
Program Guidelines
September 2014

REVISED PROGRAM GUIDELINES

Commerce has revised the 2013 - 2015 Energy Efficiency and Solar Grant Program to place more emphasis on cost effective energy efficiency and solar projects.

Here are the key program changes:

- All projects must have a simple payback of **50 years or less**. If your project exceeds this payback period, it will not be considered cost effective and will be eliminated from the competition. Commerce defines simple payback as the total project costs divided by the energy savings.

- Commerce’s grant funds must be used predominately for deeper energy efficiency or solar measures. Our program is about saving energy and not about repairing buildings or paying for basic operations and maintenance or weatherization measures. We understand that in some instances the building must be repaired before an energy efficiency measure maybe installed. Building repairs and operation and maintenance and/or weatherization measures must represent a small fraction of the total project cost. When you are applying for an energy efficiency and solar grant for the same building only installing weatherization and/or operations and maintenance measures is not acceptable.

- Projects that simply replace like for like equipment will no longer be considered. Applicants must provide system and equipment efficiency improvements that exceed current minimum standards. Demonstrate these efficiency improvements by selecting equipment from recognized efficiency programs. For example, when replacing a heat pump, specify equipment that exceeds the minimum federal standards by specifying an Energy Star Heat pump. When replacing T-12 lighting, use the CEE High-Performance T-8 Specification rather than conventional T-8 ballast and lamps.

- All solar applications regardless if they are for a solar only grant or a solar grant and an energy efficiency grant must involve building(s) that meet the program’s minimum energy efficiency threshold, as defined by an EPA’s ENERGY STAR Portfolio Manager® score of 80 or greater. The ENERGY STAR score must be submitted with the application.
Department of Commerce

Energy efficiency grants will be segregated into two categories: facilities and street lighting-only. Each category will be scored separately with awards provided to the best candidates in each category. Facility projects are identified as projects that are focused on improving energy efficiency in buildings primarily or may include a combination of facility measures and street lighting in the same proposal. Street lighting-only projects are identified as projects that are served by utility street lighting tariff and/or light the public right of way. Outdoor lighting served by a facility utility meter is not street lighting.

Grant applications for facilities must share their Energy Star Portfolio Manager Account with a Commerce Efficiency Grants master account. If the grant is awarded, the Energy Star Portfolio Manager account must be maintained through the evaluation period.

Commerce will use be using the following new average energy rates in determining the project’s simple payback:

- Electricity $0.079/kWh
- Gas $0.85/therm
- Fuel Oil $3.18/gal
- Propane $1.80/gal

All of these average Washington rates come from the most recent EIA commercial rates. Commerce is using these average rates to make cost-benefit analysis uniform across all proposals.

Applications for this round must be submitted online through ZoomGrants. Commerce is now using ZoomGrants to manage its online application process. ZoomGrants registration and the grant application itself will be accessible through a link on the Commerce 2013-2015 Energy Efficiency and Solar grant website that will be available soon:

http://www.commerce.wa.gov/Programs/services/CapitalFacilities/Pages/EnergyEfficiencyGrants.aspx

Background and Purpose

Engrossed Substitute Senate Bill 5035, Chapter 19 Section 1075 (http://apps.leg.wa.gov/documents/billdocs/2013-14/Pdf/Bills/Session%20Laws/Senate/5035-S.SL.pdf) as passed by the Second Session, 2013 Legislature includes an appropriation of $25 million to the Washington State Department of Commerce (Commerce) for energy efficiency and solar cost saving grants. The appropriation requires at least $5,000,000 to be set aside for projects that involve the purchase and installation of Washington-manufactured solar energy systems, including solar modules and inverters. The legislation also directs Commerce to award at least 10 percent of each competitive grant round to small cities or towns with a population of fewer than five thousand residents.

Commerce’s 2013 - 2015 Energy Efficiency and Solar Grant program focuses first on energy efficiency. Energy efficiency is the most cost effective energy resource available. The program then focuses on solar energy. Solar, a renewable energy resource helps create jobs and economic growth in the clean energy field and helps Washington meet its greenhouse gas reduction goals.
Energy efficiency and solar grants will be awarded through a competitive process and may be used solely for energy and operational cost savings improvements. Related projects that are necessary to implement energy efficiency improvements may also be considered for funding. The immediate goal of the program is to stimulate Washington’s economy by creating jobs. The long-term goal is to reduce energy costs at the state’s public education facilities, local agencies and state agencies.

