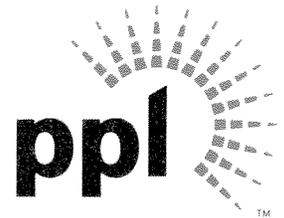


Paul E. Russell
Associate General Counsel

PPL
Two North Ninth Street
Allentown, PA 18101-1179
Tel. 610.774.4254 Fax 610.774.6726
perussell@pplweb.com



VIA FEDERAL EXPRESS

November 26, 2008

James J. McNulty, Esquire
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

**Re: Implementation of Act 129 of 2008, Phase 2
Registry of Conservation Service Providers,
Docket No. M-2008-2074154**

Dear Mr. McNulty:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are an original and fifteen (15) copies of PPL Electric's comments in the above-captioned proceeding.

These comments are being filed pursuant to the Public Utility Commission's ("Commission") letter dated November 14, 2008. PPL Electric also is providing electronic copies of its comments to Anthony Rametta and Kriss Brown, Esquire. In addition, PPL Electric is serving copies of its comments upon the statutory parties.

If you have any questions regarding the enclosed comments, please call.

Very truly yours,

Paul E. Russell

Enclosures

cc: Karen Moury
Robert F. Wilson
Paul Diskin
Anthony Rametta
Mitchell A. Miller
Kriss Brown, Esquire
Wayne L. Williams
Cal Birge
June Perry
Tom Charles
Irwin A. Popowsky, Esquire
William R. Lloyd, Esquire
J. Edward Simms, Esquire

PPL Electric Utilities Corporation
Responses to Implementation of Act 129 of 2008
Phase 2 – Registry of Conservation Service Providers
Docket No. M-2008-2074154

1. Introduction

In a Secretarial Letter dated November 14, 2008, the Public Utility Commission (“PUC” or the “Commission”) requested comments on the experience and qualification requirements that the Commission should establish for entities to be included in the Registry mandated by Section 2806.2(A) of Act 129 of 2008 (“Act 129” or the “Act”). PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) appreciates this opportunity to provide its input on this critical requirement of the Act.

As explained in its comments to CEEP’s Questions for the November 19, 2008 HB 2200 En Banc Hearing, PPL Electric believes that Section 2806.2 of Act 129 does not limit the Registry only to those entities that are eligible to serve Electric Distribution Companies (“EDCs”) as Conservation Service Providers (“Providers”). Rather, Section 2806.2 requires that the Registry be open to all entities qualified to provide conservation services to all classes of customers. For example, it would be unreasonable and unduly discriminatory to exclude otherwise qualified persons from the Registry merely because they were affiliates of EDCs. In order to comply with Section 2806.2, anyone qualified to provide conservation services to customers must be permitted to be included in the Registry, regardless of whether they otherwise qualify as a CSP. However, PPL Electric believes that the Commission can establish additional experience and other qualifications for a provider to be included in the broader Registry.

Also, PPL Electric wishes to bring to the Commission's attention an existing source of thorough, well-established, minimum qualification application standards with which many major energy services providers already comply. The Commission could easily adapt these requirements for the Registry. Regularly, energy service companies must qualify (or re-qualify) with the Commonwealth’s Department of General Services (“DGS”) in order to participate in competitive bidding processes for undertaking energy savings projects for Commonwealth agencies. As part of this process, energy services companies are required to submit to DGS a Statement of Qualifications, which includes background information on the company, technical qualifications and personnel information, financial references, project histories and client references, and a capabilities and experience profile (“DGS Form”). Attached to this response (Attachment 1) is a copy of the DGS Form. By using the qualification section of the DGS Form (Part II-1, pp. 6-14) as a model for the information it requires, the Commission can use information already required by another Commonwealth agency to facilitate creation of the Registry. As discussed throughout its comments, PPL Electric recommends that the Commission adopt that approach for including commercial and industrial energy service providers in the Registry.

2. PPL Electric's Comments

1. What are the minimum qualification standards that the Commission should require to allow a person to be listed on the registry to be established under Section 2806.2(a)?

Response #1:

PPL Electric believes it is important to develop a clearer definition of "approved persons" under Section 2806.2. For providers undertaking residential and small commercial customer installations, the Company recommends that the Commission define this term to mean both individuals as well as non-profit and for-profit organizations. PPL Electric's extensive experience with its Low Income Usage Reduction Program ("LIURP") reveals that program delivery requires a mix of individuals (e.g., auditors and inspectors) and organizations to effectively install weatherization measures.

