

Renewable Energy Projects at State Agencies: A step-by-step guide to Identifying, Planning and Funding Projects

**A Joint Program of the Executive Office of Energy and Environmental Affairs, Division
of Capital Asset Management, and Division of Energy Resources
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Because of the growing interest in renewable energy among state executive branch agencies, the Massachusetts Technology Collaborative (MTC) has reached agreement with a state inter-agency team (including representatives from the Executive Office of Energy and Environmental Affairs (EOEEA), Division of Capital Asset Management (DCAM) and Division of Energy Resources (DOER), to authorize this team to coordinate all state agency applications for on-site renewable energy grant funds from MTC. This also includes projects from state colleges and universities, courts and county offices. This team is now responsible for fielding all inquiries from agencies interested in renewable energy, working with them to develop project proposals, reviewing said proposals, and then submitting them to MTC for consideration. This process takes the place of any other official granting process at MTC and will utilize an existing MTC-DCAM agreement to process funds to grantees.

Please note that until further notice, state authorities should apply for MTC funding directly to MTC using either the Large On-Site Renewable Initiative (LORI) or Small Renewables Initiative (SRI) processes. Authorities are, however, encouraged to work with the interagency team and follow all other applicable processes contained in this guidance.

The following description provides an outline of the process agencies should follow when seeking funding from MTC for renewable energy projects larger than 10 kW. For smaller renewable projects (under 10kW), agencies should apply directly to the MTC through the Small Renewables Initiative (SRI), available on the MTC's website: http://www.masstech.org/renewableenergy/small_renewables.htm. **[Please note that MTC funding is only available for projects that generate electricity.]**

Renewable Energy Projects Funding Application Process

- Step 1: Site Evaluation
- Step 2: Financial Planning
- Step 3: Selecting a Contractor
- Step 4: Applying for MTC Funding
- Step 5: Payment Process

1. Site Evaluation

Before applying for grant funds, agencies should work with the appropriate individuals on the inter-agency review team (see contact list below) to identify whether the location in question is an appropriate site for the renewable technology in question.

- For wind projects, contact Ian Finlayson, EOEEA, 617-626-4910 / ian.finlayson@state.ma.us
- For Solar PV or Solar thermal projects, contact Jan Gudell, DOER, 617-727-4732 x40143 / jan.e.gudell@state.ma.us
- For biomass projects, contact Dwayne Breger, DOER, 617-727-4732 x40127 / Dwayne.breger@state.ma.us
- For other types of renewable energy, please contact Meg Lusardi at DOER, 617-727-4732 x40164 / meg.lusardi@state.ma.us

Please note that agencies can speed the process for Solar PV projects by downloading and filling out the Solar PV Site Selection Checklist, available at: <http://www.mass.gov/envir/Sustainable>.

To aid in the evaluation of renewable technologies, agencies will first want to provide the following information:

- Proposed location (facility/building) of project

- Annual electricity consumption in kWh at the site in question (monthly data if available)
- Current kWh cost of electricity
- The age/condition/type of the roof (for roof-mounted solar projects)
- Any land restrictions on or adjacent to the site that might impede installation of wind measuring or turbine equipment (for wind projects)
- Photos of the site in question
- Any relevant historical/environmental considerations on the site or building
- Key facility contact person and information

With the appropriate team member, a “fatal flaw analysis” will be conducted to determine whether a site has the potential for a renewable project and whether further analysis should be conducted.

2. Financial Planning

Although MTC funds can contribute a significant amount toward the cost of a renewable energy project, they will not necessarily cover the entire amount. Agencies should review the funding chart below and begin to think about other possible resources that might be available to fully fund the design, construction and installation, including utilization of a Chapter 25A procurement (energy savings), capital funds, other grants, etc. The inter-agency team members are available to assist you with an initial financial analysis of your project to help determine the additional resources that might be necessary.

For applicable projects, agencies shall be eligible for grants, based upon the rated electrical output of the installed renewable energy system, up to certain maximum levels as noted below:

- Up to \$40,000 for feasibility
- Up to \$75,000 for design
- Up to \$500,000 for construction
- Up to \$575,000 for combined design and construction costs when part of a design-build process, with \$75,000 allocated for design and \$500,000 for construction.