Grants will be awarded for projects using Energy Savings Performance Contracting (ESPC) or equivalent [http://www.des.wa.gov/services/facilities/Energy/ESPC/Pages/default.aspx](http://www.des.wa.gov/services/facilities/Energy/ESPC/Pages/default.aspx). In order to be considered, applicants must demonstrate they have the expertise to manage their own projects and must follow the ESPC guidelines.

**Eligibility**

Public higher education institutions, local agencies and state agencies are eligible to apply.

Commerce defines local agencies as: any city and any town, county, special district, municipal corporation, agency, port district or authority, or political subdivision of any type, or any other entity or authority of local government in corporate form or otherwise. Commerce will be using the list of small cities or towns produced by the Office of Financial Management (OFM). Please reference the official *April 1, 2014 Population Determination*, scheduled to be released June 30, 2014 through the following website: [http://www.ofm.wa.gov/pop/april1/info.asp](http://www.ofm.wa.gov/pop/april1/info.asp)

State agencies may not submit applications for leased facilities. Local agencies and higher educational facilities may submit applications for leased facilities as long as there is a minimum 10 year lease from the time of the final Commerce grant payment.

Commerce’s program is **not** open to:
- K-12 public schools
- New construction projects
- Combined heat and power (co-generation) projects

The Office of the Superintendent of Public Instruction (OSPI) received a separate appropriation for K-12 schools. Please click here for more information: [http://www.k12.wa.us/SchFacilities/Programs/EnergyImprovement/default.aspx](http://www.k12.wa.us/SchFacilities/Programs/EnergyImprovement/default.aspx)

**Applications and Grant Amounts**

Commerce’s 2013 - 2015 Energy Efficiency and Solar Grant program through ZoomGrants will include applications for both energy efficiency and solar grants.

Applicants applying for Commerce’s program may receive:
- An energy efficiency grant
  - An energy efficiency grant for street lighting-only (this is considered an energy efficiency grant)
- A solar grant
- Both an energy efficiency and a solar grant
Eligible applicants may apply for:

- An energy efficiency grant for facilities or a combined facility and street lighting grant
- A street lighting-only grant
- A solar-only grant if the application is for a building that meets Commerce’s minimum energy efficiency threshold, as defined by an EPA’s ENERGY STAR Portfolio Manager® score of 80 or greater.
- An energy efficiency grant and a solar grant at the same time

All solar grants, regardless if they are a solar only grant or a solar grant and an energy efficiency grant, must involve building(s) that meet the program’s minimum energy efficiency threshold, as defined by an EPA’s ENERGY STAR Portfolio Manager® score of 80 or greater (see solar grant requirements for more details).

The maximum energy efficiency grant amount any entity can receive (combination of applications if more than one) is $500,000.

The minimum solar grant amount (regardless if it is a solar photovoltaic (PV) or a non-PV system - solar thermal, solar driven engine, etc.) is based on the project providing a minimum of 20,000 kilowatt hour (kWh) or equivalent Btu/year of generation or savings. For small cities and towns (with populations of 5,000 or less) the minimum solar grant amount is based on the project providing a minimum of 10,000 kWh or equivalent Btu/year of generation or savings.

All solar projects have a maximum grant amount of $1 million. However, Commerce reserves the right to modify grant request amounts based on application demand levels. Scoring for solar grants will consider the Washington manufactured components. The solar energy savings or production score will be adjusted by the Washington manufactured content ratios included in WAC 458-20-273 (14). [http://apps.leg.wa.gov/wac/default.aspx?cite=458-20-273](http://apps.leg.wa.gov/wac/default.aspx?cite=458-20-273). Projects with more Washington made components will receive a higher score.

NOTE: An applicant can receive the maximum grant amount for one project or the maximum amount could be split between multiple projects. Commerce reserves the right to modify grant request amounts based on application demand levels. Additionally, final awards may take into account fair and equitable geographical distribution and the applicant’s access to other sources of funds necessary to complete the project.

**Funding Availability and Timing**

2015 Grants will be awarded in one round. Applications are due by September 18, 2014 by 5:00 p.m. Applications must be submitted through ZoomGrants. ZoomGrants may be accessed through a link on the Commerce 2013 - 2015 Energy Efficiency and Solar Grants website: [http://www.commerce.wa.gov/Programs/services/CapitalFacilities/Pages/EnergyEfficiencyGrants.aspx](http://www.commerce.wa.gov/Programs/services/CapitalFacilities/Pages/EnergyEfficiencyGrants.aspx). The link will be available soon.

