



# Oregon Department of Energy Opportunity Announcement for: Renewable Energy Development Grants Opportunity Announcement No. 19-001

## Contact

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## Schedule of Events

Event	Date
OA Issued	March 12, 2019
Opening of Opportunity Period	March 12, 2019
Questions Due	March 25, 2019
Questions and Answers Posted	April 1, 2019
<b>Closing of Opportunity Period (Applications Due)</b>	<b>April 22, 2019</b>
Completeness Review (approx.)	April 29, 2019
Competitive Review (approx.)	May 20, 2019
Technical Review (approx.)	May 27, 2019
Award Notification (approx.)	July 22, 2019



## **Oregon Department of Energy offers energy incentives, grants, loans, and technical services**

In addition to Renewable Energy Development Grants, the Oregon Department of Energy (Department) offers technical services for a variety of energy projects. Learn more about the State Energy Efficiency Design program and the Energy Efficient Schools program by visiting the Department at the following links:

- State Energy Efficiency Design (SEED)
  - [www.oregon.gov/energy/energy-oregon/Pages/SEED-Program-Guidelines.aspx](http://www.oregon.gov/energy/energy-oregon/Pages/SEED-Program-Guidelines.aspx)
- Energy Efficient Schools
  - [www.oregon.gov/energy/energy-oregon/Pages/Schools-Program.aspx](http://www.oregon.gov/energy/energy-oregon/Pages/Schools-Program.aspx)

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## Section 1: Purpose and General Information

### 1.1 Introduction

ORS 469B.250 through 469B.265 authorize the Oregon Department of Energy (Department) to provide grants for renewable energy production systems. The statutes allow the Department to establish standards and criteria to allocate the available grant funds.

The purpose of this Renewable Energy Development (RED) grant opportunity announcement is to create a competitive review process that follows the requirements of the statutes and rules under which the RED grant program is administered to determine which systems using renewable energy resources to produce electricity will receive a RED grant. The rules adopted by the Department to administer this program are found at [OAR 330-200](#).

This opportunity announcement offers two distinct paths for systems based on their nameplate capacity determined by the continuous, or nominal, output power rating of the inverter or inverters, measured in Alternating Current (AC). For each path, the Department will use the same evaluation criteria listed in section 3.3.

Path one is open to all renewable energy production systems with a nameplate capacity of 300 kW<sub>AC</sub> or less. Path two is open to all renewable energy production systems with a nameplate capacity greater than 300 kW<sub>AC</sub>.

### 1.2 Grant Availability

For this opportunity announcement, the Department has **approximately \$2,750,000 in grant funds** available for renewable energy production systems.

The Department has **approximately \$1,500,000 in grant funds** available for all renewable energy production systems with a nameplate capacity of 300 kW<sub>AC</sub> or less.

The Department has **approximately \$1,250,000 in grant funds** available for all renewable energy production systems with a nameplate capacity greater than 300 kW<sub>AC</sub>.

### 1.3 Eligibility

Subject to compliance with the other application requirements, the Department's competitive review process is open to renewable energy production systems that use biomass, solar, geothermal, hydroelectric, wind, landfill gas, biogas or wave, tidal or ocean thermal energy technology to produce electrical energy. A solar technology system is a mechanism or series of mechanisms, including photovoltaic systems, that uses solar radiation to generate electrical energy.

To be eligible for a grant, the renewable energy production system and the applicant must meet the requirements of statutes, rule, and this opportunity announcement. These requirements include:

1. The applicant will be the owner, contract purchaser, or lessee of the system at the time of installation or construction of the proposed system;
2. The applicant is a trade, business, or rental property owner with a business site in Oregon, or is an Oregon nonprofit organization, tribe or public entity;
3. The system does not exceed 35 megawatts of nameplate capacity; and
4. The system is located in Oregon.

A renewable energy production system must meet the definition in ORS 469B.250. Grants may not exceed 35 percent of the cost of the project and may not exceed \$250,000 per system.

The applicant may not receive funding for the system from the Feed-In Tariff program under ORS 757.365.

## **Section 2: Application Requirements & Process**

### ***2.1 Submission of Applications***

The Department must receive the RED grant application prior to the installation or construction of the system. The applicant should submit the Department's application form with all the requested information.

A complete application includes, at a minimum:

- An application form with all required information completed, including a signed system owner statement.
- Payment of the application fee via check or credit card (\$500).
- The following supplemental documents attached:
  - Energy engineering calculations
  - Energy code compliance forms
  - Project cost estimates
  - Service life summary
  - Lifetime energy savings calculations
  - Lifetime project cost calculations
  - Proof of funding/financial documentation
  - Project construction plan
- A description that shows the system meets the definition of a renewable energy production system that includes the following:
  - Information demonstrating how the system will be feasible, including technological, operation, schedule, and resource factors.

