



**PA Home Heating Equipment Rebate  
Program Administrator**

**Promoting Energy Efficiency in Pennsylvania's  
Communities**

**Guidelines  
and  
Application to Administer Program**



***NOTE: Equipment rebate application period will be announced this spring.***

**Program Opens January 5, 2010**

**Application Deadline January 29, 2010**

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## Introduction

### **Promoting Energy Efficiency in Pa's Communities through the PA Home Heating Equipment Rebate Program**

The Commonwealth of Pennsylvania, through the Pennsylvania Department of Environmental Protection ("Department" or "DEP") is offering a one-time grant for the establishment, preparation, deployment and management of a Home Heating Equipment Rebate Program ("Program") using funding from the American Recovery and Reinvestment Act of 2009 ("ARRA"). The PA Home Heating Equipment Program was approved by the U.S. Department of Energy as Pennsylvania's state energy efficient appliance rebate program under Funding Opportunity Announcement (FOA) number DE-FOA-0000119. The rebate program will be used to stimulate the economy and create jobs while deploying residential energy-efficient equipment.

The goals of this program are as follows:

- Save energy by encouraging home heating equipment replacement through consumer rebates
- Keep administrative costs low while adhering to monitoring and evaluation requirements
- Promote state and national tracking and accountability
- Use existing ENERGY STAR consumer education and outreach materials
- Compliment new electric utility rebate programs by offering a parallel program for non-electric home heating equipment
- Create or retain jobs

A total of up to approximately \$11 million will be available to provide rebates to consumers for installation and purchase of energy efficient equipment. DEP is soliciting proposals for the administration and implementation of a rebate program for non-electric residential water heaters and heating equipment meeting or exceeding ENERGY STAR requirements.

Total program administration costs may not exceed 15 percent of the rebate fund value, and **applicants are required to provide at least 50 percent of the administrative costs as a qualifying matching fund.** Qualifying matching funds may include in-kind services, such as marketing and advertising provided by contractor and retail partners, but all such in-kind contributions must be documented and approved by DEP.

The Department will begin accepting applications for preparation, establishment, deployment and management of the PA Home Heating Equipment Rebate Program on **January 5, 2010**. The deadline for submitting applications, which must be in hard copy format, is the close of business **January 29, 2010**. Applications will be reviewed and evaluated based on criteria outlined in the Application Evaluation Criteria section of this guidance document. Applications received after the due date will not be reviewed and will not be eligible for funding.

#### **NOTICE OF PRE-APPLICATION CONFERENCE CALL.**

**DEP will host a Webex conference call on Wednesday, January 13, 2010 from 10:30 a.m. to 12:00 p.m. EST. This forum will provide an opportunity for potential applicants to submit questions to DEP staff. The toll-free call-in number for the meeting is 866-469-3239, and the access code is 21310269.**

