

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
Comments of the National Association of Energy Service Companies (NAESCO)
Regarding the Commission's November 14, 2008 Questions
on the Qualification Standards for
Conservation Service Providers
In Docket M-2008-2074154

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Introduction

NAESCO's current membership of about 75 organizations includes firms involved in the design, manufacture, financing and installation of energy efficiency and renewable energy equipment and the provision of energy efficiency and renewable energy services in the private and public sectors. NAESCO members deliver about \$5 billion of energy efficiency, renewable energy and distributed generation projects each year – about equal to all of the energy efficiency projects delivered by all US utilities combined, according to a recent report by the Lawrence Berkeley National Laboratory.

NAESCO numbers among its members some of the most prominent companies in the world in the HVAC and energy control equipment business, including Carrier, Honeywell, Johnson Controls, Siemens, Trane and TAC Energy Solutions. Our members also include some of the nation's largest utilities: Pacific Gas & Electric, Southern California Edison, New York Power Authority, and TU Electric & Gas. In addition, ESCO members include affiliates of several utilities including ConEdison Solutions, FPL Energy Services, Pepco Energy Services, Constellation Energy Products and Services, Energy Systems Group and Direct Energy. Prominent national and regional independent members include AECOM Energy, AMERESCO, Atlantic Energy, Burns & McDonnell, Chevron Energy Solutions, CLT, Comfort Systems, CTS, EnergySolve Companies, EPS Capital, GDC/Unalite, NORESO, Onsite Energy, Science Applications, Synergy Companies, UCONS, and Wendel Energy Services.

NAESCO member companies have delivered energy efficiency, renewable energy, demand response and distributed generation projects to Pennsylvania institutional, government, industrial, commercial and residential customers for over a decade. Our members have delivered almost all of the \$300 million of projects in the Pennsylvania state (GESA) and local government performance contracting programs during the last few years.

In addition to the project delivery experience of its members, NAESCO has served on a number of advisory groups that assist the administrators of energy efficiency programs in several states, including:

- The New York SBC Advisory Group, which is appointed by the New York Public Service Commission to review and transmit the quarterly evaluation reports for the New York energy efficiency programs administered by NYSERDA.
- The Program Advisory Groups for three California utility energy efficiency programs;

- The Leadership Group of the National Action Plan for Energy Efficiency;
- The New York City Energy Policy Task Force;
- The Energy Efficiency Task Force for the Western Governors Association Clean and Diversified Energy Advisory Committee; and,
- The New York State Regional Greenhouse Gas (RGGI) Operating Plan Advisory Group.

NAESCO's experience on these advisory groups, as well as its experience in state proceedings that are developing new energy efficiency programs in North Carolina, South Carolina, Indiana, Oklahoma, Michigan, Illinois, Florida and New Jersey during the past year provide some perspective on the development of effective energy efficiency programs that may be useful to the Pennsylvania Commission.

Comments

NAESCO suggests that the Commission approach the issue of establishing standards for the qualification of Conservation Service Providers in the following manner.

First, the Commission should mandate that the utilities accept all of the ESCOs that are qualified under the Pennsylvania Guaranteed Energy Savings Act (GESA) program as qualified Conservation Services Providers (CSPs). These companies have qualified under a rigorous application process operated by the Pennsylvania Department of General Services (see attached "Application for Qualification for Energy Service Companies"). NAESCO believes that the GESA qualification is inherently more demanding than a qualification program operated by a utility because DGS is qualifying companies to work on its own buildings, state buildings that DGS maintains and operates.

Second, the Commission should mandate the utilities to accept all companies that are accredited by professional associations like NAESCO as qualified CSPs. The NAESCO Accreditation process, for example, is as rigorous as the Pennsylvania DGS GESA qualification process. It is conducted by an independent panel of ESCO industry experts who verify all of the functional capabilities of the applicant ESCO and as well as references on up to fifty recent projects.

Third, the Commission should mandate that the utilities accept as qualified all of the CSPs that have successfully performed programs in other states that are fundamentally the same as the programs that the utilities will offer. It is unreasonable for Pennsylvania utilities to expect

CSPs to have substantial experience delivering many programs in Pennsylvania, because such programs have not existed. The Commission should further mandate an application process in which each CSP establishes its successful performance in other states by providing the utilities a set of data similar to the data required by the DGS in its GESA qualification process, except that many of the CSPs will be providing program references rather than project references. The Commission should mandate that the utilities develop a common application form for CSPs, so that the CSPs can provide a single set of comprehensive qualification information, and the utilities can share the burden of verifying the CSP's credentials, such as checking references from utility program managers in other states. This common application process will accelerate the screening and qualification of CSPs, and will assure that the utilities actually get to speak to the appropriate CSP references, rather than be put off because the utility happens to be the sixth to call a program manager from an out-of-state utility.