If an applicant received an award in Round One of the 2013 - 2015 competition, they may submit another application in the 2015 Grant round *only* if they have not yet received the cumulative maximum grant award of $500,000 for energy efficiency or $1 million for solar.
We encourage applicants to aggregate energy measures and submit them as a single project whenever possible. Qualified applicants may also submit more than one grant application per round – provided the applications are for different energy measures. However, Commerce will not consider applications that seek funding for more than one project in the same building in the same round.

Commerce will have $8,229,366 available for grants in this round. $822,936 will be set aside for small cities and towns. There will be at least $2,101,903 available for solar grants and up to $5,304,527 for energy efficiency grants.

Project Start Date

Projects that enter into a contract for construction on or after July 1, 2013, are eligible to apply for a grant.

Grant Scoring Criteria

Both energy efficiency and solar grants will be awarded through a competitive process. Commerce will score higher education, local government, small cities and towns, and state agency applications within their own category. Facility projects are identified as projects that are focused on improving energy efficiency in buildings primarily or may include a combination of facility measures and street lighting in the same proposal. For example, all state agencies will be scored collectively against each other. State agencies will not be scored against any other eligible entity (i.e. local governments, higher education, small cities and towns).

Energy efficiency grants will be segregated into two categories: facilities and street lighting-only. Each category will be scored separately with awards provided to the best candidates in each category. Street lighting-only projects are identified as projects that are served by utility street lighting tariff and/or light the public right of way. Outdoor lighting served by a facility utility meter is not street lighting.

Energy efficiency and solar projects will be scored separately, even if the project includes both energy efficiency and solar.

All energy efficiency and solar projects will be scored on (in order of priority and weighted per ESSB 5035, Sec. 1075):

- Leverage ratio (the higher the ratio of non-state funds to state funds, the higher the score);
- Energy savings (the higher the energy savings, the higher the score).

Leverage

Commerce has the following program GOALS:

- The Commerce grant is to constitute 25 percent or less of the total project cost (leverage ratio of 3:1)
- Applicants are encouraged to provide funding equivalent to at least seven years worth of energy savings or more
Commerce scores applications based on the amount of non-state funds an applicant contributes to a project (the higher the ratio of non-state funds to state funds, the higher the score).

The following source of funds cannot be used as leverage for any applicant:
- Any funds that originated as an appropriation from the Legislature are considered state funds. (These funds cannot be used to supplant other funds obtained through the private sector – e.g. payoff loans).

Higher Education may use the following funds as leverage:
- Lease/Purchase program through the Office of the State Treasurer
- Utility incentives
- Student fees
- Private donations
- Private lenders
- Federal funds
- Non-state appropriated funds

Local Governments may use the following funds as leverage:
- Local Option Capital Asset Lending (LOCAL) program through the Office of the State Treasurer
- Private lenders
- Utility incentives
- Local and federal funds
- Non-state appropriated funds

State agencies may use the following funds as leverage:
- Lease/Purchase program through the Office of the State Treasurer
- Utility incentives
- Federal funds
- Private donations
- Non-state appropriated funds

In addition, in-house labor (employee time, benefits and overhead) cannot be used as leverage. All leveraged funds must be capital.

**Energy Efficiency Savings**

The program seeks to promote larger projects with deep energy efficiency savings and paybacks of seven years or more. Commerce will not fund projects with simple paybacks in excess of 50 years.

Energy savings are based on current operating conditions as compared to the proposed operating conditions. Commerce does not allow modified baselines. Commerce will use be using the following new average energy rates in determining the project’s simple payback:
Electricity $0.079/kWh  
Gas $0.85/therm  
Fuel Oil $3.18/gal  
Propane $1.80/gal

All of these average Washington rates come from the most recent EIA commercial rates. Commerce is using these average rates to make cost-benefit analysis uniform across all proposals.

Energy Star Portfolio Manager for Facilities Grants

All energy efficiency facilities grant applications are required to document the baseline energy use of the facility using Energy Star Portfolio Manager. Funded projects (except for street lighting-only projects) will be required to continue to provide data using Energy Star Portfolio Manager through the evaluation period.