## PART I

### General Information

- PA Home Heating Equipment Rebate Program is a one-time competitive grant opportunity to engage a qualified entity to administer a consumer rebate program (“Program Manager”). Applications will be competitively reviewed and evaluated based on criteria outlined in the **Application Evaluation Criteria** section of this guidance document. DEP, in its discretion, reserves the right to decline applications based on technical deficiencies, lack of financial assurance, or other reasons impacting the eligibility of the proposal, or for any other reason.
- Subject to the availability of funds and the compliance with the terms and conditions of a fully executed grant agreement, DEP will provide advance payments to the Program Manager for development and deployment of the PA Home Heating Equipment Rebate Program as per a schedule determined by DEP and the Program Manager. The Program Manager will be required to abide by specific conditions related to receipt of advance payment which will include requirements regarding deposit of payments and repayment by the Program Manager if it fails to comply with the terms and conditions of the grant agreement.
- The PA Home Heating Equipment Rebate Program must begin within three months from award and, all rebates must be provided before or by February 28, 2012. The first open period for processing the rebates must be by March 2010 and end by June 2010 or as otherwise determined by DEP. Depending on remaining funds, the DEP will determine the timeframe for a second period to be open for rebates. Applicants shall certify in the application a project schedule in accordance with these time constraints.
- The Program Manager must adhere to all general application conditions and all general grant award and contract conditions described in this document.
- The Program Manager must be at all times in compliance with all applicable laws and must not have any outstanding obligations to the commonwealth, or unresolved compliance issues with DEP. If obligations or compliance issues exist, a resolution plan to satisfy any obligations and compliance issues should be provided immediately.
- Only eligible expenses enumerated in the contract and approved by DEP will be paid. DEP shall not pay for work performed by the Program Manager prior to the availability of funds or prior to the date on which the grant is made to the Program Manager.
- The Program Manager is obligated to provide 50 percent of the funds (“match”) required for administration of the program. The matching expenditure may be provided through in-kind services, but all such participation must be documented and approved by DEP.
- All applications made under these guidelines are public documents and subject to disclosure to the public upon request. Any information included in the grant proposal that the applicant wishes the commonwealth to consider as proprietary must be on a separate sheet of paper and must be clearly marked as proprietary.
- All funding provided by the commonwealth for this program is Federal Funding appropriated under The American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5. ARRA appropriates funding for the Department of Energy (DOE) to issue/award formula-based grants under the State Energy Efficient Appliance Rebate Program. The Funding Opportunity Announcement for this program can be accessed at [www.fedconnect.net](http://www.fedconnect.net).

## **Eligibility – PA Home Heating Equipment Rebate Program**

An eligible PA Home Heating Equipment Rebate Program application is a proposal that establishes the qualifications of the applicant to cost-effectively administer this program while meeting all program requirements and program goals.

- **Eligible applicants include:**
  - **Business** – corporations, partnerships, sole proprietorship, limited liability company, business trust, or other legal business entities;
  - **Municipal electric utilities;**
  - **Rural Electric Cooperatives; and**
  - **Regulated natural gas utilities.**
  
- **Funding provided by the department may not be used for:**
  - Direct recycling costs (actual cost to recycle the home heating equipment);
  - Rebates for purchases or work done prior to the date on which the grant is made to the Program Manager;
  - For any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool;
  - Home heating equipment not included in Appendix A; or
  - Administrative costs exceeding 50 percent of the total administrative costs.
  
- **Funding provided by the department may be used for:**
  - Costs to administer a recycling program for the replaced home heating equipment (i.e., transportation costs, documentation and reporting costs, etc.);
  - Home heating equipment included in Appendix A; or
  - Up to 50 percent of approved administrative costs including costs associated with program set-up, implementation and management.

## **Program Requirements – PA Home Heating Equipment Rebate Program**

Applicants must demonstrate that the PA Home Heating Equipment Rebate Program established under this grant award will meet all of the following criteria.

- Only the home heating equipment listed in the Planning Tool Spreadsheet (Appendix “A”) are eligible for rebates. All eligible equipment must be ENERGY STAR rated or higher efficiency.
- Rebates are available for home heating equipment installed only in residential buildings in Pennsylvania.
- Rebates are available for replacement home heating equipment only. Evidence of proper disposal or recycling of the original equipment must be included with the rebate application.
- Recycling of home heating equipment is not a required component of the program, but applicant shall encourage recycling of removed equipment.
- Rebate amounts may be determined based on cost of both equipment purchase and installation.
- Rebates are available only for installations that comply with all applicable federal, state and local laws, including building codes.
- Rebates shall not be made available for purchases or work done prior to program opening date.
- Rebates must be provided to consumers within 21 days of receipt of completed application.
- All marketing and outreach materials developed for this program, including program website, shall be available and accessible to retailers, contractors and other partners in the program.
- The program shall use existing ENERGY STAR consumer education and outreach materials as appropriate.

## PART II

### Application Requirements

Applications will be evaluated based solely on the data and information provided; therefore, each application must be complete and accurate. Applications that do not meet the requirements set forth in these guidelines will not be reviewed and are not eligible for funding.