Fourth, the Commission should allow the utilities to use their own normal standards for liability insurance and credit checks. NAESCO has found in other jurisdictions that utilities are reasonable about these standards, and they do not pose a barrier to the participation of smaller high-quality CSPs in utility programs.

Fifth, in considering whether to require CSPs to post bonds or Letters of Credit the Commission should distinguish between program liability risks (such as a CSP damaging a utility customer's facilities) which are appropriately covered by liability insurance, and program performance risks (such as the utility not meeting its energy savings targets because a CSP does not perform) which are appropriately covered by the contract between the utility and the CSP. In NAESCO's experience, utilities can err by having contracts that are either too loose or too tight with respect to performance risks. If the contract is too loose (requires little or no performance security), irresponsible CSPs will overbid and underperform. That is, they will bid an unrealistically low price to deliver an unrealistically high quantity of kW or kWh, and the utility will be unable to meet its goals. If the contract is too tight (requires onerous security or penalty provisions) the utility will get few or no responsible CSPs to offer services and the utility will be unable to meet its goals. NAESCO suggests that the way to strike the appropriate balance is to have CSPs represented in a stakeholder process that develops the utility programs, bidding and contracting procedures, and for the Commission to monitor the stakeholder process to ensure that it is developing a reasonable consensus.

Finally, NAESCO suggests that the Commission mandate that the utilities carefully match the skills and experience of CSPs to the requirements of specific programs. For example, the qualification standards for the Keystone HELP program are probably not suitable for many utility programs. There is a significant difference between a HELP residential construction contractor that can deliver high-quality energy efficiency retrofits to a couple dozen homes each year and a utility-scale program CSP that is responsible for delivering retrofits to thousands of homes or small businesses, and may in fact employ some of the HELP contractors as its subcontractors. If the Commission is worried that rigorous qualifications will be unfair to small local firms, NAESCO suggests that the history of the energy services business is replete with small firms that started as subcontractors to larger and more experienced firms, and then emerge as viable competitors to the larger firms in subsequent program procurements rounds.

Conclusion

NAESCO urges the Commission to assure Pennsylvania consumers that the new utility energy efficiency programs offer high-quality services by mandating that the utilities use rigorous qualification procedures to select experienced CSPs to deliver their programs. The mandated qualification procedures need not be developed from scratch, but should utilize the results of established procedures such as the Pennsylvania DGS GESA program, the NAESCO Accreditation program, the experience of utilities in other states and the normal utility standards for contractor or vendor liability insurance. The Commission should also mandate stakeholder processes to help develop programs to assure that program contracts contain the appropriate terms to optimize CSP program participation while fairly protecting the utility against the risk of CSP non-performance.

Respectfully submitted by,

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President

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Table of Contents

Part I – General Information for Energy Service Companies (ESCOs)	1
Part II – Information Required From <i>ESCOs</i>	
Statement of Qualifications (II-1)	6
Mandatory Requirements (II-2).....	10
Part III – Evaluation Criteria for Qualification	11
Part IV – Commitments and Conditions	12
Application Signature Page.....	13
Attachments.....	14

Part I

General Information for Energy Service Companies

I-1 Purpose: The purpose of this Application for Qualification (AFQ) is to select qualified Energy Service Companies (ESCOs) who can provide energy services and energy-related capital improvements to agencies of the Commonwealth of Pennsylvania and the State System of Higher Education and its universities (hereinafter collectively referred to as Commonwealth agencies). These projects are to be financed through guaranteed energy savings contracts in accordance with the requirements of Act 57 of 1998, 62 Pa. C.S. §3751-3757

[<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=1997&sessInd=0&billBody=S&billTyp=B&billNbr=0005&pn=1924>]

as amended by Act 77 of 2004, 62 Pa. C.S. §3752-3758

[<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2003&sessInd=0&billBody=H&billTyp=B&billNbr=1996&pn=4282> ("Acts 57/77"),

at no initial capital cost to the Commonwealth agencies.

DGS intends to set aside all of its Express GESA projects for award to a list of qualified ESCOs that meet the criteria and are qualified as a **small business**. "Small Business" (62 PA. C.S.A. 2102) means a business in the United States which is independently owned, is not dominant in its field of operation, employs no more than 100 persons, and has less than \$8,000,000 in gross annual revenues (\$18,000,000 in gross annual revenues for those businesses in the information technology sales or service business)

The requested services may include but are not limited to: a preliminary feasibility study, the design, acquisition, installation, modification, maintenance and training in the operation of existing and new equipment, which will reduce energy consumption and related costs associated with the heating, ventilation and air conditioning system, lighting systems, building envelope, the hot water systems, water consumption, sewage costs and other energy using devices; as well as for savings which would not reduce consumption per se but are aimed at cost savings, such as fuel switching, demand reductions, rate savings, on-site generation, utility bill auditing, distribution upgrades etc. Services requested may also include the training of facility staff with respect to routine maintenance and operation of all improvements.

