2) Q: Are there similar grants available for municipalities and counties?

A: Please go to the New Jersey Clean Energy Program website at: www.njcleanenergy.com and click on "Commercial & Industrial". Scroll down and click on "Local Government Energy Audit" to learn about identifying cost-justified energy efficiency measures for local government-owned buildings .

3) Q: Are bi-state or multi-state entities eligible?

A: No.

4) Q: What is the definition of a "State Authority"?

A: "State authority means a public body established by statute as an instrumentality of the State exercising public and essential governmental functions that are statewide in scope. The State authorities must be located in but not of a Department that has been allocated to the Executive branch under the New Jersey Constitution. Any authorities that also have their boards appointed by the Governor, and where the Governor has veto authority over their minutes are also classified as a State authority."

5) Q: Do proposed project locations need to be on state owned property?

A: Project location must be on property owned by the Authority/State Entity.

Proposals Submitted

6) Q: Are there any application forms required in addition to the proposal?

A: Only a project proposal is required, the structure of which should comply with the solicitation, (see section 3 on pages 5-7), including attachments A and B, which should be signed and dated. The proposal should comply with all requirements in the solicitation.

7) Q: In attachment B on page 10 in the "Certification Statement" it reads: "I certify that any funds awarded under this ARRA Grant Program will be used for any of the purposes described above." Was the word "not" accidentally omitted from the above statement?

A: Yes, the certification statement should read: "I certify that any funds awarded under this ARRA Grant Program will NOT be used for any of the purposes described above." Please indicate this on your submitted signed form, if possible.

¹ Solicitation/Application available at: www.nj.gov/bpu/pdf/announcements/arragrants.pdf

8) Q: How will the proposals be evaluated?

A: A Grant Evaluation Committee will score the proposals according to the five criteria outlined in section 4.1 of the solicitation on page 7, as well as review each proposal's compliance with the requirements outlined throughout the solicitation.

9) Q: When should I submit my proposal?

A: The deadline is 5PM on Friday, August 7th. However the earlier you submit your proposal, the more time the Grant Evaluation Committee will have to follow up with questions and requests for clarifying information prior to evaluation.

10) Q: Is there a limit on the number of proposals an agency can submit? Also, if an applicant has more than one project, should the State Entity submit them together or separately?

A: Agencies can submit more than one project proposal, and yes they should submit them separately (unless the project contains multiple components).

Funding Limits

11) Q: Is there a size limit on the cost of the projects eligible for the grant?

A: On page 2 of the solicitation (section 2.1) it states that "there is no specific limit on the amount of a grant for a project" (up to the total grant amount of \$20.643M).

12) Q: Could our project, if awarded funding, receive less than was requested?

A: Yes, the Grant Evaluation Committee has the flexibility to recommend reducing the scope of the project and as a result may recommend reducing the requested funding.

13) Q: Is the grant funding received considered federal or state dollars?

A: Federal.

14) Q: In attachment B on page 10, it says the funding may not be used for "construction", but wouldn't the installation of a solar panel field for providing electricity to a state college be considered construction?

A: Prohibited "construction" is in regard to "bricks and mortar" (e.g. adding a building) and not construction of a technology.

15) Q: Can this grant be used for Research and Development?

A: No. Please see Attachment B of the solicitation.

16) Q: Can this grant be used for the manufacturing of renewable and energy efficient technologies?

A: No. This funding is for the installation of Energy Efficiency/ Renewable Energy technologies at state facilities.

17) Q: Is funding limited to projects that would provide power or fuel directly to the facilities a State Entity occupies? Or, could a grant be sought for development of, say, an anaerobic digester that produces electricity for the grid but does not directly feed into the State Entity's facilities?

A: The intent of this grant is to support Energy Efficiency/ Renewable Energy at state facilities to offset the power they get from the grid, not to have state agencies become power suppliers.

18) Q: Can ARRA funding be used to purchase fuel efficient cars like hybrids?

A: No. Renewable fuels, vehicles or infrastructure for renewable fuels are not eligible. Project proposal must be for energy efficiency or renewable energy technologies for electric and/or natural gas in buildings.

19) Q: On page 6 of the solicitation, it states that “grant funds may not be used to cover administrative costs. Please define “administrative costs”.

A: Rather than define what is not funding eligible, it may be simpler to focus on what is generally an eligible request for funding: Energy Efficiency/ Renewable Energy equipment and installation costs, which is basically everything after contract award.