- The application must:
  - Be submitted along with all required attachments and information. An original hard copy, signature page, signed in black ink, must be provided on the application;
  - Be complete, including: program implementation details, signatures of responsible parties and all items contained in the application instructions;
  - Include documentation supporting the anticipated energy savings using the spreadsheet, Appendix A;
  - Include program schedule showing first round of rebate availability in March 2010 or as directed by DEP; and
  - Include budget in template provided.
- As part of the program description, applicant shall provide its policies and procedures for the following:
  - risk management, such as elimination or prevention of oversubscription of rebate funding;
  - supervision/servicing and processing (e.g. first come, first served) of rebates;
  - transparency, accountability, and audit ability of data;
  - how the customer service expectations will be met;
  - quality assurance to minimize fraud;
  - management of uncashed rebate checks;
  - a plan to ensure that rebates are equitably available throughout the state and to ensure the residents receiving the rebates live in Pennsylvania;
  - a plan to ensure that rebates will be provided only for projects that meet all program requirements for the PA Home Heating Equipment Rebate Program;
  - manner in which consumer rebates will be processed (e.g., mail-in or online application forms, instant rebates at point of sale, etc.) and paid (e.g., check, debit card, etc.);
  - a plan demonstrating how it will ensure the rebates are provided to consumers within 21 calendar days of receipt of rebate application; and
  - tracking and reporting tools for DOE and State level reporting requirements, including but not limited to: energy savings, carbon emissions avoided, jobs created or retained, number of recycled home heating equipment units.
- Applicant must provide a proposal for ensuring that the resident is not receiving a rebate from an electric utility company for the same home heating equipment.
- Applicant shall explain in detail its experience and demonstrate its ability to effectively manage, administer and implement a rebate program. Specific staff resources shall be listed to support these qualifications.
- Applicant shall identify partners, such as retailers, contractors and any other partner that may participate in the PA Home Heating Equipment Rebate Program, particularly those that will be providing in-kind services as part of the qualifying administrative match.

- Applicant is encouraged to detail home heating equipment replacement and recycling/disposal provisions and include these in any marketing plans.
- Applicant must include plans for advertising and marketing the program. Such advertising and marketing plans must include messages that encourage recycling. This can be accomplished through partnerships and must be in coordination with the DEP Communications Office.
- Applicant must identify a means through which the department can oversee the operations of the program to ensure preparedness for rebate implementation, progress of rebate disbursement, and the effectiveness of the Program Manager at achieving the purpose of the PA Home Heating Equipment Rebate Program.
- Applicant must submit Appendix A showing numbers and values for rebates projected.
- Applicant must include required budget information for administrative costs, actual rebates, and matching funds. Total administrative costs may not exceed 15 percent of rebate fund value.
- Applicant must agree to provide the matching capital required by this program (minimum 50 percent of the total administrative costs). The application shall include a list of specific sources of match in hand or committed.

## Disadvantaged Business Enterprise Recommendations

The PA Home Heating Equipment Rebate Program encourages participation by small disadvantaged businesses as prime contractors, joint ventures, and subcontractors/suppliers and by socially disadvantaged businesses as prime contractors.

Grant recipient shall make reasonable and good faith efforts to provide maximum practicable opportunities for small disadvantaged businesses to participate as contractors, professional service providers, subcontractors, and suppliers. Grant recipient, at a minimum, shall be required to:

- a. Consult with the Department of General Services' Bureau of Minority and Women Business Opportunities to ensure significant ARRA opportunities for small certified MBEs and WBEs unless the Department of General Services agrees that grant recipient participation in outreach activities will satisfy this requirement;
- b. Participate in outreach activities and events to increase small disadvantaged business interest and participation in ARRA opportunities;
- c. Use the Department of General Services' Web site to identify certified MBEs and WBEs on solicitation lists;
  - A database of BMWBO-certified minority- and women-owned businesses can be accessed at [www.dgsweb.state.pa.us/mbewbe/VendorSearch.aspx](http://www.dgsweb.state.pa.us/mbewbe/VendorSearch.aspx). The federal vendor database can be accessed at [www.ccr.gov](http://www.ccr.gov) by clicking on *Dynamic Small Business Search* (certified companies are so indicated).
- d. Include certified MBEs and WBEs on solicitation lists;
- e. Prepare and keep records of solicitations, including a bid tabulations, showing names of all firms solicited and the dollar amount of the bid, quote or proposal, as well as copies of all bids, quotes, and proposals received; and
- f. Provide monthly reports to the Department of General Services' Bureau of Minority and Women Business Opportunities on MBE and WBE utilization.