The minimum qualification standards for the provider should vary depending on the customer segment served by that provider (i.e., residential, commercial or industrial). Commission qualification standards should recognize the differences and skill sets required to work with these customer segments. For the residential segment, for example, standard qualification criteria should include involvement with LIURP, the state Weatherization Assistance Program, BPI ("Building Performance Institute") and RESNET certification, or demonstrated experience and effectiveness in delivering energy efficiency measures. For commercial providers, the Commission should adopt the same requirements that DGS uses in Part II-1 of the DGS Form (Attachment 1 to this response). In addition, where the DGS has already qualified energy services companies through this process, the Commission should simply accept the DGS pool of qualified energy services companies through reciprocity. This would prevent most energy services companies from having to qualify twice. Where a company that wishes to be included in the Registry does not qualify through the DGS process, the Commission can qualify it through a parallel process.

Finally, one additional qualification for providers focusing on residential and commercial customers should be that they be in a condition of good standing with the Better Business Bureau. Providers should also be able to demonstrate their proficiency and experience in providing energy efficiency services to commercial customers. Providers should also have had a successful track record of implementing programs and services within Pennsylvania and/or other jurisdictions.

2. Should the minimum qualification standards include factors such as: technical training, professional experience, industry certifications, financial integrity, and/or history of lawful operations?

Response #2:

The minimum qualification standards for inclusion in the Registry should include all these factors. PPL Electric recognizes that the standards for residential providers may

be somewhat different than the qualifications for commercial and industrial providers. Therefore, the Commission should consider if there should be any different or additional requirements for residential providers. But the qualification standards for commercial and industrial providers should closely track the DGS requirements. For this reason, the Commission may want to consider establishing two classes in the Registry.

The Commission should also consider elements based on the specific customer segment (i.e., residential, commercial and industrial). For example, the Commission should consider giving weight to a provider's effectiveness in demonstrating achieved results and attainment of required savings. It is critical to have standards, but PPL Electric recommends that the Commission not erect too many hurdles or barriers that could dissuade individuals or organizations from applying.

3. Should qualification standards, application materials, application requirements, and a contractor/dealer agreement similar to those used by Pennsylvania's Keystone HELP program (www.keystonehelp.com) be adopted, and if so, what revisions to the Keystone HELP program would be needed?

Response #3:

The Keystone HELP program applies only to the residential customer segment. The Company recommends that the Commission review the qualification standards associated with the Keystone HELP program, and believes that these requirements may be applicable to residential providers. However, the Registry is simply a qualification registry; it is not intended to provide binding contractor agreements. The Registry should attempt to determine whether the entity is qualified to perform a wide range of services. The services/programs to be provided will be guided by the EDC's plan, not the registry process.

4. Should certain training or certifications be permitted to substitute for some or all minimum experience requirements?

Response #4:

PPL Electric believes that training certification *per se* should not be a substitute for experience. Achieving certification is not equivalent to demonstrated effectiveness in performing services. The Commission should require all prospective providers to meet minimum experience standards or qualifications. In the case of commercial providers, if the Commission adopts an approach similar to that of DGS, such information would be provided in Part II of the DGS Form.

5. What effect, if any, should be given to entities approved as conservation service providers in other jurisdictions?

Response #5:

To be eligible for listing in the Registry, the Company recommends that entities from

other jurisdictions must, at a minimum, meet the qualification standards and requirements established by the Commission. Certification in another jurisdiction should not automatically qualify an entity as a provider in the Registry. However, PPL Electric believes that approval as a provider in other states should be one factor that the Commission considers in determining a provider's eligibility to be listed in the Registry.

6. Should bonding or a letter of credit be required? If so, what should be the minimum amount?

Response #6:

The burden of meeting the requirements of Act 129 ultimately rests with the EDC, and plans proposed by EDCs may vary greatly depending on the programs they choose to establish. For these reasons, the decision to require bonds or letters of credit should be left with the EDC on a case-by-case basis. The Commission should simply establish a Registry, not address additional requirements that an EDC may reasonably require. PPL Electric notes that the existing DGS process and the DGS Form require bonding references and information on the submitting firm's maximum bonding capacity.