1. Create a Portfolio Manager Baseline
   - For projects that include a single facility with independent metering, create a Portfolio Manager account for the facility.
   - For projects that include multiple facilities or for projects served by a campus metering, create a Portfolio Manager account using the campus option.

2. Set Portfolio Manager Target Outcomes
   - Portfolio Manager allows the user to set targets for the facility or campus. Set the target to indicate the outcome expected from the grant project.
   - After you have created the account and input one year of energy data, open the “Planning” tab. “Set Performance Baseline & Target”. Under the drop down “I want to” choose “add/edit baseline or target”

3. Share the Portfolio Manager Account with Commerce
   - Follow the Energy Star sharing instructions
   - Create a Contact with the user name: ComGrants
   - Share the account data using the “Read Only” option

4. Also include a printed copy of the EPA ENERGY STAR Portfolio Manager® progress and goals report.

**Document and Share Energy Star Results**

Follow the Energy Star instructions provided in the “Energy Star Portfolio Manager for Facilities Grants” noted above.
Specific Solar Grant Requirements

Commerce’s solar grants are open to new solar systems and to the expansion of existing systems.

Commerce’s solar grants **cannot** be used for:
- Replacing existing solar systems
- Community solar projects (as defined by WAC 458.20.273)
- Leased equipment
- Solar power purchase agreement projects
- One or two solar panels, no demonstration projects
- Solar electric car charging stations

Commerce’s solar grants are available for made in Washington Solar PV electric generation systems and solar thermal water heating systems.
- PV solar electric generation technologies (roof-mounted, ground-mounted and building-integrated PV)
- Solar thermal energy displacing systems (solar water heaters, solar space heating, and solar cooling systems) and non-PV solar electric (sterling engine)
- Non-PV electric generating systems (dish sterling, solar troughs, dish and lens, and concentrating solar systems of up to 1MW).

All applicants applying for Commerce’s solar grants regardless if it is a solar only grant or a solar and energy efficiency grant must submit documentation to demonstrate that the building(s) are energy efficient and do not need energy conservation work. Please use EPA’s ENERGY STAR Portfolio Manager® first and then if your building type doesn’t fit into one of the 18 categories, use the second documentation method listed below:

- Use EPA ENERGY STAR Portfolio Manager® to create an ENERGY STAR score. The ENERGY STAR score must be 80 or higher [http://www.energystar.gov/buildings/facility-owners-and-Managers/existing-buildings/use-portfolio-manager/identify-your-property-type/](http://www.energystar.gov/buildings/facility-owners-and-Managers/existing-buildings/use-portfolio-manager/identify-your-property-type/) this method is limited to a set of 18 building descriptions.
- If your building type does not receive an ENERGY STAR score using Portfolio Manager®, use ENERGY STAR Target Finder. When entering data, enter the buildings actual energy use in the “estimated energy use” cells. Submit the “statement of energy use intent” report with your grant submission. To be eligible for a solar only grant, the building site EUI must be 30 percent lower than the median building site EUI included in this report. Target Finder supports 80 different building types [https://portfoliomanager.energystar.gov/pm/targetFinder?execution=e10s1](https://portfoliomanager.energystar.gov/pm/targetFinder?execution=e10s1)

**PV Systems**

- All PV systems must have a mandatory minimum of 20,000 kWh/year of generation. The exception to this is applications from small cities and towns. Small cities and towns (with populations of 5,000 or less) must have a minimum 10,000 kWh/year of generation.

**Solar Thermal Systems**

- All solar water heaters must have a mandatory minimum of 20,000 kWh or equivalent Btu/year of savings. The exception to this is applications from small cities and towns. Small cities and towns (with populations of 5,000 or less) must have a minimum 10,000 kWh or equivalent Btu/year of savings.


**PV, Non-PV Electrical Generating Systems and Solar Thermal Systems**

Applicants applying for both PV and solar hot water systems must meet all the requirements listed above.

**Performance Requirements**

All grant awards are contingent on applicants reaching binding agreements with their contractors to achieve or exceed projected energy savings, and to meet or beat the proposed budget and project start date in the application. If the applicant and its contractors cannot execute binding agreements that meet or beat these key metrics for scoring applications, then the initial grant allocation will be rescinded and the applicant will be encouraged to resubmit the application in a future round. Commerce will not reimburse project costs under this grant program unless the project meets or exceeds the energy and cost performance stated in the application.