## Application Evaluation Criteria

### Evaluation Considerations

- Technical merit and capability of applicant to provide consumer rebates statewide.
- Program readiness and whether the applicant has demonstrated that it can open the program within three months of grant award and complete the program by February 2012.
- The level of administrative costs and the matching investment by the grant recipient.
- Quantity of rebates and total savings expected (based on Appendix A).
- Return on investment of the program (total number of rebates with the highest energy savings at the lowest administrative cost (ability to minimize costs).
- Number and quality of jobs created or preserved by the project.
- Environmental benefits resulting from the project (shown in emissions reductions based on Appendix A).
- Timeframe in which the customer will receive the rebate.
- Quality and thoroughness of plan for verifying eligible rebate applications, including verification that replaced equipment has been properly disposed of.
- Quality of statewide marketing plan that includes promotion of recycling.
- Quality assurance plan to avoid fraud and oversubscription of rebates.
- Whether the program will use a Disadvantaged Business Enterprise, which includes disadvantaged, minority, women owned and small business enterprises.
- How the program meets or exceeds the Program Requirements for the PA Home Heating Equipment Rebate Program.
- Preference will be given to applicants with an established presence or physically located in Pennsylvania.
- Applicant is encouraged to select a rebate processing method that requires the lowest administrative costs and is easily accessible by the consumer.

## Application Submission and Deadline

Applications will be received anytime after the grant opening date until the application deadline of **January 29, 2010 at 4:00 p.m.** An original and three copies of the application containing all required attachments must be submitted to the PA DEP, Office of Energy and Technology Deployment. An original black ink signature page must be submitted.

- Applications must be in hard copy mailed or delivered to the address below.
- E-mails and faxes will not be accepted.
- Applications submitted after the closing date will not be considered.
- **Incomplete applications will not be considered.**

Do not submit separate attachments other than those specifically called for in the instructions.

Please submit applications to:

Libby Dodson  
PA DEP, OETD – PA Home Heating Equipment Rebate Program  
15th Floor, Rachel Carson State Office Building  
400 Market Street  
Harrisburg, PA 17105-8772

## Grant Award and Contract Conditions

- The proposal that is selected for funding will receive a letter from the DEP Secretary or designee, addressed to the contact person specified in the application.
- Disbursement of grant funding is contingent upon availability and release of funds.
- Grant recipient will be assigned a DEP project advisor.
- Grant recipient will execute a grant agreement acceptable to the department.
- Grant recipient will be required to execute a performance bond, covering satisfactory performance of the work contracted, in the sum of one hundred percent (100 percent) of the total grant amount. The bond must be executed by a corporate surety authorized to do business in the commonwealth.
- A grant recipient who has not had previous contracts or grant agreements with the commonwealth will be required to submit a Form W-9, Request for Taxpayer Identification Number and Certification.
- Program activities may begin after grant award. Payment requests may begin after the grant agreement is fully executed.
- Grant recipient must comply with all local, commonwealth and federal requirements in the implementation of the program.
- A grant recipient who claims the use of a Small Disadvantaged Businesses certified by BMWBO as an MBE/WBE must provide a photocopy of their BMWBO certificate.
- Grant recipient will be paid for funds expended only during the period of performance.
- Grant recipient must report to the department on a monthly basis on all activity involving ARRA funds consistent with the department's requirements. The contents of this required report may be changed at the department's discretion.