- Projected amount of net energy in kWh generated per year. Indicate annual energy generated minus parasitic load to determine net energy generated. Indicate nameplate capacity in kW<sub>AC</sub>.
- How long the system will be in service and information on how the system will operate for a minimum of five years.
- A description of the environmental and community impacts and benefits of the system.
- A description of ownership structure
- Specifications and manufacturers information for selected technology and all major system equipment.
- A description of utility interconnection, system upgrades, and control and protection equipment to be installed.
- A resource assessment demonstrating adequate resource supply for the proposed system operations. The resource assessment must describe the type of resource available, explain how the resource was evaluated, and describe how the system will access the resource.
- A System Management Plan – See OAR 330-200-0030(4)(m)
- If a feasibility study or a third-party evaluation or engineering review has been completed, copies of these reports.
- The construction schedule showing the estimated time to begin construction of the renewable energy system, which must be within 12 months of award.
- Evidence that the application is being submitted prior to the installation or construction of the system.
- Documents showing a site address located in Oregon.
- Three (3) copies of the application packet. Applications that do not contain three (3) copies will be considered incomplete.

Applications and any additional materials must be submitted on 8½" x 11" paper and stapled or clipped. Please do not submit applications in binders, dividers, or other bound forms.

The Department must receive applications no later than the due date on the cover of this opportunity announcement and must be delivered to the following address:

Oregon Department of Energy  
550 Capitol St NE, 1<sup>st</sup> Floor  
Salem, OR 97301

**The Department will not accept late, faxed, or electronically-transmitted applications.** Applications that are submitted improperly will be rejected and applicants will have to reapply during an appropriate opportunity period to be considered.

The Department will not process applications received outside of the opportunity period dates listed on the cover of this opportunity announcement.

On the application form, the project owner must list a person as the responsible party. The Department will contact this designated responsible party with technical questions; it is the job of the responsible party to coordinate and submit responses to the Department. This person does not have to be the project owner, but is assigned to represent the project owner. All Department correspondence regarding the application and project will also be sent to the project owner.

## ***2.2 Waiver of the System Start Date***

The Department director may allow an applicant to apply after the start of installation or construction of the system, if the director finds that applying before the start of installation or construction is inappropriate due to special circumstances; and the system would otherwise qualify. Failing to submit an application or not being selected for a grant or tax credit under this or prior Department programs do not constitute special circumstances.

For the waiver to be considered, a written waiver request must be submitted with the grant application. The Department's review committee will review and make a recommendation to the director as to whether to grant or deny the waiver.

## ***2.3 Application Withdrawal***

Applicants may withdraw their applications by submitting a written notice to the Department. The Department will not refund the \$500 application fee nor apply it to future applications. Applicants will receive notification confirming the withdrawal.

## ***2.4 Submitting Multiple Applications***

The Department will determine whether the system is a single renewable energy production system or part of a larger system in combination with other applications. The Department considers a single renewable production system as one or more electrical energy production devices that are applied for within the same opportunity announcement, use the same renewable resource and are owned or controlled by the same person. See OAR 330-200-0070(5) for further details.

If an applicant submits multiple applications for a single renewable production system, the Department will review and score each application. If one or more of the applications is successful, only the highest ranked application will be eligible to move forward in the process. Each application must be accompanied by the nonrefundable application fee.

## ***2.5 Other Government Incentives or Grants***

In the application, an applicant must indicate other government incentives or grants for which the applicant has applied, related to the same system. The amount of any potential RED grant will be reduced if in combination with other government incentives or grants, the amount exceeds 75 percent of the total system cost. **If not indicated, the Department will assume all available government incentives and grants will be received for the system and will adjust any potential grant award accordingly.** The amount of the RED grant when combined with all other incentives cannot exceed total project costs.

## **2.6 Questions**

Questions, including requests for explanations of the meaning or interpretation of provisions of this opportunity announcement, must be submitted via email to and received by the due date for questions set forth on the cover of this opportunity announcement. To help ensure questions are answered and responses are posted appropriately, please identify “RED” in your subject line. Answers to questions submitted will be posted online for access by all applicants every few days until just before the application due date.

## **Section 3: Review Process**

### **3.1 Overview**

The Department will conduct a review of the applications received in response to this opportunity announcement. The Department will evaluate all applications for completeness. The Department will conduct a competitiveness review of all complete applications and, based on the competitive review results, certain applications will advance to technical review.

