

May 21, 2013

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**SUBJECT: Energy Efficiency Market Acceleration Program –
Contract Awards**

SUMMARY

The Trustees are requested to ratify and approve the award of two contracts for services related to implementation of the Energy Efficiency Market Acceleration Program (“EE-MAP”) each for a term of up to five years, in the aggregate amount of up to \$20 million. The contracts are with Syracuse University (Syracuse Center of Excellence) of Syracuse, New York and the Institute for Building Technology and Safety (“IBTS”) of Ashburn, Virginia.

Due to the need to commence services, interim contract awards were made in the initial aggregate amount of \$1 million in April 2013 in accordance with the Authority’s Guidelines for Procurement Contracts and Expenditure Authorization Procedures, subject to the Trustees’ approval.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year.

In accordance with the Authority’s Expenditure Authorization Procedures, the award of non-personal services, construction, equipment purchase or non-procurement contracts in excess of \$3 million, as well as personal services contracts in excess of \$1 million if low bidder, or \$500,000 if sole-source or non-low bidder, requires the Trustees’ approval.

The Authority provides clean, low-cost, and reliable energy consistent with its commitment to the environment and safety, while promoting economic development, job development, energy efficiency, renewables and innovation, for the benefit of its customers and all New Yorkers. Since the late 1980s, the Authority has provided energy services programs throughout New York State (“NYS”). In aggregate, the Authority’s energy services programs (“ESP”) have achieved over \$140 million in annual customer savings at about 3,800 public facilities, including schools, hospitals and municipal buildings, for a reduction of annual greenhouse gas emissions of more than 830,000 tons.

In June 2012, Authority Trustees authorized \$30 million to fund the EE-MAP program over a five-year period. EE-MAP will include research and market development activities as well as demonstration projects targeting the deployment of commercial, but not as yet widely deployed energy efficiency products and services. The program supports New York’s clean

energy goals and will help increase economic development activity in the New York State energy efficiency industry.

DISCUSSION

EE-MAP is designed to grow the energy efficiency industry in New York, help bring innovative energy saving technologies to market and advance New York's technology leadership in this important industry. EE-MAP will also increase the efficiency and effectiveness of existing energy service programs in New York through improved implementation processes and delivery methods.

The Authority advertised a Request for Proposals ("RFP") (Q12-5328MR) in the New York State *Contract Reporter* on September 18, 2012, soliciting firms and research institutions interested in providing EE-MAP implementation services. Two hundred and one (201) companies downloaded the RFP. Seven (7) proposals were received on November 20, 2012.

The proposals were evaluated by an evaluation committee consisting of staff members from Clean Energy Technology, Economic Development and Energy Efficiency, and Procurement. Proposal evaluation was also conducted by the Electric Power Research Institute ("EPRI") and the New York State Energy Research and Development Authority ("NYSERDA") staff members who were non-voting members of the evaluation committee.

The evaluation committee members reviewed the proposals and based their scores on pre-determined criteria and weighting factors. These criteria included the firm's understanding of the program objectives, relevant technical experience with energy efficiency technology and programs, project team organization and experience, project management and controls, knowledge of applicable codes, previously completed work, financial security, deviations and exceptions, proposal content and format and proposed costs.

Based on a thorough evaluation of the proposals, proposed costs, and subsequent interviews, and as further set forth in the award recommendation documents, Authority staff recommends the award of contracts to Syracuse University (Syracuse Center of Excellence) and the Institute for Building Technology and Safety.

The initial services provided by the awardees will be to work with the Authority to develop a detailed business plan for implementation of the EE-MAP program. Follow-on services will include:

1. Screen and select energy efficiency products and services capable of gaining additional market share and providing economic benefits to New York.
2. Identify and implement energy efficiency demonstration projects at facilities of eligible participants of the Authority's energy services programs to validate advanced and emerging energy efficiency technologies and equipment performance. Demonstration sites may also serve as testing laboratories and centers for training and education.

3. Develop new energy efficiency markets in coordination with state agencies and authorities and distribution utilities. These efforts will assist in forming strategic alliances and economic development opportunities for energy efficiency technology companies. Activities will include collaborating with research institutions, coordinating meetings between the technology companies, ESP eligible participants, and other state agencies, to improve industry access to efficiency investments made at public facilities.
4. Attract technology companies with commercial, but not yet widely deployed energy efficiency products and systems to New York from other states.
5. Create or facilitate market channels for emerging technology companies with commercial energy efficiency products and services. The Authority is ideally positioned to accelerate the deployment of these products and services because of its very large annual energy efficiency business with public entities.
6. Work closely and provide training to consulting engineers, architects, contractors and maintenance service providers to design, specify, install and maintain these commercial, but not yet widely deployed energy efficiency products and services.

FISCAL INFORMATION

The aggregate award amount of up to \$20 million will come from Operating Funds as authorized for the EE-MAP program by the Trustees in June, 2012. The exact allocation of the funds between the two awardees will be determined during the business plan development phase of the program and will be based on each awardee's roles and responsibilities for the program.

RECOMMENDATION

The Senior Vice President – Strategic Planning recommends that the Trustees ratify and formally approve the award of contracts for services related to implementation of the Energy Efficiency Market Acceleration Program, including program development, Target Product selection and demonstration, and market development, for up to a five-year term, in the aggregate amount of up to \$20 million to Syracuse University (Syracuse Center of Excellence) of Syracuse, New York and the Institute for Building Technology and Safety of Ashburn, Virginia.

For the reasons stated, I recommend the approval of the above requested actions by adoption of a resolution in the form of the attached draft resolution.

Gil C. Quiniones
President and Chief Executive Officer

Att.
Energy Efficiency Market Acceleration Program

RESOLUTION

RESOLVED, That in accordance with the Guidelines for Procurement Contracts adopted by the Authority and the Authority’s Expenditure Authorization Procedures, ratification and approval is hereby granted to award contracts in an aggregate amount of \$20 million for Energy Efficiency Market Acceleration Program implementation services, including program development, Target Product selection and demonstration, and market development, to the firms listed below:

<u>Consultant</u>	<u>Contract Approval</u>	<u>Completion Date</u>
Syracuse University (Syracuse Center of Excellence)	<u>\$20 million*</u> (aggregate)	4/10/2018
and Institute for Building Technology and Safety		4/04/2018

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

*Drawn from \$30 million authorized by the Trustees on 6/26/2012 for the EE-MAP Program