Clean Energy Business Growth & Development Program Opportunity Notice (PON) 1124
6 Million Total Available for 3 rounds

Proposal Due Dates: September 5, 2007, by 5:00 PM Eastern Time February 4, 2008, by 5 PM Eastern Time, and August 4, 2008, by 5 PM Eastern Time.
All, or none, of the available funds could be allocated in any one round.

Program Summary: NYSERDA seeks to help clean energy companies achieve success, grow, and develop new markets for clean technologies through new or expanded manufacturing, assembly, installation, distribution, sales and/or service of clean energy equipment and systems in New York State. Clean energy includes electricity generation and efficient electric use technologies, component parts and systems. Eligible technologies include, but are not limited to: all types of renewable and waste heat electricity generation (such as organic Rankine cycle systems), electricity storage, fuel cells, inverters and other power conversion devices, power quality and monitoring devices, pumps and motors, refrigeration and air conditioning systems and components, lighting and daylighting, superconducting products, equipment operation sensors and monitoring devices, meters and energy systems management equipment, and microwave and other electrical systems used to produce heat. All technologies must be commercially available or in a near commercial stage of development. Technologies requiring additional R&D will not be eligible for funding under this solicitation.

Proposed project goals may be to develop new or expanded clean energy businesses for sales and service or manufacturing, expand a current business model into a new market area, solve marketing problems that companies are experiencing, introduce into New York a commercially available technology developed in another state or country, etc. Typical deliverables may include business plans, strategic alliances, intellectual property rights to develop new businesses in NYS, new product design and specifications, new markets for an existing clean energy technology, securing capital for manufacturing equipment or parts inventory, etc. Production incentives or subsidies for the installation and operation or demonstration of any technology will not be funded under this PON. This program will not fund technology development activities. Maximum project award is $200,000, and contractor must provide at least a 50 percent cost share. Business plans for the proposed work must be included in the proposal, or can be an early deliverable.

Proposers should be businesses with operations in NYS seeking to initiate new operations or expand existing ones, or businesses outside NYS willing to open operations in NY as part of work under this PON. NYSERDA anticipates holding a pre-bidders information session soon after release of this PON. Please visit the NYSERDA website for information on date(s) and time(s).
Proposal Submission: Proposers must submit nine (9) copies and one (1) copy on CD of the proposal with a completed and signed Proposal Checklist attached to the front of each copy, one of which must contain an original signature. Proposals must be clearly labeled and submitted to:

Roseanne Viscusi, PON 1124
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

If you have technical questions concerning this solicitation, contact Sarah Osgood at (518)862-1090, ext. 3301 or sjo@nyserda.org. If you have contractual questions concerning this solicitation, contact Diane Vogel at (518)862-1090, ext. 3299, or drv@nyserda.org. No communication intended to influence this procurement is permitted except by contacting Sarah Osgood (Designated Contact) by telephone and/or e-mail above. Contacting anyone other than this Designated Contact (either directly by the proposer or indirectly through a lobbyist or other person acting on the proposer's behalf) in an attempt to influence the procurement: (1) may result in a proposer being deemed a non-responsible offerer, and (2) may result in the proposer not being awarded a contract.

*Late or incomplete proposals, including those lacking the appropriate completed and signed Proposal Checklist will be returned. Faxed or e-mailed proposals will not be accepted. Proposals will not be accepted at any other NYSERDA location other than the address above. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at www.nyserda.org.

I. Introduction and Background

The New York State Energy Research and Development Authority (NYSERDA) is currently implementing and developing many programs and initiatives under the **New York Energy $mart**[sm] Program which is funded by the System Benefits Charge (SBC). The **New York Energy $mart**[sm] program territory consists of Central Hudson Gas & Electric Corp., Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas & Electric utility service areas. The proposed business operations under this PON must be in the service territory of one or more of these utilities.

NYSERDA is working toward a cleaner energy supply for New York. We believe it can be achieved by supporting in-state clean energy research and development, helping clean energy businesses and manufacturing thrive, and educating consumers about new ways to produce or use electricity with less adverse environmental impact.

Through this solicitation, NYSERDA seeks to help clean energy companies achieve success and build industry and markets for clean technologies in the State. Other NYSERDA programs to assist clean energy businesses include funding for renewable and other environmentally preferred technologies through PON 1118, and project funding up to $1 million for developing and expanding manufacturing facilities (PON 1115). For information about current **New York Energy $mart**[sm] clean energy programs, incentives and activities please visit: www.PowerNaturally.org.

II. Program Objectives

NYSERDA seeks to help clean energy companies succeed, grow, and develop new markets for clean technologies through new, improved, or expanded manufacturing, assembly, installation, distribution, sales and/or service of clean energy equipment and systems in NY State.