Improvements must result in a guaranteed minimum savings with the ESCO payments linked to actual documented energy and cost reductions. No contract shall exceed ten (10) years in duration without the written approval of the Bureau of Facilities Management at DGS.

Except where an ESCO is removed from the list for cause or when all qualifications are rescinded, the qualification period will be valid for three (3) years commencing on [insert date], 2007 and extending through [insert date], 2010.

ESCOs will be required to comply with the provisions of Act 28 of April 9, 1990, (71 P.S. § 650 (adm.code 2420) which requires heating systems or heating units installed in state-owned facilities to be fueled by coal, unless exempted by the Secretary of the Department of General Services, as provided for in the Act.

ESCOs that desire to be qualified must comply with all terms and conditions of this AFQ. ESCOs that are qualified by the Commonwealth and are awarded a

guaranteed energy savings contract pursuant to subsequently issued Request for Proposal by a Commonwealth agency, will be required to comply with all requirements contained in the Commonwealth agency's request for proposal ("RFP") and Guaranteed Energy Savings contract. Copies of this standard document may be obtained at the Department of General Services website: http://www.portal.state.pa.us/portal/server.pt?open=512&objID=1300&&SortOrder=100&level=3&parentid=1298&css=L3&mode=2&in_hi_userid=160673&cached=true

Through this AFQ, the Commonwealth will establish a pool of ESCOs qualified through the Department of General Services to contract with Commonwealth agencies for Express GESA guaranteed energy savings projects (below \$200,000 in annual utility spending). The issuing agency will distribute a Request for Information (RFI) to the pool of qualified ESCOs, and from the respondents select three ESCOs to receive a Request for Proposal (RFP). All three RFP recipients will be required to respond to the RFP. A single ESCO selected through the RFP process will provide a cost-effective guaranteed energy savings project for the issuing agency.

- I-2 **Issuing Officer:** This AFQ is issued for the Commonwealth by the Pennsylvania Department of General Services ("DGS"). The issuing office is the sole point of contact in the Commonwealth for this AFQ. Please refer all inquiries to:

Bruce Stultz, Energy Manager
Bureau of Facilities Management
Room 414, North Office Building
Harrisburg, PA 17125
Telephone: (717) 705-8519
Fax: (717) 772-5317

- I-3 **Rejection of Responses:** DGS reserves the right to reject any and all applications received from ESCOs as a result of this request.
- I-4 **ESCO Qualification:** DGS's delivery to an ESCO of an approved application shall establish the official "Qualified" status of the ESCO as eligible to compete to perform the required services requested by Commonwealth agencies. It shall also constitute a commitment by which the ESCO agrees to comply with all Guaranteed Energy Savings Act contract provisions and to respond to all requests for proposals (RFPs) by issuing agencies, during the three-year "Qualification Period".

Upon notification of qualification by the Commonwealth, the period of ESCO qualification will be valid for three (3) years commencing _____ and extending through _____. Other ESCOs may apply to be qualified by the Commonwealth at a later time during the qualification period, however, such qualified status will only be valid for the remaining duration of the three-year period and no applications will be accepted during the final year of the qualification period. After the commencement of the Qualification Period, the Commonwealth is under no obligation to ensure timely responses to new requests for invitation to qualify. Approved applications will be used in the selection process for guaranteed energy savings projects.

DGS may, for cause, remove an ESCO from the DGS pool of qualified ESCOs. DGS also reserves the right to rescind all qualifications and to initiate a new qualification process and/or select ESCOs for guaranteed energy savings projects through a separate process.

No Express GESA guaranteed energy savings contracts between Commonwealth agencies and qualified ESCOs will exceed the term of ten (10) years in duration without the written approval of the Bureau of Facilities Management at DGS. All ESCOs shall ensure that savings in any year are guaranteed to the extent necessary to make payments under the contract during that year.