**Energy Efficiency Application Submission Requirements**

All energy efficiency applicants must submit:
- An on-line application through ZoomGrants
- An investment grade audit (IGA) or a final Energy Service Proposal. ASHRAE Level 111 IGA is the standard
- A letter from the applicant’s utility(s) stating the approximate rebate/incentive level
- Energy Star Documentation and Sharing or Street lighting audit forms. The building(s) current EPA ENERGY STAR Portfolio Manager® score and/or energy use intensity (EUI) (except for street lighting-only projects) - please provide printout from the website
- A measurement and verification (M&V) plan
- For agencies working with the Department of Enterprise Service (DES), please submit a copy of your Interagency Agreement with DES
If your agency is not using a DES project consultant, then a copy of the Request for Proposal (RFP) or Request for Qualifications (RFQ) that was used to select your ESCO or energy consultant is required.

Governor’s Executive Order 05-05 review is required if your project has the potential to affect a building (or buildings) that are over 50-years old and/or proposes ground altering activities. Please provide the Department of Archaeology and Historic Preservation (DAHP), and local area tribes, the opportunity to review and comment prior to submitting your application.

A letter from the Department of Archaeology and Historic Preservation stating that the project complies with Executive Order 05-05 requirements, or proof that consultation on your application is on-going http://www.dahp.wa.gov/governors-executive-order-05-05

Documentation Supporting Going beyond Code for Energy Efficiency Projects

In this round of competition, applicants must provide system and equipment efficiency improvements that exceed current minimum standards. Demonstrate these efficiency improvements by selecting equipment from recognized efficiency programs. For example, when replacing a heat pump, specify equipment that exceeds the minimum federal standards by specifying an Energy Star Heat pump. When replacing T12 lighting, use the CEE High-Performance T8 Specification rather than conventional T-8 ballast and lamps. In your application highlight program specifications including:

- Utility Programs
- Energy Star equipment or lighting standards
- Consortium for Energy Efficiency (CEE) equipment or lighting standards

Documentation Supporting Street Lighting-Only Projects

All street lighting-only project submission should include an audit supporting the project. This includes the baseline inventory of lamps and the details of the project upgrade. Utility rebate forms for custom lighting projects will typically provide the appropriate level of documentation. Documentation should include:

- Baseline lighting condition (fixture type, wattage and quantity)
- Installed efficient lighting condition (fixture type, wattage and quantity)
- Hours of operation and any reduction in hours in operation from controls

Applications for street lighting-only projects shall also include a copy of the utility tariffs applicable to the project baseline and the completed project.

Solar Application Submission Requirements

All solar applicants must submit:

- An on-line application through ZoomGrants
- An investment grade audit (IGA) or a final Energy Service Proposal. ASHRAE Level 111 IGA is the standard
- Proof of compliance with Made in Washington WACs or Manufactured in WA WAC
• A M&V plan
• A site plan
• A shade analysis (from Solar PathFinder or Solmetric SunEye)
• Expected annual generation (kWh)
• A list of equipment and where they are made (modules, inverter(s), and racking for PV)
• For agencies working with the Department of Enterprise Service (DES), please submit a copy of your Interagency Agreement with DES
• If your agency is not using a DES project consultant, then a copy of the Request for Proposal (RFP) or Request for Qualifications (RFQ) that was used to select your ESCO or energy consultant is required
• Governor’s Executive Order 05-05 review is required if your project has the potential to affect a building (or buildings) that are over 50-years old and/or proposes ground altering activities. Please provide the Department of Archaeology and Historic Preservation, and local area tribes, the opportunity to review and comment prior to submitting your application
• A letter from the Department of Archaeology and Historic Preservation (DAHP) stating that the project complies with Executive Order 05-05 requirements, or proof that consultation on your application is on-going

If you are applying for a solar grant you must also submit documentation from EPA’s ENERGY STAR Portfolio Manager® that the building(s) has an ENERGY STAR Portfolio Manager® score of 80 or greater or if your building type does not receive an ENERGY STAR score using Portfolio Manager®, use ENERGY STAR Target Finder and submit the “statement of energy use intent” report with your grant submission. Follow the Energy Star Documentation and Sharing instructions.

Answers to Commonly Asked Program Questions

If there are other state funds in the project, does the applicant identify them even though they don’t count as leverage funds?
Answer: Yes, Commerce wants all project funds identified.