Any attempt by an applicant to improperly influence the review process will result in application denial. All comments and questions should be submitted via email to [energy.incentives@oregon.gov](mailto:energy.incentives@oregon.gov).

### **3.2 Completeness Review (pass/fail)**

The Department staff will review all applications on a pass/fail basis and determine if each application meets the minimum requirements described in section 2.1 of the opportunity announcement. Applicant’s failure to comply with the instructions or failure to submit a complete application may result in the application being found incomplete and rejected. Only those applications that meet the minimum requirements will be considered for further review. If the applicant is relying on information in attachments, the information in the attachment should be readily identifiable with explicit references noted on the application form.

The Department will consider applications incomplete unless the \$500 fee is received with the application. If the payment is unable to be processed, the Department will consider the application incomplete and will not process the application.

Project construction must start within 12 months of award. To demonstrate an estimated construction start date within 12 months of award, an applicant must provide a construction schedule showing the anticipated start and completion date. It may be helpful to include what steps have been undertaken to plan for or begin construction. This may include a list of permits with dates received or other evidence indicating that the project will begin construction within 12 months of the award.



If the Department finds that the application is complete, the Department will notify the applicant that the application will move into the competitive review process. The Department will not process incomplete applications, and will provide written notification to the applicant. If a system is submitted on an application that is found incomplete, the project owner may apply in a future opportunity announcement, if the project would otherwise be eligible.

### 3.3 Competitive Review (scored)

Each member of the Department’s review committee will review and score all complete applications based on the criteria listed below. Renewable energy production systems with a nameplate capacity of 300 kW<sub>AC</sub> or less will be scored separately from the renewable energy production systems with a nameplate capacity of greater than 300 kW<sub>AC</sub>. All systems must meet the requirements listed in OAR 330-200-0000 through 330-200-0150.

<b>Competitive Review Criteria:</b>	<b>Points</b>
<b>Feasibility of the system:</b> Points will be awarded by examining a number of factors, including technological, operational, schedule, and resource feasibility. Reviewers will also award points if synergies exist between the system and applicant’s business. Note: There should be adequate and appropriate data to demonstrate the amount of renewable resource available, including the type, quantity, quality, and seasonality of the resource. This information should be presented in a clear and orderly fashion to demonstrate that the project is feasible.	25
<b>Net energy generated per grant amount requested:</b> Net generation occurs when, over the course of the relevant period, the system generates more electrical power than is required to run the system. Higher net generation yields are more desirable.	20
<b>Strength of the financial plan:</b> Financial statements will form the basis for points in this area. In the application, include the proposed balance sheet at system commissioning along with the estimated balance sheet, cash flow statement, and income statement for five years. Financial viability will be determined by evaluating the total estimated cost, the financing structure and projected cash flow and profitability.	20
<b>Location of the system:</b> Points will be awarded for systems that will be sited in low-density areas in the eastern part of the state and those with high unemployment rates. This recognizes the importance of energy incentives in stimulating the economy. The Department will use current data from the Oregon Employment Department and the U.S. Census Bureau in calculating these points.	15
<b>Technological/resource diversity:</b> Points will be awarded by comparing all proposals received during an opportunity period. This will weigh the proposed technology and resources to be used against other proposals, with the goal to diversify the types of systems receiving grants.	10
<b>Number of jobs created and sustained by the system per grant amount requested:</b> Points will be awarded based on the number of full-time equivalent positions created and sustained due to the system. Applicants should provide the number of hours, which Department staff will convert to full-time equivalent positions for the purpose of rating the applications. This takes into consideration only the jobs directly associated with the	10

construction, operation, and maintenance of the system. Operations and maintenance positions should be clearly identified, even if the positions currently exist and are being reassigned to maintain the new system.	
<b>Provides Electricity Resiliency:</b> Points will be awarded for renewable systems that are capable of supplying electricity when the larger grid is unavailable due to extreme weather or other emergency situations. Systems must be designed with resiliency in mind and therefore will have automated controls that allow the system to operate completely isolated from the grid. The renewable system may be combined with energy storage such as batteries. Higher points will be awarded if the system is either available directly to the public or available through public emergency responders.	10
<b>Demonstrates Community Benefits:</b> Points will be awarded for systems that are structured to provide community ownership opportunities or demonstrate creative community financing models or convey other benefits to members of the local community. Other benefits may include: benefits to the local community such as providing energy for a community facility or the project provides revenues back to the community.	5

**Total: 115**

Applications will be ranked based on the competitive review scores.