- I-5 **Incurring Costs:** The Commonwealth is not liable for any cost or expenses incurred by the ESCOs in the preparation of their applications or proposals or for attendance at any conferences or meetings related to this AFQ, RFI or any RFP.
- I-6 **Prime Contractor Responsibilities:** Each ESCO who is successfully qualified and selected as a contractor under an RFP will be considered a prime contractor. Each ESCO selected to contract with Commonwealth agencies will be required to assume full responsibility for delivery of all services for each facility as specified in the RFP and included in the final contract. Further, the Commonwealth will consider the selected ESCO to be the sole point of contact concerning all contractual matters for the duration of the contract term. Under "Small Business" provisions; the prime contractor must perform no less than 20% of the total dollar amount of a project. Sub-contractors may be contracted to perform up to 80% of the dollar amount of a project.
- I-7 **ESCO Registration:** Each ESCO must be registered with the Pennsylvania Department of State to do business in the Commonwealth. Upon notification of approval of qualification, each ESCO will also be required to complete and submit a vendor registration form with Integrated Enterprise System (IES) at the following website: <http://www.vendorregistration.state.pa.us/>
- I-8 **Disclosure of AFQ Response Contents:** The approved applications are not confidential. All material submitted becomes the property of the Commonwealth of Pennsylvania and may be returned only at the Commonwealth's option. Approved applications will be made available for review and evaluation by Commonwealth agencies. The Commonwealth has the right to use any or all concepts presented in any application. Approval or disapproval of an application does not affect this right.
- I-9 **Addenda to the AFQ:** If it becomes necessary to revise any part of this AFQ, addenda will be provided to all ESCOs who received the original AFQ.
- I-10 **Debriefing Conference:** ESCOs whose applications are not approved will be notified and will be given an opportunity to be debriefed. The purpose of the debriefing is not to compare ESCO' applications, but to provide information that may assist the individual ESCO in preparing any future applications and to identify areas of concern. The Issuing Officer will schedule the date, time, and location of any and all debriefing conferences.
- I-11 **News Releases:** News releases pertaining to this AFQ may not be made without DGS's approval, and then only in coordination with the Issuing Officer.
- I-12 **Response Date:** In order to be considered for initial review and approval, applications must arrive by 2:00 p.m. on the date and at the location specified in the cover notice. After the deadline time and date for this initial solicitation, applications from additional ESCOs will be considered for qualification under this AFQ and if approved, will be considered only for the remaining duration of the Qualification Period. No applications will be accepted during the final year of the qualification period.
- I-13 **Applications:** To be considered, ESCOs must submit a complete application using the format provided in Part II of this AFQ. ESCOs will not be given an opportunity to change

any part of an application after submission. **[Insert number of]** bound copies of their application must be received by DGS. Refer to the Notice to Energy Saving Companies for submission location, date and time. No other external distribution of responses will be made by the ESCO. The application signature page must be included in each copy of the ESCO's application and have an original signature of an official authorized to sign on behalf of the ESCO.

For this AFQ, the application, as submitted, must remain valid during the entire Qualification Period and for the duration of the term for each guaranteed energy savings contract executed during this period.

I-14 Restriction of Contact: From the issue date of this AFQ until a determination is made regarding the qualification of ESCOs, all contacts with Commonwealth personnel concerning this AFQ, must be made through the Issuing Officer. Any violation of this condition is cause for the Commonwealth to reject an ESCO's application. If it is later discovered that any violations have occurred, the Commonwealth may also reject an application.

I-15 Contractor Responsibility Program:

- a. The ESCO certifies, for itself and all its subcontractors, that as of the date of its execution of this application, that neither the ESCO, nor any subcontractors, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the ESCO cannot so certify, then it agrees to submit, along with its application, a written explanation of why such certification cannot be made.
- b. The ESCO must also certify, in writing, that as of the date of its execution of this application, it has no tax liabilities or other Commonwealth obligations.
- c. The ESCO's obligations pursuant to these provisions are ongoing from and after the effective date of the application through the expiration date thereof. Accordingly, ESCO shall have an obligation to inform the Commonwealth if, at any time during the qualification period, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
- d. The failure of the ESCO to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of any contract with the Commonwealth or result in loss of qualification for guaranteed energy savings projects.
- e. The ESCO agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the ESCO's compliance with the terms of this or any other agreement between the ESCO and the Commonwealth, which results in the suspension or debarment of the ESCO. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The ESCO shall not be responsible for investigative costs for investigations that do not result in the ESCO's suspension or debarment.

- f. The ESCO may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.state.pa.us/debarment.htm> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No. (717) 783-6472
FAX No. (717) 787-9138

- I-16 Statewide Building Code:** Due to changes resulting from passage of the Statewide Building Code, the Department of Labor and Industry (L&I) has sole responsibility for plan review and inspection for all State-owned facilities.

All projects implemented in Commonwealth agencies shall be subject to the Uniform Construction Code (UCC). The ESCO, along with its design professionals and subcontractors, shall become familiar with and adhere to the UCC, including but not limited to: L&I's plans submission and review for approval to obtain the project building permit and site inspection procedures set forth in L&I's Inspection procedures. The most recent list of inspections required by L&I can be found on L&I's website: <http://www.dli.state.pa.us/landi/ucc/forms/ucc-9.pdf>.