7. Should insurance be required? If so, what type and what minimum amounts?

Response #7:

Professional liability and general liability insurance at limits appropriate to the size of the project seem prudent for provision of certain markets, but again such requirements should be left to individual EDC agreements. The Commission should simply establish a Registry, not establish the conservation programs or protections for such programs. The appropriate protections (including insurance) should be established by the EDCs in conjunction with the establishment of their programs. Since the Commission will ultimately approve the EDC's plan, the Commission will have ample opportunity to determine if the EDC has adequately addressed the issues of bonding, letters of credit and insurance.

8. Should background checks be performed? If so, what type?

Response #8:

Generally, background checks should not be required. However, background checks should be required for all field employees of a provider who will be entering a customer's premise (for all customer segments). In addition, depending on the type of work (e.g., energy efficiency projects at schools), there may be other required background checks. Individuals and participating organizations should be required to complete the background checks, certify the results to the PUC and provide the results to the EDC, upon request.

9. Should credit histories be required? If so, what should be disqualifying?

Response #9:

No. The existing DGS Form and process do not require disqualification based on credit histories. The DGS process does require submission of financial information including balance sheet and cash flow statements, banking references, and information on the submitting firm's credit history.

10. Should customer or trade references be required? If so, what should be the minimum number of references?

Response #10:

Yes. PPL Electric notes that the existing DGS Forms and process require at least 10 project and client references for completed guaranteed energy savings projects. However, individuals and non-profit providers should not be required to meet such a high standard. If the Commission decides that individuals and non-profit providers are required to submit customer or trade references, PPL Electric recommends a maximum of three such references.

11. Should satisfactory Better Business ratings be required?

Response #11:

Yes, for residential and small commercial providers. Such a provider should have a satisfactory rating with the local Better Business Bureau ("BBB"). The BBB looks for a pattern of complaints or a history of unresolved issues (e.g., did not address the consumer's concern). The Commission should be reluctant to add to its Registry an organization that has a poor record with the BBB. It is also important to note that the BBB treats non-profit organizations differently. The BBB examines the level of administrative funding of non-profits, rather than complaints about their services.

12. What information should be included on an application form?

Response #12:

The Commission should require submission of information similar to the types of information included in the DGS Form. The DGS Form is required for a guaranteed energy savings project program that already exists in the Commonwealth. The goal of Act 129 is to produce energy savings, which is the same goal of the DGS program. Accordingly it seems appropriate that similar information should be required to qualify for both the Registry and the DGS program.

13. What documents should be provided with an application?

Response #13:

The types of documents provided should be dependent on the customer segment that the provider proposes to serve. For commercial providers, the additional documents required in the DGS Form are financial statements, annual reports, and banking and bonding references. The Commission should establish similar requirements for inclusion in the Registry.

14. Should the Commission charge a registration fee? If so, what would be a reasonable registration fee?

Response #14:

No. A registration fee may present an unnecessary barrier. PPL Electric believes that it is important for the Commission to encourage a broad and varied range of qualified individuals and organizations to request inclusion in the Registry. Having more choices will benefit both consumers, the Commission and EDCs. Moreover, Act 129 does not authorize the Commission to impose any fees on these non-jurisdictional providers. However, if the Commission considers such a fee, it should be commensurate with the Commission's expenses in establishing the Registry.

15. Should there be a requirement for periodic re-qualification? If so, how often and how extensive should it be?

Response #15:

PPL Electric recommends re-qualification every three (3) years, which coincides with the re-qualification requirement in the DGS Form.

16. What other criteria should the Commission require?

Response #16:

PPL Electric recommends that the Commission establish rules and procedures for removing a provider from the Registry for failing to meet performance standards (poor quality of work, delays in completing work, a pattern of consumer complaints, etc.). The Company recommends a three-step process: 1) the Commission alerts the provider of performance issues and concerns, 2) the provider is given time to correct deficiencies and 3) the Commission removes the provider from Registry if corrective action is ineffective. If removed from the Registry, PPL Electric suggests that the provider would have to wait 12 months to re-apply.