This report shall include, but not be limited to:

- Total number of rebates paid
- Total number of each type of home heating equipment for which rebates were paid
- Total number of home heating equipment units recycled
- Geographic locations of rebates paid
- Information on participating partners
- Administrative costs
- Number of jobs created
- Estimated Energy Saved and CO2 emissions avoided

The DEP reserves the right to request reports or change the frequency of the reporting at any time.

- A final report detailing program successes, problems, failures and measurable energy, economic, and environmental benefits is required. Information on how many jobs were created or retained through the program will be required as well as information required in the monthly progress reports. Final report must be submitted in a format acceptable to DEP.
- Grant recipient must properly manage and account for funding received. A complete spending record for all expenditures will be required, including invoice receipts, logs of record and other properly certified documents. Documentation will be required for matching funds as well as DEP funds. The funding must be spent in accordance with the spending plan included in the application and grant agreement. **DEP reserves the right to terminate the program and/or**

recover funding from grant recipient not properly managing the funding in accordance with the conditions of the program and the grant agreement.

- **Matching funds provided by the grant recipient must be spent during the period of performance. No credit will be given for matching funds spent prior to grant execution. Matching funds must correspond to eligible categories as outlined in the project budget.**
- The program must be completed as described in the proposal and grant agreement. Modifications will not be considered, except for very limited scope and budget changes. These changes may include reallocation of contract budget category dollar amounts to and from other budget categories, as long as the maximum contract dollar amount payable by DEP to the recipient is not exceeded. All changes must be approved by the project advisor.
- Time extensions for the program will not be approved.
- DEP reserves the right to audit or require a third-party audit of the grant recipient's financial transactions or any other data associated with the PA Home Heating Equipment Rebate Program.

## **PART III**

### **DEP CONTACTS**

**Applicants are encouraged to contact the appropriate DEP staff to discuss the application before submittal.**

Libby Dodson (717) 772-8907

Mark Hand (717) 787-9377



## PENNSYLVANIA HOME HEATING EQUIPMENT REBATE PROGRAM GRANT PROJECT APPLICATION

*This form is to be used to apply to the Department of Environmental Protection for a PA Home Heating Equipment Rebate Program Grant. Projects will be supported through Federal funds. See instructions and grant program conditions.*

**Applicant Certification:**

I certify that the information in this application is true and correct to the best of my knowledge.

Submitted By: \_\_\_\_\_ Date \_\_\_\_\_  
Applicant Organization

\_\_\_\_\_  
Printed Name Signature Title

1. Applicant Legal Name: \_\_\_\_\_  
 (NOTE: Fictitious names are not acceptable)

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_ E-Mail: \_\_\_\_\_

Organization type: (Specify) \_\_\_\_\_

Applicant's Federal Employer Identification Number (FEIN) or Tax Number: \_\_\_\_\_

Does applicant have any outstanding obligations to the Commonwealth?  Yes  No

Does applicant have any unresolved compliance issues with DEP?  Yes  No

Organizational DUNS: \_\_\_\_\_

2. Has or will the applicant received any other funding from the American Recovery and Reinvestment Act of 2009?  Yes  No

If so, how much funding has been applied for (not including this proposal)? \_\_\_\_\_

3. Identify the project duration in months \_\_\_\_\_. Will the project be completed by April 30, 2012?  Yes  No

4. Is applicant registered as a conservation service provider or in the process of applying to be a conservation service provider for any of the PA Act 129 energy distribution companies?  Yes  No

If yes, please list name of EDC \_\_\_\_\_

5. Is the applicant providing an appliance rebate program in another state?  Yes  No

If yes, please list name of state and entity: \_\_\_\_\_

6. **Program Description.** Thoroughly describe your overall program approach, policies and procedures (may be attached as separate document if necessary).

7. **Program Timeline.** Enter a comprehensive timeline with key milestones for your program in Table 1.

Table 1. Program Timeline and Milestones	
Program Milestones	Target Date

8. **Program Overview.** Please utilize Appendix A before completing this section. All data in Table 2 below should correspond with the data in Appendix A. Please include an estimate of the total number of home heating equipment units that will be recycled through your program, where applicable.