The ESCO must include L&I plans review and inspections to the extent they are applicable to the scope of work on the project.

- I-17 ENERGY STAR:** Using the EPA's ENERGY STAR tools and resources for each eligible facility, selected ESCOs will be required to provide an estimated pre-retrofit Energy Performance Rating using Portfolio Manager and an estimated post-retrofit Energy Performance Rating using the Delta Score Estimator as part of the Request for Proposal (RFP). Selected ESCOs will also be required to submit a completed Cash Flow Opportunity spreadsheet using the Cash Flow Opportunity Calculator. As part of the Guaranteed Energy Savings Agreement, selected ESCOs will also be required to submit an updated ENERGY STAR rating for each eligible facility upon completion of each guaranteed year. Information regarding ENERGY STAR tools and resources, and a list of eligible facility types can be found at:
http://energystar.gov/index.cfm?c=tools_resources.bus_energy_management_tools_resources
<http://www.energystar.gov/index.cfm?c=delta.index>
http://www.energystar.gov/ia/business/cfo_calculator.xls

Part II

Information Required From ESCOs

II-1. Statement of Qualifications:

Each ESCO shall submit [Insert number of] copies of the following information, with responses to each item numbered accordingly, (1 – 13). Each ESCO is required to fully answer all questions and provide all requested information in each category listed below. Provide your responses on 8 ½ " x 11" sheets of paper and number and title each response to the corresponding category. Font size should be no smaller than 10 point. All pages in your response to this attachment should be numbered sequentially. ESCOs must also include a table of contents which indicates the section and page numbers corresponding to the information included.

All questions must be addressed by the ESCO in order for this application form to be properly completed. Failure to answer any question, or comply with any directive contained in this form may be used by DGS as grounds to find the ESCO ineligible. If a question or directive does not pertain to your firm in any way, please indicate that fact with the symbol N/A.

1. Firm Name _____
Business Address _____
City _____ State _____
County _____ Zip Code _____

1a. Names and Titles of Two Contact People

1) _____ Phone (____) _____
2) _____ Phone (____) _____

Name, Phone Number and Email Address of Primary Contact Person to be listed on DGS' Website

Email: _____ Phone (____) _____

1b. Submittal is for:

- Parent Company (List any Division or Branch Offices to be involved in this project)
- Division (attach separate list if more than one is to be included)
- Subsidiary
- Branch Office: (include all Pennsylvania locations with the number of energy service professionals located at each site).

Name of Entity: _____
Address: _____

2. Date Prepared: _____

3. Type of Firm:

- Corporation Partnership Sole Ownership Joint Venture

4. Federal Employer Identification Number _____

5. Year Firm was Established _____

6. Name and Address of Parent Company, if applicable:

7. Former Firm Name(s), if applicable: _____

8. Five-Year Summary of Contract Values for energy-related projects where your firm was the prime contractor:

Year 5: \$ _____ (to date)

Year 4: \$ _____

Year 3: \$ _____

Year 2: \$ _____

Year 1: \$ _____

9. CORPORATE BACKGROUND/HISTORICAL DATA

9a. How many years has your firm been in business under its present business name?
_____ Years

9b. Please identify all states in which your firm is legally qualified to do business.

9c. Indicate all other names by which your organization has been known and the length of time known by each name.

9d. How many years has your firm been involved in energy-related business?
_____ Years

9e. Certify that your company does not owe the Commonwealth any taxes.

9f. Certify that your company is not currently under suspension or debarment by the Commonwealth, any other state, or the federal government.

9g. Identify your firm's legal counsel for this project. Give the name and address of the primary individual responsible for contract negotiation.

9h. Indicate your firm's current annual gross revenue: \$ _____

9i. Indicate your firm's revenue as a percentage of the following:

Equipment installation: _____%

Service and maintenance: _____%

Other: _____%

10. TECHNICAL QUALIFICATIONS AND PERSONNEL INFORMATION

10a. Indicate the number, if any, of all energy-related contracting projects implemented by your firm over the past five years. Limit your response to ONLY those projects that have been managed directly by the specific branch, division, office, or any individual in such branch, division or office who will be assigned to this project. Indicate the installed project cost values. Attach additional sheets as necessary.

10b. Using the ESCO's Team Member Qualification Form, Attachment A, briefly describe the relevant experience, qualifications and educational background for ONLY those PRIMARY team members (one form each, no more than 10 individuals) who will directly be working on Commonwealth agency projects. Do not include individual resumes.

10c. Describe your approach to savings measurement and verification (M&V), and how you plan to report annual savings for these projects.