What if an applicant doesn’t want to use the Department of Enterprise Services (DES) program and use a self-performing alternative non-Energy Service Company (non-ESCO)?
Answer: An applicant does not have to use the DES program. However, the applicant must follow DES guidelines for Energy Savings Performance Contracting. RCW 39.35C details Energy Savings Performance Contracting:
  http://www.des.wa.gov/services/facilities/Energy/ESPC/Pages/default.aspx

Applicants may also work with solar installer companies, as long as the solar installer companies follow both the DES guidelines listed above and all of Commerce’s program guidelines.
Does the applicant have to follow public works statutes?
Answer: Yes, all projects must comply with public works statutes (RCW 39.80 and 39.04 cover ordinary public works contracting).

Is competitive bidding required for hiring an Energy Service Company (ESCO) or a non-ESCO?
Answer: If you are hiring an ESCO from the DES list, then you do not have to go through a competitive process (DES has already done this work in compiling their ESCO list). If you are hiring a non-ESCO or hiring your own ESCO and following the ordinary public works contracting process, then yes, you do have to select through a competitive process.

Can the grant be used to pay for in-house labor and if it cannot, can the in-house labor be used as leverage?
Answer: Commerce’s funds cannot be used to pay for in-house labor. All leverage funds must be capital and not employee time, benefits and overhead.

Can both a loan’s principal and interest be included as non-state funds for match?
Answer: No, only the principal can be used.

If a project is beginning construction before the September 18, 2014 application deadline, can the applicant still apply for a grant to cover project costs? The construction contract was signed after July 1, 2013.
Answer: Yes, the applicant can apply for a Round Two grant. The grant funds can be used to pay for costs incurred after July 1, 2013, as long as those costs are included in the awarded project’s final scope of work. Capital costs incurred between January 1, 2013 and June 30, 2013 for the project will not be reimbursed, but can count as leverage. Capital costs must have been for either energy efficiency projects (i.e. lighting, controls) or projects that had to be done before an energy efficiency measure could be installed (i.e. a new roof before installing insulation). Costs associated with tenant improvements such as new walls, carpeting, floors, electric upgrades for IT equipment cannot be used for leverage.

Can Grantees include their administrative costs on the project?
Answer: No. Administrative costs for Grantees are not covered by these grants.

What Contractor costs are eligible?
Answer: 2013 - 2015 Energy Efficiency and Solar Grant funds may be used for:
- Design, architectural, engineering, and energy consulting/auditing work
- Construction labor and materials
- Hazardous material removal and disposal, if related to installing the energy measures
- Capitalized equipment
- Construction management (from external sources only)

Are projects required to do Measurement and Verification of Energy Savings (M&V)?
Answer: Yes, all projects are required to do M&V once the project has been completed and the Notice of the Commencement of Energy Savings has been issued. The length
of the M&V depends if the project uses Energy Savings Performance Contracting and is done by an ESCO or not.

If a project is done by an ESCO, the recommended minimum length of M&V is three years. Projects that do not follow Energy Savings Performance Contracting and do not use an ESCO, the M&V period is 10 years, or until the energy and operational cost savings pay for the project, whichever is shorter.

More detailed M&V requirements are in the Commerce contract.

**Are projects required to annually submit EPA ENERGY STAR Portfolio Manager scores?**

**Answer:** Yes, projects are required to annually submit EPA ENERGY STAR Portfolio Manager scores (except street lighting-only projects) for at least the same length of time as their M&V period.

**Street Light Requirements**

**Are street lights that are not owned by the local government (but maintained by the local government) eligible for Commerce’s grant?**

**Answer:** Yes, Commerce allows street lights that are maintained by the local government and owned by the utility to be eligible for our grant. Commerce wants all local governments to benefit as much as possible from the energy savings resulting from more efficient street lighting. In some cities, the utility will give the local government either a new lower rate (tariff) for the street lights they maintain or a long-term rebate.

**Is there any additional paperwork Commerce wants local governments to provide who are installing energy efficient lighting on privately owned street lights?**

**Answer:** Yes, Commerce must receive from the utility a letter or proof of an agreement stating what the new rate (tariff) or rebate is and how long this will be in place or a guarantee that the rate won’t change. This letter, agreement or guarantee must be submitted with the application.

If the applicant’s utility cannot provide any of these guarantees, can an applicant still apply for a Commerce grant to change non-owned, but maintained street lights?