For all projects, the size of the feasibility or design grant should be reasonable and relative to the scope proposed for construction. For solar PV projects, however, agencies should note that, given the relatively simple design needs and higher upfront costs, the team may recommend minimal or no funding for feasibility and design, as well as a lower maximum amount for PV construction, to be determined on a case by case basis.

For the construction phase, funding will be allocated on a \$/watt basis as follows:

Distributed Generation	Wind	PV	Biomass	Hydro	Fuel Cell
Base Incentive	\$2.50	\$5.75	\$5.00	\$5.50	\$7.00
Building-Integrated PV	N/A	\$1.00	N/A	N/A	N/A
Green Buildings (Mass. LEED plus standard)	\$0.75	\$1.50	\$1.50	\$1.50	\$1.50

*these rates are subject to change and agencies should discuss these amounts with state staff prior to submitting an application.

There will be no minimum agency cost-share requirement; however, agencies shall be required to demonstrate that there are sufficient funds to pay for the full cost of any renewable energy feasibility study, design, and installation/construction. The MTC grant can cover no more than the full cost associated with feasibility, design and construction.

3. Selecting a consultant and/or contractor

Once an agency has identified an appropriate site and successfully conducted a preliminary site evaluation, agencies will be expected to identify in their funding applications the consultants/contractors that will be used to conduct feasibility studies and possibly design work. DCAM has facilitated this process by procuring the services of five house doctors with experience in renewable energy technologies and projects. Agencies should work with the inter-agency team to identify a house doctor who can perform the necessary feasibility and/or design work for the project and obtain price quotes for required services.

The interagency team will assist each agency in determining whether to procure a renewable energy installation through Chapter 149, Chapter 25A, or Chapter 30. All contractors for installation of renewable energy technologies shall be chosen through a competitive process. Depending on the project, selection of an installation contractor may need to take place prior to submitting an application to MTC for a construction grant. Team members will work with agencies and MTC on the specific process for each project.

4. Applying for MTC funding

Step 1: For stand-alone renewable energy projects greater than 10 KW, agencies should fill out an application for funding using an application form designed specifically for this program. Such forms are available from team members and on the following website: <http://www.mass.gov/envir/Sustainable>. Applications may be submitted to the Inter-Agency Team at any time (see review schedule below). Agencies may request the assistance of the team in filling out these applications.

Step 2: Submit completed proposals directly to the team member with whom the agency has been working, who will then review the proposal with assistance of other team reviewers. The team will then make a determination on whether or not to submit the application to MTC for funding or ask the agency for additional information or changes to the application.

Step 3: Projects recommended for funding will be forwarded by DCAM staff to MTC with a memorandum that explains the project, the funding requested, and the rationale for approval of the funding request. A team member will contact the agency to inform them of the final review decision and/or to request additional information based on MTC comments.

Please note that this process will apply to each type of funding (i.e. feasibility, design, and/or construction) available from MTC.

5. Payment Process

Once a funding amount has been approved by the Team and MTC, MTC shall approve the transfer of that amount into the DCAM Expendable Trust, at which point DCAM shall be responsible for either paying a consultant/contractor directly or reimbursing an agency.

SCHEDULE

Applications may be submitted at any time on a rolling basis, and the Team can choose to review applications at any time, however, the inter-agency team commits to reviewing agency applications at a minimum on a quarterly basis.

- Submissions by March 31, review complete by April 30
- Submissions by June 30, review complete by July 31
- Submissions by September 30, review complete by October 31
- Submissions by December 31, review complete by January 31

MTC staff have agreed to review proposals recommended by the Inter-Agency Team and provide a response within 60 days.

ADDITIONAL INFORMATION

For questions or clarifications to this document and funding process, please contact:

- ⇒ Eric Friedman, EOEEA, 617-626-1034 / eric.friedman@state.ma.us
- ⇒ Meg Lusardi, DOER, 617-727-4732 x40164 / meg.lusardi@state.ma.us
- ⇒ Michael Reinhardt, DCAM, 617-727-4030 x234 / michael.reinhardt@state.ma.us