Below is a table that summarizes PPL Electric's answers to the questions above:

Residential	Commercial	Industrial
PA Businesses, Minority/Female Owned, Insurable, Bondable Acceptable BBB	PA Businesses, Minority/Female Owned, Insurable, Bondable Acceptable BBB	PA Businesses, Minority/Female Owned, Insurable, Bondable
LIURP RESNET BPI Criminal background Experience	Experience Financial Existing Staff	Experience Financial Performance

**APPLICATION FOR RE-QUALIFICATION
(AFRQ)**

of

Energy Service Companies

for

**Guaranteed Energy Savings Contract
Projects in Commonwealth Agencies**

AFRQ NUMBER DGS



**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES
HARRISBURG**

EDWARD G. RENDELL

JAMES P. CREEDON

GOVERNOR

SECRETARY

**BUREAU OF FACILITIES MANAGEMENT
DEPUTY SECRETARY FOR PROPERTY MANAGEMENT
TODD GARRISON**

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)	5
Mandatory Requirements (II-2).....	15
Part III – Evaluation Criteria for Qualification	16
Part IV – Commitments and Conditions	17
Application Signature Page.....	18

Part I

General Information for Energy Service Companies

- I-1 **Purpose:** The purpose of this AFRQ is to re-qualify, as applicable, the Energy Service Companies (ESCOs) who were previously qualified by the Commonwealth of Pennsylvania for the years 2000-2003 to provide a full range of energy services and energy-related capital improvements, to Commonwealth agencies 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 Guaranteed Energy Savings Act, 62 Pa. CS §§ 3751 – 37578 (See: <http://www.legis.state.pa.us/WU01/LI/BI/BT/1997/0/SB0005P1924.HTM> and [<http://www.legis.state.pa.us/WU01/LI/BI/BT/2003/0/HB1996P4282.HTM>], at no initial capital cost to the Commonwealth agencies.

Except where an ESCO is removed from the list for cause or when all qualifications are rescinded, the new qualification period will be valid for three (3) years commencing on June 1, 2006 and extending through May 30, 2009.

ESCOs that desire to be re-qualified must comply with all terms and conditions of this AFRQ. ESCOs that are qualified by the Commonwealth and awarded guaranteed energy savings contracts pursuant to subsequently issued Requests For Proposals (RFPs) by Commonwealth agencies, and will be required to comply with all requirements contained in the Commonwealth's standard request for proposal ("RFP"), and standard energy audit and guaranteed energy savings contracts. Copies of these standard documents may be obtained at the Department of General Services website:

<http://www.dgs.state.pa.us/dgs/cwp/view.asp?a=3&Q=113676&dgsNav=|5054|>

ESCOs will be required to comply with the provisions of Act 28 of April 9, 1990, (71 P.S. § 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.

Through this AFRQ, and a companion Application for Qualification (AFQ), the Commonwealth will establish a pool of ESCOs qualified through the Department of General Services to contract with requesting Commonwealth agencies for guaranteed energy savings projects. For small guaranteed energy savings projects (below \$300,000) a Commonwealth agency shall select an ESCO from the pool based upon letters of interest and the ESCO applications. For large guaranteed energy savings projects (\$300,000 and above), a Commonwealth agency will issue a request for proposals (RFP) to solicit proposals from no more than three (3) qualified ESCOs. The three ESCOs will be selected by the issuing agency from the pool of qualified ESCOs, based upon ESCO Expressions of Interest (EOIs) and the agency's evaluation of applications submitted in response to the AFQ/AFRQ. The ESCO selected through the RFP process will provide a cost-effective guaranteed energy savings project for the issuing agency.

ESCOs qualified by the Commonwealth will be required to respond to all RFPs they receive from Commonwealth agencies, regardless of geographic locale, when requested by issuing agencies.

- I-2 Issuing Officer:** This AFRQ 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 AFRQ. 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 AFRQ 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) when requested by issuing agencies, regardless of geographic locale, during the three-year "Qualification Period".

Upon notification of qualification by the Commonwealth, the term of ESCO qualification will be valid for a period of three (3) years commencing June 1, 2006 and extending through May 30, 2009. Approved AFRQs 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.

All guaranteed energy savings contracts between Commonwealth agencies and qualified ESCOs are limited to terms of fifteen (15) years and shall provide that the 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 AFRQs or proposals or for attendance at any conferences or meetings related to this AFRQ 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.