**Answer:** No. But the applicant can still apply for lights they own.

**Is the rebate you are referring to above the same as the rebate the utility gives for installing energy efficiency street lights?**

**Answer:** No. The rebate the utility gives for installing energy efficient street lights is generally a one-time financial incentive. The rebate Commerce is talking about is an ongoing rebate that lowers the cost the local government pays to the utility for the street lights.

**Can a Public Utility District (PUD) apply for a Commerce grant to change street lights they own and maintain?**

**Answer:** Yes, PUDs are a form of local government.
Can a local government in a PUD service territory apply for a Commerce grant to change street lights on lights they do not own, but maintain?  
Answer: Yes, as long as the PUD has not already applied for a Commerce grant to change street lights on the lights they own. If the PUD has applied, then the local government cannot apply. Please check with your local PUD before submitting your application.

Are mutual or coops or rural electric associations (REA) (i.e. Ohop Mutual Light Company or Peninsula Light Company or Benton REA) eligible for the Commerce grant?  
Answer: No, the 2013 - 2015 Energy Efficiency and Solar Grant Program is only for public entities. The organizations listed above are private corporations or non-profit organizations under Washington state laws.

Can Commerce’s energy efficiency grant be used to pay for street light materials only?  
Answer: Yes, applicants may submit an application for materials only. However, the application must still meet all of the program guidelines (including submitting an Energy Services Proposal).

Can Commerce’s grant be used to pay for in-house labor to install the street lights?  
Answer: No. Commerce's funds cannot be used to pay for in-house labor.

Can in-house labor be used as leverage?  
Answer: No, all leverage funds must be capital and not employee time, benefits or overhead.

Can the local utility do the Investment Grade Audit/Energy Savings Proposal?  
Answer: Yes, the local utility can do the Investment Grade Audit/Energy Savings Proposal. Because the project only involves street lights, this document will not be as long or as complex as one that involves several energy conservation measures. This document must still contain all the basic information outlined in DES Energy Savings Performance Contracting Guidelines.

Specific Contract Requirements

Are binding agreements with contractors required?  
Answer: Yes. All grant awards are contingent upon Grantees reaching binding agreements with their contractors to achieve or exceed projected energy savings and to meet or beat the proposed budget stated in the application.

Are prevailing wages required?  
Answer: Yes. Grantees are required to pay at least state prevailing wages (RCW 39.12). If your project is receiving any federal funds then you are required to pay whichever wage rate is higher (this may be either the Davis–Bacon Act or state requirements). If you have questions regarding prevailing wages please contact Washington State Department of Labor & Industries (http://www.lni.wa.gov/)
Does Commerce require a percentage of the project work be given to small businesses or Minority/Women Business Enterprises (M/WBE)?
Answer: No. However, if your local jurisdiction has such laws they must be followed.

Are apprenticeships required?
Answer: Yes. Apprenticeships are required on all construction costs over $1 million.

Are there requirements concerning lead paint?
Answer: Yes. If the project involves retrofitting, remodeling, weatherization involving removal, remodeling, etc. of a painted surface in a building (built in or prior to 1978) that serves children, the project will need a trained person to direct the activity such as the disposal of the material with the paint, putting up barriers so that the paint dust doesn't travel, etc. The Grantee needs to ensure that they hire someone or have someone on staff that is trained to deal with lead paint if they are going to be working in an area where there is lead paint.

Must projects follow Executive Order 05-05 (Archaeology and Cultural Resources Review)?
Answer: If the project disturbs ground and/or affects structures that are more than 50 years old a review is required by DAHP (http://www.dahp.wa.gov/governors-executive-order-05-05). If your project meets either of these two criteria, contact DAHP as soon as possible to start the review process before applying. If your project is receiving federal funds and you are going through a Section 106 Review, please provide Commerce with this information and Executive Order 05-05 may not be required.

What happens if a project has already begun and falls into the Executive Order 05-05 criteria?
Answer: Your project will still be required to follow Executive Order 05-05 requirements as part of the application process.

Are contract amendments required if the scope of work changes?
Answer: Yes. If the project’s scope of work changes (due to unforeseen circumstances) an amendment to the Grantees’ contract with Commerce is needed. Any change in the scope of work must not deviate substantially from the Grantee’s submitted application, and is subject to prior approval by Commerce and possibly re-scoring of the application, which could change the grant amount.