10d. Provide a sample final design specification for an installed measure (e.g. HVAC, controls, etc.). Do not include cut sheets.

10e. Describe how your firm provides Operations and Maintenance support to the customers.

10f. Describe your approach to startup, and commissioning projects.

Note: The Commonwealth reserves the right to reproduce selected portions or entire documents for the purpose of review and evaluation.

10g. Include under separate cover, **[insert number of]** copies of a completed preliminary feasibility study conducted by your firm. Clearly mark Preliminary Feasibility Study on the outside of the envelope and include your firm's return address. Please include preliminary energy and economic savings estimates.

11. FINANCIAL REFERENCES

11a. Provide a company prospectus to include a Balance Sheet and Cash Flow statement not more than fifteen (15) months old.

11b. Please provide the name, address, and the telephone number of the firm(s) that prepared the Financial Statements.

11c. Please enclose banking references including financial institution, address, contact person, telephone number, and specific information on your firm's credit.

11d. Enclose bonding references including company name, address, contact person, telephone number and information on your firm's maximum and currently available bonding capability.

11e. Submit a copy of your firm's most recent annual report.

11f. Submit a copy of your 941 Federal quarterly tax form.

12. PROJECT HISTORY and CLIENT REFERENCES

12a. Using the ESCO's Project History And Client Reference Form, Attachment B, describe up to 5 (five) energy projects (client references). Limit your response to those projects that have been managed directly by the specific branch, division, office or any individual in such branch, division or office who will be assigned to work on the Commonwealth's agencies projects. Please indicate project references, if any, involving state buildings.

12b. Describe your approach to evaluating annual customer savings on past projects. If historical energy savings performance data is available, use the ESCO's Project History Annual Energy Savings Data Form, Attachment D, to provide additional information about the past projects.

13. CAPABILITY AND EXPERIENCE PROFILE Using ESCO's Capability And Experience Profile, Attachment C, please check any of the items listed in the table that your branch office is capable of performing, either with in-house resources or through the use of subcontractors.

II-2. Mandatory Requirements: Each of the following mandatory requirements must be addressed on this form by indicating acceptance of each.

Nonacceptance of any of the mandatory requirements, or modification of, or placing of conditions on acceptance of any of the mandatory requirements, in whole or in part, may result in immediate disqualification.

Check "yes" to accept. Check "no" to reject. Failure to respond will be deemed as nonacceptance.

YES NO

- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | 1. Have you submitted a complete response to this AFQ using the format provided in PART II? |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. Does each copy of your application contain the ESCO application signature page with an <u>ORIGINAL SIGNATURE</u> of an official of your company authorized to sign on behalf of your company? |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. Do you agree that the contents of your application will become part of any contract that may be entered into as a result of this AFQ? |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. Do you agree that your application will remain valid during the entire Qualification Period? |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. Do you agree to comply with the terms and conditions contained in the Commonwealth's Standard RFP and Contract documents? Copies of these standard documents may be obtained at the Department of General Services website:

<u>http://www.portal.state.pa.us/portal/server.pt?open=512&objID=1300&&SortOrder=100&level=3&parentid=1298&css=L3&mode=2&in hi userid=2&cached=true</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | 6. Do you agree that unless [Insert number of] copies of your complete application arrive by 2:00 p.m. Eastern Standard Time on the date and at the location specified in the AFQ cover letter, that it will not be considered for initial review and qualification? |
| <input type="checkbox"/> | <input type="checkbox"/> | 7. Do you accept the PRIME CONTRACTOR RESPONSIBILITIES paragraph (I-6) of this AFQ? |
| <input type="checkbox"/> | <input type="checkbox"/> | 8. Do you certify that your company complies with the definition of a Small Business Enterprise as defined in I – 1 and submitted a copy of your Federal 941 quarterly tax form? |
| <input type="checkbox"/> | <input type="checkbox"/> | 9. Does your application describe up to 5 (five) energy projects (client references) and describe your approach to evaluating savings on past projects? |
| <input type="checkbox"/> | <input type="checkbox"/> | 10. Do you agree that if the Commonwealth finds any of your application information to be false, then you may be disqualified? |
| <input type="checkbox"/> | <input type="checkbox"/> | 11. Do you agree to provide a written first-party savings guarantee for the full contract term? |

Part III: Evaluation Criteria for Qualification

III – 1. Mandatory Requirements: Applications will first be reviewed to discover if each application included acceptance and compliance with all of the Mandatory Requirements found in Section II – 2. Nonacceptance or noncompliance shall result in disqualification of the application. Applications will be evaluated based on the completeness of the information provided in Section II-1 through 13. Failure to provide any of the requested information may result in disqualification.

