Creating A Cleaner Energy Future For the Commonwealth

Clean, Green, and Lean

Eileen McHugh
Municipal Energy Programs Coordinator

January 21, 2012
## Procurement Options

<table>
<thead>
<tr>
<th>Munipally owned solar PV system &lt;$5M</th>
<th>c.25A, §§11C or 11H</th>
<th>c.30B, §16</th>
<th>c.149A</th>
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Chapter 164 allows procurement of equipment & services using 30B

* Not buildings

** If <10 MW
Procurement Options

Applicable Laws for Energy and Energy-Related Contracts in Municipalities

Design/Construction (including audits)
- M.G.L. c. 149 Public Design and Construction Information
- M.G.L. c. 25A, 11C & 11L Energy Management Services

Energy (electricity & natural gas)
- Exempt under M.G.L. c. 30B s. (1) (b) (32) & (1) (b) (33)

Municipal Aggregation
- M.G.L. c. 164 s.134

Utility Energy Conservation Projects
- Chapter 25A, s.14

Energy Management Services
Attorney General Office
Office of the Inspector General
Municipal Aggregation Guide
Project Guidance

This chart provides relevant Massachusetts General Laws (M.G.L.) for energy contracts. Please contact Eileen McHugh at 617-626-7363 for more information.
Procurement Options

Chapter 149 for Designing and Constructing Public Facilities – call the Attorney General Office (AGO) at 617-963-2340
Procurement Options

Chapter 30B for Supplies, Services, and Real Property – call the Office of the Inspector General (OIG) at 617-722-8838
Procurement Options

Chapter 25A for Energy Management Services – call the Department of Energy Resources at 617-626-7305
Energy Management Services (EMS)

- Provides a limited exemption to c.149
- One-bid process
- Applies to any development scenario (solar/wind)
- May be used for ground mount or roof top
- Provides specific requirements
- Streamlines design and installation
- Requires a performance guarantee
Energy Conservation Projects

“…projects to promote energy conservation, including but not limited to energy conserving modification to windows and doors; caulking and weather stripping; insulation, automatic energy control systems; hot water systems; equipment required to operate variable steam, hydraulic and ventilating systems; plant and distribution system modifications, including replacement of burners, furnaces or boilers; devices for modifying fuel openings; electrical or mechanical furnace ignition systems; utility plant system conversions; replacement or modification of lighting fixtures; energy recovery systems; **on-site electrical generation equipment using new renewable generating sources** as defined in section 11F; and cogeneration systems. “
Traditional Contract

Pay for activity

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Performance Contract

Pay for results

Requires the ESCO to provide a performance-based guarantee
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Procurement Process

Chapter 25A

11C
- RFP
  - Qualifications
  - Full Scope
  - Pricing

11I
- RFQ
  - Firm and Staff Qualifications

- Subsequent Discovery
  - Details
  - Process and Pricing

General Requirements
- DCAM Certification and Update Statement
- 100% Payment and Performance Bond
- Guarantee of Energy Savings
- Competitive Pricing
- Maximum 20 Year Term
- DOER Filing / Reporting Requirements
Project Implementation

Planning & Procurement  Site Study  Project Development  Design & Construction  Commissioning  Measurement & Verification

Creating A Cleaner Energy Future For the Commonwealth
Assemble Project Team

- Financial
- Operational/Technical
- Administration
- Legal
- Procurement
Major Tasks

- Site Selection/Feasibility Assessment
- Permits/Interconnection Application
- Engineering/Structural Assessment
- Zoning Restriction
Developing the RFP/RFQ

- Mandatory Requirements
- Contact DOER
- Use DOER Model Documents
- File according to instructions on web page.
EMS Contract Components

Energy Management Services Agreement

- Design/Engineering
- Construction
- Commissioning
- Training
- Operations and Maintenance
- Measurement and Verification
- Cost
EMS Contract Components

- Technical
- Financial
- Contractual

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EMS Contract Components

- Guaranteed onsite generation
- Lease/License of site
- Power purchase/net metering/credit
Design & Construction

- Implementation schedule
- Define obligation and responsibilities
- Progress Meetings
- Communicate project progress to stakeholders
Project Acceptance

- Owner/host acknowledges the equipment as fully installed, inspected, and in good working condition.

- Owner does not accept
Measurement and Verification

An M&V plan is central to proper determination of onsite generation and the basis for verification. The M&V plan must comply with the Federal Energy Management Program Guidelines.
EMS Activity for Renewable
DOER

- Web site access to information
- Guidance and model documents
- RFP/RFQ review before publication
- Contract review for adherence to 25A
- Performance report requirements
Contact Information

Eileen McHugh

eileen.mchugh@state.ma.us

(617) 626-7305

mass.gov/energy-management-services_public-procurement

“Energy Management Services”