



**WPPSEF**

WEST PENN POWER  
SUSTAINABLE  
ENERGY FUND

## **Sustainable Energy Financing Request for Proposals (2017-01)**

**Proposal Submission Deadline  
February 1, 2017 (4:00 PM, EST)**

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## BACKGROUND

The West Penn Power Sustainable Energy Fund (WPPSEF) is a 501(c) 3 nonprofit organization whose mission is to:

- ✓ Promote the use of renewable and clean energy technologies that can benefit West Penn Power (WPP) ratepayer;
- ✓ Promote energy conservation and energy efficiency technologies that can benefit WPP ratepayer; and
- ✓ Promote the education, economic development, and environmental betterment of renewable and clean energy technologies and energy conservation and efficiency technologies that can benefit WPP ratepayer.

Applicants applying for WPPSEF financing must demonstrate that the proposed effort can benefit the WPP ratepayer. Figure 1 illustrates the West Penn Power service region.



Figure 1. WPP Service Region (shaded in green).

## FOCUS AREAS

This WPPSEF funding opportunity is focused on:

- ✓ Deployment of clean heat & power technologies;
- ✓ Foster smart energy use by deploying innovative energy efficiency technologies;
- ✓ Facilitate the expanded use sustainable energy technology in healthcare;
- ✓ Support the expansion of clean energy manufacturing in Pennsylvania; and
- ✓ Support the development of regional & community-scale sustainable energy programs.

A more detailed description of these focus areas is provided below.

### CLEAN HEAT & POWER TECHNOLOGIES

The WPPSEF seeks to support the deployment of clean heat and power projects throughout the WPP service region. Project examples include, but are not limited to:

- ✓ The deployment of clean heat and power technologies which are integrated into the construction of high performance buildings;
- ✓ The deployment of renewable energy technologies such as solar, wind, micro-hydropower, and biomass;
- ✓ Renewable heat projects that utilize sustainably harvested Pennsylvania biomass in the commercial, institutional, agricultural, or light industrial sectors;
- ✓ Biogas projects that capture and utilize methane for on-site heat and power projects; and
- ✓ Deployment of innovative natural gas technologies for non-utility scale clean heat and power projects.

### SMART ENERGY USE

The WPPSEF seeks to support innovative energy efficiency projects for single and multi-family housing, commercial, institutional, industrial, and municipal-scale projects.

Examples include, but are not limited to:

- ✓ High performance construction projects that utilize advanced building concepts and materials with a specific focus on energy use such as the Living Building Challenge (LBC), U.S. Department of Energy Zero Energy Ready Home, Passive House, and Leadership in Energy & Environmental Design (LEED);

- ✓ Energy projects that implement energy efficiency measures which have been identified as priority areas in comprehensive, industrial-/ institutional-scale energy audits;
- ✓ Energy projects that seek to reduce energy use by deploying waste heat recovery technologies;
- ✓ Energy projects that seek to implement energy storage technologies;
- ✓ Energy projects which utilize real-time energy usage feedback to monitor and display energy use for the purpose of reducing energy use by educating and modifying occupant behavior; and
- ✓ Support sustainable energy projects that will improve water treatment plants energy use in the WPP service region.

### HEALTHCARE & ENERGY

The WPPSEF seeks to support the expanded use of sustainable energy technologies in Pennsylvania's healthcare industry. Examples include, but are not limited to:

- ✓ Support healthcare projects seeking to participate in the American Society for Healthcare Engineering Energy to Care program; and
- ✓ Support healthcare projects that reduce energy usage and improve air quality in the local communities in which they serve.

### CLEAN ENERGY MANUFACTURING IN PENNSYLVANIA

The WPPSEF seeks to support the expansion of manufacturing of clean energy equipment and components for the wind, solar, biomass, geothermal heating and cooling, energy efficiency, and high performance building industries in Pennsylvania.

Examples include, but are not limited to:

- ✓ Expand or improve existing manufacturing production or processes by expanding plant size, and/or purchasing new equipment; and
- ✓ Support new manufacturing facilities construction and equipment purchase.

## **REGIONAL & COMMUNITY PROGRAMMING**

WPPSEF seeks to broaden the understanding of sustainable energy at the regional level within the WPP service region. Collaborative programs that bring together a diverse team of individuals, organizations, and agencies will enable sustainable energy to be showcased at the regional, multi-county level. Examples include, but are not limited to:

- ✓ Establishment of sustainable energy programming in Pennsylvania's Department of Conservation and Natural Resources (DCNR) Conservation Landscapes within the WPP service region;
- ✓ Programs that reduce energy use, while having a positive economic development/environmental benefit, across multi-counties; and
- ✓ Programs that bring together community leaders to advance sustainable energy use within their community and region.

## **LEVELS OF FUNDING**

WPPSEF financing terms are flexible and developed to meet the project needs while assessing project risk. While a particular project ceiling or floor has not been set by the WPPSEF, most project financing requests are expected to be in the \$50,000 to \$300,000 range. WPPSEF interest rates and fees mirror the market and are typically similar to commercial banks.