III – 2. Criteria Ranking: The following criteria are weighted using the letters A and B, as indicators. Criterion labeled A = Most Significant; B = Significant. Applications that receive 75% or more of the total points available will be approved as “Qualified” by the Commonwealth for the entire or remaining portion of the 3-year “Qualification Period.”

Project Management

- A Ability to effectively manage project construction.
- B Quality of project start up and commissioning
- B Quality of post construction services

Experience

- A Qualifications and experience of ESCO's personnel.
- A Number of years in business and experience with implementing energy-related projects.
- A Approach to evaluating energy savings on past projects.
- B Reliability of equipment performance on past projects.
- A Ability to plan and complete all phases of the project on schedule.
- A Quality of Project History and Client Reference documentation.

Technical Approach

- A Quality of the sample preliminary feasibility study.
- B Technical quality of past projects.
- B Quality of approach to reporting customer savings.
- A Quality of approach to measurement and verification.
- B Quality of approach to design documentation for installed ECMs.
- B Quality of approach to operations and maintenance.
- A Quality of approach to commissioning.

Financial

A Small Business qualified.

A Financial soundness and stability of the ESCO.

A Completeness of financial documentation.

Part IV

COMMITMENTS AND CONDITIONS

- IV-1 The ESCO must be officially qualified by the Commonwealth to be eligible to respond to RFPs issued by Commonwealth agencies for guaranteed energy savings contracts.
- IV-2 The ESCO agrees to comply with all provisions of the guaranteed energy savings contract provisions of Acts 57/77.
- IV-3 The ESCO agrees to respond to all RFPs when requested by issuing Commonwealth agencies.
- IV-4 The Qualification Period shall commence on [insert date], 2007 and extend for a period of three (3) years from that date
- IV-5 The ESCO agrees to comply with all processes, procedures, provisions, terms and conditions contained in the Standard RFP and Contract documents of the Commonwealth.
- IV-6 At least one of the four options detailed in the International Performance Measurement and Verification Protocol (IPMVP) must be applied to ECMs:

Option A: Engineering calculations using spot measurements, simulation, or historical data.

Option B: Engineering calculations using metered data.

Option C: Analysis of utility meter or sub meter using bill comparison or regression analysis.

Option D: Simulation of savings via calibrated computer modeling. Calibration using metered data.

The IPMVP website can be viewed at: <http://www.evo-world.org/>

ENERGY SERVICE COMPANY (ESCO) APPLICATION SIGNATURE PAGE

SHEET NUMBER FINAL	APPLICATION NUMBER/CIP	QUALIFICATION PERIOD <i>NEED TO INSERT DATE</i>
---------------------------	------------------------	--

In compliance with the Application for Qualification (AFQ) and subject to the terms and conditions thereof, the undersigned offers and agrees, if this application is approved, to respond to all Requests for Proposals (RFPs) issued by Commonwealth agencies upon request and with no limitations or stipulations. The undersigned agrees to comply with all provisions set forth in Acts 57/77 for guaranteed energy savings contracts and to accept all terms and conditions as set forth in the Commonwealth's standard RFP and standard Contract documents. The undersigned acknowledges that the representations made in this application are important and will remain materially valid for the entire or remaining portion of the qualification period as established by the Commonwealth in awarding such qualified status. Any misstatement in this application is, and shall be treated as, fraudulent concealment from the Commonwealth of the facts relating to the submission of this response.

WHEN THE APPLICANT IS A PARTNERSHIP:

NAME OF PARTNERSHIP

SIGNATURE OF PARTNER

SIGNATORY'S NAME

WITNESS

WHEN THE APPLICANT IS A CORPORATION:

ATTEST: CORPORATION NAME _____

WITNESS' SIGNATURE

SIGNATORY'S NAME

WITNESS' TITLE

TITLE

The President's or Vice President's signature must be attested by the Corporate Secretary, Assistant Secretary, Treasurer, or Assistant Treasurer. If someone other than the President or Vice President signs on behalf of the corporation, or if the President's or Vice President's signature is not attested to by the Corporate Secretary, Assistant Secretary, Treasurer, or Assistant Treasurer, a copy of a corporate resolution must be attached to this response. Failure to include a copy of the appropriate authorization, if required, may result in the rejection of the application.

(THIS SPACE FOR COMMONWEALTH USE ONLY)

The Commonwealth of Pennsylvania, acting through the undersigned officer of the Department of General Services, hereby approves the application submitted by Applicant named above and designates the Applicant qualified to respond to Commonwealth agencies' requests for proposals for guaranteed energy savings contracts.