The Department will use the applicant’s financial data and other information from the application to determine the internal rate of return (IRR) of the system. On the application form, the applicant will provide annual expenses (include maintenance and operations), revenue, and resulting cash flows for the first ten years of system operation. The Department will use this information in its calculations. Systems with higher IRR percentages are more desirable and the IRR will be considered in the evaluation of the strength of the financial plan and may be considered in the evaluation of the feasibility of the system.

The Department will notify all applicants of the competitive review’s outcome in writing.

Only those applications selected in the competitive review, based on their score, will be considered for technical review. Applicants selected for technical review will be required to pay a technical review fee prior to the review. The fee amount is equal to the qualifying system cost multiplied by 1.25 percent (0.0125) up to \$8,929. If the applicant does not submit the required payment to the Department within 21 calendar days of notification of the advancement to technical review, the Department may deny the application.

The Department may place projects that do not advance to the technical review on a supplemental list, pending the technical reviews of selected projects. The Department will retain the supplemental list until the performance agreements for selected projects are signed. Projects on the supplemental list will not be retained for competition in future opportunity announcements.

Projects not selected to move into technical review may be eligible to apply again in response to a future opportunity announcement. The project must not have begun installation or construction, and a new application and fee will be required. The Department will not apply fees

or applications submitted in response to a previous opportunity announcement to future opportunity announcements.

### ***3.4 Technical Review***

The Department will review the information provided in the application against industry standards to determine whether the system is technically feasible, should operate in accordance with the representations made by the applicant, and meets standards described in OAR 330-200-0000 through OAR 330-200-0150.

If an application does not include all the information needed to complete the technical review, the Department may notify the applicant in writing, requesting additional information. If the Department does not receive the requested information within 30 calendar days, the Department may deny the application.

The Department will notify the applicant in writing if the application fails technical review and causes the Department to deny the application. If the technical review determines that information submitted by the applicant during the competitive process was inaccurate, the Department may deny the application.

If an application fails the technical review, the director may choose another application from the list of ranked applications on the supplemental list. That application will be required to pay the technical review fee prior to the review.

### ***3.5 Offer of Performance Agreement***

After satisfying the technical review, applications may be offered a performance agreement. The grant amount offered may be less than requested. The Department will communicate to the system owner the conditions surrounding the offer of a performance agreement. Applicants will have 30 calendar days to respond in writing to the offer.

The performance agreement will include the terms provided in OAR 330-200-0080, and may include additional terms, such as reporting frequency. In accordance with OAR 330-200-0080 (6), failure to agree to the terms of a performance agreement will result in the Department rejecting the grant application.

### ***3.6 Notification***

Once the Department has confirmed allocation of the available grants, the remaining applicants will be notified of the outcome. After that time, the Department will no longer retain the supplemental list of applicants for that opportunity announcement or for any future opportunity announcements.

## **Section 4: Grant Process and Payment**

#### **4.1 Reporting**

Once a performance agreement is executed, the grantee must submit quarterly reports to the Department on the status of the construction or installation of the system. The quarterly reporting requirement begins the first quarter following the execution of the agreement and each quarter thereafter until the system is complete. Reports are due by the 15th day of the month immediately following the end of the quarter. When the system is complete and operational, the grantee must submit a final report to the Department prior to disbursement of the grant. A grantee must also submit operational reports every year for five (5) years after the system is complete. The performance agreement will provide details about these reports.

To demonstrate beginning construction or installation, the grantee must submit the required reports with documents demonstrating system milestones, as specified in the performance agreement. See attached Exhibit A for examples of what constitutes as beginning construction.

#### **4.2 Amendments**

Renewable energy production system applications and performance agreements may be amended only as provided under OAR 330-200-0090. The grantee must submit a written amendment request to the director to amend a performance agreement or change any aspect of the renewable energy production system. Amendment requests must include payment of a \$300 fee. The Department may accept non-substantive changes, such as change of responsible party information, without payment of the fee. See OAR 330-200-0090 for further information.

Prior to approval of an amendment, the grantee must demonstrate that the system, with the proposed change, would continue to be technically feasible, would operate as represented, and would remain in operation for at least five (5) years. The grantee has the responsibility to provide complete technical documentation that will support a case for the proposed amendment. The Department may deny amendments submitted without such justification.

The Department will evaluate amendments to determine if the change would have affected the outcome of the competitive review, which may result in denial of the amendment request.