20) Q: Under the grant requirements, can grant funds be used for any portion of the RFP process?

A: These would be considered administrative costs and would not be eligible.

21) Q: Would a project’s engineering work in reviewing designs and construction plans submitted by the successful bidder be considered “administrative costs”?

A: These would be considered installation costs and would be eligible for funding.

22) Q: If compensable, can engineering activities be performed only by the grantee or can the grantee contract out for engineering services in accordance with the grant provisions?

A: Engineering activities could be performed by the grantee or their contractor.

23) Q: Is there any preclusion on utilizing our proposed project, the purpose of which is to provide electricity (kWhs) in a reliable manner to the State Entity, to provide demonstration or teaching opportunities as part of the innovative application of the technology?

A: No, however grant funding can’t be used for the items listed in attachment B and any other prohibitions listed in the solicitation.

24) Q: At the end of section 2.5A on page 4 of the solicitation it states “[Funding] may not be used to hire staff for operational activities or back fill” but one of the goals of this grant is to create jobs. What do “operational activities or back fill” mean?

A: Hiring for new tasks necessitated by the funding received for this project are allowable. Older tasks (or jobs that require backfilling) would not be allowable.

25) Q: Section 2.5E says the project will be “required to follow the Buy American provisions set forth in ARRA”. Is this requirement only applicable to products bought with ARRA funding? Or must the whole project comply with Buy American provisions to be awarded funding?

A: It’s specific to ARRA funding.

Sample Scenario

26) Q: A State Authority is planning to issue an RFP for a solar project to be installed as a canopy over a planned parking garage (“Solar System”). The solar project developer would construct, own, and operate the Solar System. The Authority would enter a Power Purchase Agreement (“PPA”) with developer to purchase the solar electricity at a per kWh rate. The developer would own the

Solar System and retain SRECs. Is the Solar System project eligible to be considered for a grant, assuming it demonstrates innovative technologies or applications?

A: Yes, however, the supplanting issue must be examined as the project is proposed to be funded through a PPA.

27) Q: Under the above scenario (described in the last question), could grant moneys be used to pre-pay per kWh charges to be assessed during the term of the Power Purchase Agreement in full or part? Such payments could be used by the developer to finance construction for the Solar System to serve the Authority.

A: Grant moneys can be used to pay for allowable costs that are not already budgeted for a project. If the proposal is to use the grant moneys to pay for the portion of the cost not covered by the PPA, thus creating a situation where the Authority would receive free electricity from the solar system, that would appear to be eligible.

28) Q: Would use of energy efficient lighting in the Parking Garage being served by the Solar System be considered an innovative application of renewable or energy efficiency technology?

A: That is subject to determination by the Grant Evaluation Committee. Please see section 1.2 and section 3.2.2 for some potentially eligible technologies.

Timeline

29) Q: Under section 2.3 (Qualifications for Projects), it reads "...must be able to begin construction within 12 months." Does "begin construction" refer to having contracts signed and work ready to begin or more literally to begin putting "shovels in the ground"?

A: "Begin construction" means contract award.

Supplanting Issues (See Sample Scenarios above also)

30) Q: Can entities that need 100% funding apply?

A: Yes, this would not create a "supplanting" issue.

31) Q: Can a State Entity apply for the grant and once awarded assign to a third party developer that would build, own and operate a renewable energy facility and sell to the entity the energy from it?

A: As long as supplanting existing funding with ARRA funding is not taking place. The State Entity could arrange additional financing as part of their budget in terms of covering total costs, but the grant would need to be given directly to the state entity. The grant is given to the state entity and then the state entity has to do a procurement to get the project built. If they can do that by assigning the grant to the developer that should be allowable, but the entity would need to confirm that with their attorneys.

Permitting

32) Q: Regarding the requirement of NJDEP Permit Readiness Checklist and Permit Identification Form (PIF) (Section 3.2.1 Q on page 6): The instructions mentioned that these two forms must be submitted with the proposal. The Checklist is 12 pages long and requires USGS or tax maps, etc. The Permit Identification Form is a 64 page booklet. It also requires USGS maps, street map

and site plans for submission. If the submission is just based on solar panels, either on the roof, or at existing parking lots with minimum change in the coverage ratio, are these comprehensive forms still necessary?

A: If the DEP checklist and form are not needed for a project then it should be noted that they are not applicable. If only certain sections are needed then only that information needs to be submitted.