APPROVED BY THE DEPARTMENT OF GENERAL SERVICES:

SIGNATURE

NAME

TITLE

ATTACHMENTS

ESCO's TEAM MEMBER QUALIFICATION FORM.....Attach A

ESCO's PROJECT HISTORY AND CLIENT REFERENCE FORM.....Attach B

ESCO's CAPABILITY AND EXPERIENCE PROFILEAttach C

PROJECT HISTORY ANNUAL ENERGY SAVINGS DATA FORM.....Attach D

**EXPRESS GESA
ESCO's TEAM MEMBER QUALIFICATION FORM
COMMONWEALTH OF PENNSYLVANIA
(AFQ - ATTACHMENT A)**

Team Member:

Current Employment

Current Job Title:
Years with ESCO:
Primary Office Location:
Job Responsibilities:
(3 lines maximum)

Previous Employment

Most Recent

Next Most Recent

Company Name:
Number of Years:
Job Responsibilities:
(3 lines maximum)

Educational Background

Degrees/Discipline:
University & City, State:

Professional/ Technical

Professional Affiliations:
(2 lines maximum)
Publications:
(2 lines maximum)
Technical Training:
(2 lines maximum)

Significant Energy Project Experience (within the past 5 years)

Project:	1.	2.
Location:		
Type of Facility:		
Project Cost & Date:		
Describe the Specific Role and Responsibilities Of this Individual:		
<i>(4 lines maximum)</i>		

Project:	3.	4.
Location:		
Type of Facility:		
Project Cost & Date:		
Describe the Specific Role and Responsibilities Of this Individual:		
<i>(4 lines maximum)</i>		

Describe any other relevant technical experience *(6 lines maximum)*:

Experience

EXPRESS GESA
ESCO's PROJECT HISTORY AND CLIENT REFERENCE FORM
COMMONWEALTH OF PENNSYLVANIA
(AFQ - ATTACHMENT B)

Project Name & City, State:

Facility Information:

Owner:

Number of Buildings:

Total Square Footage:

Name and Job Title of

Reference:

(Must be familiar with the project)

Reference Contact information:

Name:

Street:

City:

State & Zip Code:

Telephone Number:

Fax Number:

E-mail Address:

Primary Purpose of Facility Use:

(2 lines maximum)

Project Management:

Project Status:

Pre-Construction

Construction

Post-Construction

Construction Start and End

Dates:

Contract Start and End Dates:

ESCO Services *(4 lines maximum)*:

ESCO Personnel Roles *(5 lines maximum)*:

Technical Information

Total Number of ECMs:

Primary ECMs Installed *(7 lines maximum)*:

Method of Savings Measurement & Verification *(7 lines maximum)*:

Financial Information:

Total Project Cost:

Total Project Savings:

Amount of Financing (if applicable):

Source of Financing (if applicable):

**EXPRESS GESA
ESCO's CAPABILITY AND EXPERIENCE PROFILE
COMMONWEALTH OF PENNSYLVANIA
(AFQ - ATTACHMENT C)**

Identify all personnel assigned to this project who have primary responsibilities for each of the technologies listed.

TECHNICAL CAPABILITY	Primary roles & responsibilities (e.g. electrical, mechanical, controls, CEM)	Years of experience with specific technology	Total years employed by an ESCO	# of EPC projects implemented while in this role	List the dollar volume for the 5 most recent EPC projects for this ECM
LIGHTING List personnel					
Energy Management Systems List personnel			HVAC		
Steam Heating List personnel					
Central Chiller List personnel					
Central Heating List personnel					

ESCO's CAPABILITY AND EXPERIENCE PROFILE
continued

Identify all personnel assigned to this project who have primary responsibilities for each of the technologies listed.

Service Capabilities	Years of experience providing specific service	Total number of years employed by an ESCO	# of EPC projects implemented while in this role with an ESCO	List the dollar volume of the 5 most recent EPC projects implemented while in this role
Project Management List personnel				
Engineering/Design List personnel				
Construction Management List personnel				
Training Services List personnel				
Commissioning List personnel				
Measurement & Verification List personnel				
O&M Services List personnel				

**EXPRESS GESA
PROJECT HISTORY ANNUAL ENERGY SAVINGS DATA FORM
COMMONWEALTH OF PENNSYLVANIA
(AFQ - ATTACHMENT D)**

COMPLETE THE FOLLOWING INFORMATION FOR EACH OF THE PROJECTS LISTED

Name of Project: _____ **Name of ESCO:** _____

	Projected	Guaranteed	Achieved				
			Year 1	Year 2	Year 3	Year 4	Year 5
KWH							
Therms							
KW							
Water Gallons							
Other (Specify)							
Total Dollars							

Information for each of the headings listed above **MUST** be completed using the above format. **DO NOT** provide savings data in terms of BTUs. Data should be given in the form of fuel units which appear in the utility bills. Additional forms should be reproduced as needed.