WPPSEF grant making will be limited to non-profit entities. Exceptions may be considered where a limited amount of grant making is coupled with financing. WPPSEF grant making is expected to be very competitive and applicants must demonstrate the project can benefit the WPP ratepayer. The WPPSEF anticipates its grant making efforts to be capped at \$25,000 per award. Exceptions to this cap may be made for those projects that the WPPSEF deems as having high impact on the sustainable energy industry.

## SUBMITTING A FUNDING REQUEST

The WPPSEF is anticipating providing support to numerous projects through this RFP process. The WPPSEF reserves the right to request additional information after proposals have been received to complete its due diligence process. If funded, the applicants should be prepared to complete all proposed work within 18-months of receiving their WPPSEF agreement.

### APPLICATION DEADLINE AND SUBMISSION

The deadline for receipt of proposals is **4:00 PM (EST) on February 1, 2017.** Proposals submitted after the deadline will be returned to the applicant. A signed original and twelve (12) copies should be submitted to the WPPSEF Director at the following address:

Mr. Joel Morrison  
The Pennsylvania State University  
Director, WPPSEF  
C-211 CUL  
University Park, PA 16802-2323

### PROPOSAL FORMAT AND CONTENT

Applicants are required to submit their proposal on standard 8 1/2" x 11" letter size paper with 1" margins. An original copy of the proposal is to be bound by paper clip. Additional copies of the proposal are to be stapled and three hole punched. Font size type must be 10 pt. or greater and line spacing should be single space or greater.

### ADDITIONAL INFORMATION

Additional questions should be forwarded to the WPPSEF Director. Questions should be submitted via e-mail to [wppsef@ems.psu.edu](mailto:wppsef@ems.psu.edu) or contact Mr. Joel Morrison at (814) 441-1100.

## **APPENDIX A**

Appendix A contains the information needed from all applicants seeking funding for this round of WPPSEF funding. The WPPSEF reserves the right to return, without review, proposals that do not submit the required information in Appendix A.



**ATTACHMENT A – PROPOSAL CHECKLIST**

Company Name \_\_\_\_\_

Project Title \_\_\_\_\_

Applicants should use this checklist to make sure their proposal is complete. The proposal is to be compiled and submitted in the following order:

**ATTACHMENTS**

- \_\_\_\_\_ ATTACHMENT A: PROPOSAL CHECKLIST
- \_\_\_\_\_ ATTACHMENT B: PROPOSAL OVERVIEW & SIGNATURE
- \_\_\_\_\_ ATTACHMENT C: PROJECT FINANCING – USES & SOURCES

**PROJECT PROPOSAL**

- \_\_\_\_\_ Executive Summary (one page maximum)
- \_\_\_\_\_ Benefit to WPP Ratepayer (one page maximum)
- \_\_\_\_\_ Statement of Work (twelve page maximum)
- \_\_\_\_\_ Project Milestone (one page maximum)
- \_\_\_\_\_ Project Performance Metrics (five page maximum)
- \_\_\_\_\_ Project Finance (five page maximum)
- \_\_\_\_\_ Biographical Sketches (one page per person maximum)
- \_\_\_\_\_ Letters of Support (optional, three letters maximum)
- \_\_\_\_\_ Required number of copies (1 original + 12 copies)

**ATTACHMENT B – PROPOSAL OVERVIEW & SIGNATURE**

Date of Submission \_\_\_\_\_

Company Name \_\_\_\_\_

Title of Proposal \_\_\_\_\_

- Program Area
- Clean Heat & Power Technologies
  - Smart Energy Use
  - Healthcare & Energy
  - Clean Energy Manufacturing in Pennsylvania
  - Regional & Community Programming

Project Budget Summary

Applicant Funding (Cash)	\$ _____
Applicant Funding (In-Kind)	\$ _____
Other Project Partner Funding	\$ _____
Requested WPPSEF Funding	\$ _____
<b>Total Project Funding</b>	<b>\$ _____</b>

Primary Project Contact

Name: \_\_\_\_\_  
Phone (Office): \_\_\_\_\_  
Phone (Mobile): \_\_\_\_\_  
Email: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Approved by:  
\_\_\_\_\_  
Authorized Representative

## ATTACHMENT C: Project Finance – Sources and Uses

Finance Category	Applicant		Project Partners (List Names)			WPPSEF Request		Category Total
	In-Kind	Cash				Grant	Loan	
<i>Salary</i>								
<i>Major Equipment (greater than \$25K)</i>								
<i>Equipment/ Supplies (less than \$25K)</i>								
<i>Construction</i>								
<i>Subcontracts</i>								
<i>Legal</i>								
<i>Other (please list)</i>								
<b>Finance Total (by Source)</b>								
<b>Total Project Cost</b>								
<b>% Cost by Source</b>								

**PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY**  
**ATTACHMENT C: Project Finance - Sources and Uses**

Finance Category	Applicant		Project Partners (List Names)			WPPSEF Request		Category Total
	In-Kind	Cash	DCED-CFA (Grant)	DCED-CFA (Loan)	Bank XYZ (Loan)	Grant	Loan	
<i>Salary</i>								
J. Smith	\$2,500	\$0	\$2,500	\$0	\$0	\$0	\$0	\$5,000
B. Good	\$2,500	\$0	\$2,500	\$0	\$0	\$0	\$0	\$5,000
<b>Major Equipment (greater than \$25K)</b>								
Biomass Boiler	\$0	\$25,000	\$25,000	\$25,000	\$0	\$15,000	\$60,000	\$150,000
Biomass Feed Silo	\$0	\$5,000	\$0	\$0	\$0	\$2,500	\$17,500	\$25,000
Biomass Delivery Truck	\$0	\$30,000	\$0	\$0	\$0	\$0	\$7,500	\$37,500
<b>Equipment/ Supplies (less than \$25K)</b>								
Welding/ Fabrication	\$2,500	\$2,500	\$0	\$0	\$0	\$0	\$0	\$5,000
Plant Controls/ Valves	\$0	\$5,000	\$0	\$17,500	\$0	\$0	\$0	\$22,500
<b>Construction</b>								
Site Permits	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$500
Site Excavation	\$0	\$35,000	\$0	\$15,000	\$0	\$0	\$0	\$50,000
Plant Building	\$0	\$25,000	\$0	\$100,000	\$100,000	\$0	\$0	\$225,000
<b>Subcontracts</b>								
Consulting - Engineering	\$0	\$5,000	\$5,000	\$0	\$0	\$0	\$10,000	\$20,000
Consulting - Environmental	\$0	\$5,000	\$0	\$0	\$0	\$1,000	\$0	\$6,000
<b>Legal</b>								
XYZ Legal	\$0	\$1,250	\$0	\$0	\$0	\$0	\$0	\$1,250
<b>Other (please list)</b>								
Electric Service Upgrade	\$0	\$7,500	\$0	\$7,500	\$0	\$0	\$0	\$15,000
Road/ Parking Lot Paving	\$2,500	\$5,000	\$0	\$0	\$0	\$0	\$0	\$7,500
Equipment Rental - Skid-Steer Loader	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$5,000
Post Construction - Site Landscaping	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
Educational Biomass Kiosk	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$1,000
<b>Finance Total (by Source)</b>	\$12,500	\$156,750	\$35,000	\$165,000	\$100,000	\$19,500	\$95,000	\$583,750
<b>Total Project Cost</b>	\$583,750							
<b>% Cost by Source</b>	2.1%	26.9%	6.0%	28.3%	17.1%	3.3%	16.3%	100.0%

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## PROJECT PROPOSAL GUIDELINES

Applicants are required to submit a project proposal that contains the following sections:

***Executive Summary*** One (1) page maximum

The Executive Summary is to summarize the technical and financial aspects of the proposed project, the project timeframe, and project participants.

***Benefit to WPP Ratepayer*** One (1) page maximum

Applicants need to summarize how the proposed project will benefit the WPP ratepayer.

***Statement of Work*** Twelve (12) page maximum

The Statement of Work is the main body of the proposal. It should describe the proposed project in detail, the participants in the project, and how the project will be completed and managed.

***Project Milestone*** One (1) page maximum

The Project Milestone establishes the time schedule for accomplishing the work. The plan should include major milestones of the project in bar chart format and should cover the complete period of performance.

***Project Performance Metrics*** Five (5) page maximum

The Project Performance Metrics is to be used to quantify the energy, environmental, and economic aspects of the project. A description of the energy generated/ saved (kwh, gallons of fuel, etc.), jobs created or retained (temporary and permanent, etc.), water saved (gal/ day), environmental betterment (reduction of CO<sub>2</sub>, CH<sub>4</sub>), environmental attributes generated (renewable energy certificates, nutrient trading credits), and economic development potential is to be discussed. Applicants need to document how the project performance metrics were determined.

***Project Finance*** Five (5) page maximum

Project Finance is to be used to discuss and document how the project is to be financed. The applicant is required to discuss project costs, the various funding streams used to complete the project, and financial projections and associated assumptions. This is an extended discussion of the data in Attachment C.

**NOTE:** The WPPSEF reserves the right to ask that the applicant to provide their business plan, company and personal financial statements, and any agreements (e.g. power purchase agreements, fuel supply agreements, etc.) that are deemed necessary for considering project funding. Applicants should have such information readily available in the event these data are requested by WPPSEF.

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***Biographical Sketches***

One (1) page per person maximum

The Principal Investigator of the proposed project is required to submit a one (1) page vita. Each vita should include educational background, professional experience, honors and professional activities. Additional vitae can be submitted for key personnel.

***Letters of Support***

Three (3) letters maximum

Letters of support from outside sources are encouraged, but not mandatory.