#### **4.3 Disbursing Grant Award**

When the system is complete, operational, and meets all conditions of the performance agreement, a grantee should submit the final report. Once the Department has received and approved the final report, the Department will disburse the grant as specified in the performance agreement. In the final report, the applicant must:

- Demonstrate that the total project costs for purchase and installation or construction of the energy conservation project were paid in full.
- Document total project cost by:
  - Having a certified public accountant attest to the total project cost if the project cost is \$50,000 or more. The certified public accountant cannot be the project owner or permanently employed by the project owner; or

- If the total project cost is less than \$50,000, the applicant must submit copies of itemized invoices and/or receipts for the project. All invoices and receipts for proof of payment must be marked “paid” and may include canceled checks, credit card statements, binding contracts, and agreements.
- Include information regarding incentives applied for or received in connection with the project.

The amount of any potential RED grant will be reduced if, in combination with other government incentives or grants, the amount exceeds 75 percent of the total system cost or in combination with all other incentives exceeds 100 percent of total system cost.

- Provide jobs data.
- Show that property taxes related to the project site are current.
- Show that contract and loan agreements directly related to the project are not in default.

#### **4.4 Inspection**

A project may be inspected by the Department to determine that it is complete and operating as intended. These inspections are scheduled with the project owner.

## **Section 5: Additional Information**

### **5.1 Public Information, Confidentiality**

The State of Oregon's Public Records Law (ORS 192.311 through 192.478) applies to filings and applications submitted to the Department. The law states every person has a right to inspect any public record of a public body, subject to certain exceptions. Applications are public records and the Department may be required by law to disclose information in the application to the public on request. An applicant may request confidentiality of certain information in its application by marking the information confidential. Marking information does not guarantee that it will be kept confidential, however, and the Department will make any decisions regarding public disclosure of information contained in this application in accordance with Oregon Public Records Law.

The Department may publicly announce awarded grantees under this program. The public announcement may include, but is not limited to, the system owner's name, type of system, location of system and awarded grant amount.

### **5.2 Reservation of Department Rights**

The Department reserves all rights regarding this opportunity announcement, including, without limitation, the right to:

1. Amend, delay, or cancel the opportunity announcement without liability if the Department finds it is in the best interest of the State of Oregon to do so;
2. Not consider any or all applications received upon finding that it is in the best interest of the State of Oregon to do so;
3. Deem incomplete any application that fails substantially to comply with all prescribed opportunity announcement procedures and requirements; and

4. Allocate grants not to exceed 35 percent of the system costs up to a maximum of \$250,000, at its discretion. See ORS 469B.256.
5. Allocate a grant amount less than the amount requested by applicant, at its discretion.

### ***5.3 No Obligation***

The Department is not obligated as a result of the submission or acceptance of an application to award a grant to an applicant.

### ***5.4 Sunset Information***

If awarded, a RED grant applicant's performance agreement will outline the timeframe required to receive the grant award. In general RED grant performance agreements provide three years from the date of the agreement for the applicant to complete the project.

## Exhibit A

As a condition of your Renewable Energy Development (RED) grant, project construction must begin within 12 months of the execution of the performance agreement. The following guidance is intended to clarify what does and does not constitute beginning construction activities for the purposes of the RED grant.

“Beginning construction” as outlined in your Performance Agreement, means the start of the physical assembly of the project or its infrastructure at the project site.

The following activities **will be considered** beginning construction activities for the RED grant purposes:

- On-site assembly of equipment listed in the system description of the Performance Agreement
- On-site assembly of infrastructure such as equipment foundations, holding tanks, or racking equipment
- Installation of electrical infrastructure such as a switch yard, substation, or upgrades to a motor control center (MCC)
- Construction of mounting equipment or support systems

The following activities **will not be considered** beginning construction activities for RED grant purposes:

- Project planning activities such as:
  - Design
  - Permitting
  - Land surveys or sampling
  - Interconnection or utility agreements
  - Other project preparation activities
- Site preparation activities such as:
  - Demolition
  - Excavation or grading
  - Constructing access roads
  - Installing temporary or permanent fencing
  - Other activities to get the site “construction ready”
- Off-site assembly of project equipment
- Delivery of project equipment or materials
- Pre-existing infrastructure
- The simple incurrence of eligible project costs

The 12-month deadline to begin construction of the project cannot be amended or waived. For projects that do not submit a final report within 1 year of the execution of the performance agreement, ODOE may verify that construction has begun by requesting labor invoices demonstrating construction activities from the list above have occurred at the project site and physical site inspections. If projects are unable to demonstrate they have begun construction, the performance agreement and grant will be considered void.