Table 2. Rebate Detail				
Products to be Rebated	Rebate Level (\$)	Targeted Quantity	Total Cost	Targeted # of Products Recycled
	\$		\$	
	\$		\$	
	\$		\$	
	\$		\$	
	\$		\$	
	\$		\$	
	\$		\$	
<b>Total Rebates</b>	<b>\$</b>		<b>\$</b>	

9. **Program Objectives.** Please utilize Appendix A before completing this section. Outline your specific program objectives in Table 3. All data in Table 3 below should correspond with the data in Appendix A.

<b>Table 3. Program Objectives</b>	
<b>Program Objective</b>	<b>Target Value</b>
Total Number of Rebates Paid	
Total Number of Units Replaced	
Total Number of Units Recycled	
Total Annual Energy Savings (kWh)	
Total Annual Energy Savings (Therms)	
Total Annual Water Savings (gallons)	
Total Annual CO <sub>2</sub> Reductions (lbs)	
Jobs Created*	

*\*Per DOE, the general guidance is that every \$92,000 of rebate dollars expended leads to one "job created."*

10. **Applicant Qualifications.** Please describe your experience and qualifications to effectively manage, administer and implement the PA Home Heating Equipment Rebate Program (may be attached as separate document if necessary).
11. **Program Partners.** List other parties that will collaborate with you to deliver the program, including retailers, contractors, local utilities, nonprofit groups, and outreach partners.
12. **Product Replacement/Recycling.** Outline the various steps you will take to ensure the program applies only toward the replacement of existing home heating equipment. Some examples include eligibility criteria, rebate structure, and recycling efforts. If you are requiring recycling, please outline your basic approach. (Who will administer the recycling component? How will the products be collected? Who will handle the actual decommissioning, and how will recycling be verified or reported?)



## Pennsylvania Home Heating Equipment Rebate Program Budget Worksheet

This worksheet must be submitted with the application.

**A. SALARIES AND BENEFITS**

INDIVIDUAL	POSITION	HOURLY RATE	HOURS	BENEFITS	TOTAL COST
<b>TOTAL SALARIES &amp; BENEFITS</b>					

**B. EQUIPMENT, MATERIALS AND SUPPLIES**

ITEM	QUANTITY	COST PER ITEM	TOTAL COST
<b>TOTAL EQUIPMENT &amp; SUPPLIES</b>			

**C. MARKETING AND OUTREACH**

ITEM	QUANTITY	COST PER ITEM	TOTAL COST
<b>TOTAL MARKETING &amp; OUTREACH</b>			

**D. TRAVEL**

ITEM	QUANTITY	COST PER ITEM	TOTAL COST
<b>TOTAL TRAVEL</b>			

**E. OTHER DIRECT COSTS**

ITEM	QUANTITY	COST PER ITEM	TOTAL COST
<b>TOTAL OTHER</b>			

**F. CONTRACTUAL (IF APPLICABLE)**

ITEM (list specifics)	QUANTITY	COST PER ITEM	TOTAL COST
<b>TOTAL CONTRACTUAL</b>			

**TOTAL ADMINISTRATIVE BUDGET**                      **Total of A – F above:** \_\_\_\_\_  
*NOTE: May not exceed 15% of total budget*

**TOTAL VALUE OF REBATES**                      **From Appendix A:** \_\_\_\_\_

**TOTAL BUDGET:** approximately \$11.9 million

**G. MATCH**

Please use the following table to calculate matching contributions of cash, goods and services to be entered on the application form. Do not include other DEP provided funds or in-kind services. All items listed must be accompanied by a letter of commitment.

CONTRIBUTOR	BUDGET CATEGORY (A – F)	DESCRIPTION	STATUS (APPLIED FOR, PLEGGED OR IN-HAND)	VALUE IN DOLLARS
<b>TOTAL MATCH</b> (Must equal or exceed 50% of Total Administrative Budget)				

# APPENDIX A