- 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 Imagine Pennsylvania at the following website:
<http://www.vendorregistration.state.pa.us/>
- I-8 **Disclosure of AFRQ Response Contents:** The approved AFRQs 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 AFRQs 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 AFRQ:** If it becomes necessary to revise any part of this AFRQ, addenda will be provided to all ESCOs who received the original AFRQ.
- 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 ESCOs applications, but to provide information that may assist the individual ESCO in preparing any future AFRQs 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 AFRQ 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.
- I-13 **Applications:** To be considered, ESCOs must submit a complete application using the format provided in Part II of this AFRQ. ESCOs will not be given an opportunity to change any part of an application after submission. 10 bound copies of their AFRQ must be received by DGS. Refer to the Notice to Energy Service 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 AFRQ and have an original signature of an official authorized to sign on behalf of the ESCO.

The AFRQ, 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 AFRQ 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. 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.

Part II: Information Required From ESCOs

II-1. Statement of Qualifications:

Each ESCO shall submit 10 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. 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

_____ 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 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 Guaranteed Energy Savings Contracts Projects where your firm was the prime contractor with a first party written savings guarantee to the customer:

2005: \$ _____

2004: \$ _____

2003: \$ _____

2002: \$ _____

2001: \$ _____

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 manufacturing: _____%

Service and maintenance: _____%

Other: _____%

10. TECHNICAL QUALIFICATIONS AND PERSONNEL INFORMATION

10a. Indicate the number of all guaranteed energy savings contracting projects currently under contract with your firm. 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 specifically assigned to this project. Indicate the installed project cost value, and identify all projects currently in repayment. Single technology projects (e.g. lighting only, controls only, etc.) will not be considered. Attach additional sheets as necessary.

10b. Using the format provided below, briefly describe the relevant experience, qualifications and educational background for ONLY those PRIMARY team members (no more than 10 individuals) who will directly be working on this project. Do not include individual resumes.

Name of Project Team Member:	
Current Job Title: Job responsibilities: Number of years with ESCO: Primary Office Location:	
Employment History Company Name: Primary job responsibilities: Number of years with firm:	
Educational Background List all academic degrees, certifications, professional affiliations, relevant publications and technical training.	
List all energy performance contracting projects this individual has been involved with during past 5 years. Include project location, type of facilities, year implemented and dollar value of installed project costs.	
Describe the specific role and responsibilities this individual had for each listed project.	
Provide a detailed description of the role and responsibilities this individual will have for the duration of this project.	
Describe any other relevant technical experience.	
Indicate the total years of relevant energy-related experience for this individual.	

- 10c. Indicate whether your firm is currently accredited by the National Association of Energy Service Companies (NAESCO). ESCOs are not required to be accredited by NAESCO. All NAESCO accredited ESCOs will receive additional points.
- 10d. Certify that your firm will comply with all terms and conditions contained in the Commonwealth's Standard Request for Proposals (RFP) and Contract documents.

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 that may be used to fund construction for large-scale projects.
- 11d. Enclose bonding references including company name, address, contact person, telephone number and information on your firm's maximum bonding capability.
- 11e. Submit a copy of your firm's most recent annual report.

12. PROJECT HISTORY and CLIENT REFERENCES

On separate sheets of 8-1/2" x 11" paper describe at least 10 completed guaranteed energy savings contracting projects **in repayment** with at least one complete year's worth of savings performance data currently under contract with your firm. 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 specifically assigned to work on the Commonwealth's agencies projects. Attach additional sheets as necessary. Please indicate those references which involve state buildings.

Project Name and Location Number of Buildings Primary Use Total square footage	
Project Dollar Amount (installed project costs) Source of Project Financing	
Primary ECMs Installed ESCO Services Provided	
Construction Start & End Dates	
Contract Start & End Dates	
Dollar Value and Type of Annual Operational Cost Savings (if applicable) (e.g., outside maintenance contracts, material savings, etc.)	
Method(s) of Savings Measurement and Verification	
Provide CURRENT and ACCURATE telephone and FAX numbers of the owner(s)' representatives with whom your firm did business on this project. You should ensure that all representatives are familiar with this project.	
Describe the specific roles and responsibilities of ESCO personnel associated with the identified project. Limit your response to only those personnel who will be directly involved in Commonwealth projects.	
ESCO Notes or Comments	

COMPLETE THE FOLLOWING INFORMATION FOR EACH OF THE PROJECTS LISTED.