Costs, Invoicing and Payment

How do we get paid?
Answer: Funds are available once a contract is executed. Funds are electronically transferred into a Statewide Vendor Account number you provide to us. If you need to set up an account number please visit the Department of Enterprise Services at http://des.wa.gov/services/IT/SystemSupport/Accounting/Pages/swps.aspx to learn how to create an account. This process may take a couple of weeks, so please make sure you have this information available for us.
How often can we be paid?
Answer: Commerce will work with each Grantee to determine the payment plan that best suits them. No one can be paid more than one time per month. If the Grantee prefers, they may be paid quarterly or at the end of the project.

What documents must be submitted in order to initiate payment?
Answer: Requests for payment must be submitted on a signed, original A-19 Invoice Voucher form supplied by Commerce. The Grantee shall evidence the costs claimed on the Invoice Voucher by including:
- A copy of each invoice claimed; and
- A copy of the cancelled check or electronic funds transfer confirming payment of each expenditure for the amount of each invoice claimed.

Can the A-19 form be submitted electronically?
Answer: Yes

Can multiple projects be submitted on one A-19?
Answer: No. Each A-19 is customized for the project and must be billed separately. These forms will be created and sent to you electronically by Commerce.

What is Commerce’s agency number?
Answer: 1030

If the project has already begun, can costs incurred to date be reimbursed even if your contract with Commerce has not been signed?
Answer: Yes. Project costs incurred after July 1, 2013 will be reimbursed. Any capital costs for the project incurred between January 1, 2013 and June 30, 2013 will not be reimbursed, but can count as leverage. Capital costs must have been for either energy efficiency projects (i.e. lighting, controls) or projects that had to be done before an energy efficiency measure could be installed (i.e. a new roof before installing insulation). Costs associated with tenant improvements such as new walls, carpeting, floors, electric upgrades for IT equipment cannot be used for leverage.

Reporting

Are project status reports required?
Answer: Yes. All Grantees are required to submit a Project Status Report each time you submit a reimbursement request. Your contract manager will send you the form.

However, if you are using the services of a non-ESCO contractor, you must submit an Inspection Status Report with the final reimbursement request. This form must be signed by an individual authorized by the Grantee and signed and stamped by the project’s licensed engineer or architect.

Are project photos required?
Answer: Yes, at 0 and 100 percent of project completion. Also, photos showing people and/or students and buildings or people actively working on projects are great for telling success stories.
Jobs Reporting

Why are the numbers of jobs funded being tracked?
   **Answer:** The Legislature’s intent was to create jobs quickly due to the high unemployment rate in the construction industry. Commerce will report the number of jobs funded to the Governor and the Legislature.

How often are the number of jobs funded reported?
   **Answer:** Quarterly, using the 2013 - 2015 Energy Efficiency and Solar Grants Quarterly Report form to be provided Commerce, until the entire project is complete, not just until Commerce grant funds have been completely reimbursed.

Are contractors paid to complete the 2013 - 2015 Energy Efficiency and Solar Grants Quarterly Report form?
   **Answer:** No. The grant does not include any additional funds to fill out this form.

Time Frame

How long does it take to execute a contract?
   **Answer:** Contracts take three to four weeks to execute once all needed information is provided to Commerce.

What is the contract’s time frame?
   **Answer:** Technically these funds expire on June 30, 2015. Washington operates under a biennial (two year) budget and each appropriation in the 2013 - 2015 Capital Budget, must, by law, lapse at the close of the biennium (June 30, 2015). Since many projects take more than two years to complete, Commerce will request a reappropriation of any unspent funds as of that date. However, we cannot guarantee that the Legislature will agree to extend funding, nor can we legally obligate funds from one biennium to the next. Grantees are advised to discuss pending reappropriations with their legislators prior to the beginning of the legislative session in which the reappropriation is expected to occur.

Rescinding Awards

Can the grant you received be rescinded?
   **Answer:** Yes, under any of the following conditions:
   - If the leverage ratio of non-state funding to state funding is less than the ratio stated in the application; or
   - If the final Energy Services Proposal (or equivalent, if not working with an ESCO) does not meet or exceed the minimum energy savings identified in the application; or
   - If the project does not meet or beat the proposed budget set forth in the application.

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http://www.commerce.wa.gov/Programs/services/CapitalFacilities/Pages/EnergyEfficiencyGrants.aspx