ANNUAL ENERGY SAVINGS DATA FORM

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)								

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

ANNUAL ENERGY SAVINGS DATA FORM

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)								

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

13. CAPABILITY AND EXPERIENCE PROFILE

Please check any of the items listed in the following table that your branch office is capable of performing, either with in-house resources or through the use of subcontractors.

TECHNICAL CAPABILITY	STUDIES		DESIGN	
	<i>In-house</i>	<i>Sub-contracted</i>	<i>In-house</i>	<i>Sub-contracted</i>
Lighting				
Electrical				
Medium Voltage Distribution up to 69 KV				
Building Electrical Systems				
Power Factor Correction				
Demand Limiting				
Security and Fire Detection				
HVAC				
Energy Management Systems				
Chillers				
Steam Heating				
Heat Pumps				
Heat Recovery				
VFDs				
VAVs				
Hot Water Heating				
Central Plants				
Central Chiller Plants				
Cogeneration				
Coal Fired/Stoker Fired				
Gas/Oil Fired				
Steam to Hot Water Conversions				
Package Boilers				
Water Conservation				
Toilet/Shower Replacements				
Laundry Equipment Upgrades				
Pool Equipment Improvements				
Kitchen Equipment Replacement				
Water Treatment				
Sewage Treatment				
Sewage Collection				
Building Envelope				
Windows				
Roofing				
Telecommunications				

Solid Waste Management				
-------------------------------	--	--	--	--

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 the 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 | |
|-----|-----|---|
| ___ | ___ | 1. Have you submitted a complete response to this AFRQ using the format provided in PART II? |
| ___ | ___ | 2. Does each copy of your AFRQ 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? |
| ___ | ___ | 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 AFRQ? |
| ___ | ___ | 4. Do you agree that your application will remain valid during the entire Qualification Period? |
| ___ | ___ | 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:
http://www.dgs.state.pa.us/dgs/cwp/view.asp?a=3&Q=113676&dgsNav= 5054 |
| ___ | ___ | 6. Do you agree, that unless 10 <u>copies</u> 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? |
| ___ | ___ | 7. Do you accept the PRIME CONTRACTOR RESPONSIBILITIES paragraph (I-6) of this AFQ? |
| ___ | ___ | 8. Do you currently have, or have you had, a prime contracting role in at least 10 completed energy performance contracting projects? |
| ___ | ___ | 9. Do you agree that if the Commonwealth finds any of your application information to be false, then you may be disqualified? |
| ___ | ___ | 10. 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.
- III – 2. **Evaluation of Applications:** Applications will be evaluated based on the completeness of the information provided in Section II 1 - 13. Failure to provide any of the requested information may result in disqualification.
- III – 3. **Criteria Ranking:** The following criteria are weighted using the letters A and B as indicators. Criterion labeled A = Most Significant; B = Significant. Only those ESCO applications that receive 75% or more of the total points available will be approved as “Qualified” by the Commonwealth for three-year “Qualification Period.”

Project Management

- A Ability to effectively manage project construction. Location and quality of engineering and construction management resources.
- B Comprehensiveness of monitoring, maintenance, and measurement and verification services on past projects.

Experience

- A Qualifications and experience of ESCO's personnel.
- A Experience with implementing guaranteed energy savings contracts.
- B Reliability of equipment performance on past projects.
- A Documented energy savings of previous 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

- B Comprehensiveness of the technical approach to past projects.

Financial

- A Financial soundness and stability of the ESCO.
- B Demonstrated ability to provide or arrange project financing.

Part IV

COMMITMENTS AND CONDITIONS

- IV-1 The ESCO must be officially qualified by the Commonwealth to be eligible to respond 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 ESCO agrees to serve all geographic locations in the Commonwealth of Pennsylvania.
- IV-5 The Qualification Period shall begin on June 1, 2006 and extend for a period of three (3) years from that date.
- IV-6 The ESCO agrees to comply with all processes, procedures, provisions, terms and conditions contained in the Standard RFP and Contract documents of the Commonwealth.

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 Re-qualification (AFRQ) 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 as to the geographic locations of such issuing agencies. 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