Business development activities supported under this program will focus on expanding the market for clean energy technologies. Examples of eligible technologies include but are not limited to:

- all types of renewable and waste heat electricity generation (for example, organic Rankine cycle systems)
- electricity storage, fuel cells, inverters and other power conversion devices
- power quality and monitoring devices
- high efficiency pumps and motors, refrigeration and air conditioning systems and components
- lighting and daylighting
- superconducting products
- equipment operation sensors and monitoring devices, meters, and energy systems management equipment
- microwave and other electrical systems used to produce heat.

All technologies must be commercially available or in a near commercial stage of development. Technologies requiring addition R&D will not be considered under this PON.

Successful proposals must outline an innovative strategy and quantifiable business targets that will result in increased markets, jobs, and sales and/or cost reductions. Projects may seek to:

- reduce installed system cost and improve performance through streamlined installation and packaging
- develop new or expanded clean energy businesses for sales and service or manufacturing
- expand a current business model into a new market area
- solve manufacturing and marketing problems that companies are experiencing
- introduce into New York a commercially available technology developed in another state or country, etc.

Typical project milestones and deliverables may include:

- business plans
- strategic alliances
- intellectual property rights to develop new businesses in NYS
- new product design and specifications
- new markets for an existing clean energy technology
- securing capital for manufacturing equipment or parts inventory, etc.

Production incentives or subsidies for the installation and operation of renewable generation will not be funded under this PON. Technology development activities and equipment purchases will not be supported. Proposers should be businesses with operations in NYS seeking to initiate new operations or expand existing ones, or businesses outside the State willing to open operations here as part of this PON.

Business plans for the proposed work are required, and can be an early project deliverable. Go/no-go decision points along with milestone payments will be included in projects as appropriate to assess project results and minimize risk. Agreements awarded by NYSERDA under this PON must be with a company or business in a position to implement the business plan included in the proposal.

III. Proposal Requirements

General Requirements

Proposers must submit nine (9) copies of the completed proposal plus one copy on CD to the attention of Roseanne Viscusi at the address on the front of this PON. A completed and signed Proposal Checklist must be attached as the front cover of your proposal, one of which must contain an original signature. **Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist will be returned.** Faxed or e-mailed copies will not be accepted.

Proposals should not be excessively long (longer than 30 pages of 2-sided copy), nor provided in plastic binders of any kind. Hard copies of proposals should be presented simply stapled in one corner with two-sided copying. Quality content is much more important than volume. Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not favorably influence the evaluation of the

proposal. Each page of the proposal should state the name of the proposal, the PON number (1124) and the page number.

Procurement Lobbying Requirements

Procurement Lobbying Requirements - State Finance Law sections 139-j and 139-k
Procurement lobbying requirements contained in State Finance Law sections 139-j and 139-k became effective on January 1, 2006. (The text of the laws are available at: http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html). In compliance with §139-j and §139-k of the State Finance Law, for proposals submitted in response to this solicitation that could result in agreements with an annual estimated value in excess of $15,000, additional forms must be completed and filed with proposals: (1) a signed copy of the Proposal Checklist including required certifications under the State Finance Law and (2) a completed Disclosure of Prior Findings of Non-Responsibility form. Failure to include a signed copy of the Proposal Checklist referenced in this solicitation will disqualify your proposal.

Proposal Format

1.0 Cover Letter and Abstract

Please submit a cover letter on company letterhead that references this PON and provides a brief summary of the proposed project – for example, a new business venture, or the problem that proposers would like to address and the proposed strategy to resolve the problem through a new business effort.

Proposers should describe teaming and partnering arrangements and the ability to perform services that meet the overall goals and objectives of the project(s) proposed. The cover letter must also include firm name, address, telephone and fax number, e-mail address, contact person, year that the firm was established, and type of firm (partnership, corporation, sole proprietor, etc.). The cover letter must be signed by a person with the authority to enter into a contract with NYSERDA.

2.0 Proposal Information

Please answer all questions.

1) What is your idea for this project? How did it come about? Describe specifically the product or service to be offered.

a) Who are the target customers for this product or service?
   1) How do you intend to both market and sell to them?
   2) What number and/or type of customers, if any, are you currently selling to?
   3) What number of customers do you envision selling to in 3 years?
   4) Describe the economics of your product or service from the perspective of a single potential customer.
   5) Describe the economics of your product or service from your company's perspective.

b) Describe in a maximum of two sentences the main value added provided by your product or service to potential customers.

c) Describe in a maximum of four sentences two main obstacles your company faces in getting your product or service sold to potential customers.

2) What are the Key Business Objectives you must achieve for your proposed project to be successful? Please list them out.

a) How will you measure the success of your efforts?

3) How will successful completion of this project benefit New York State? Please include metrics that NYSERDA will use to evaluate your success. Benefits include taxes paid to NYS and other economic multipliers, such as purchase of goods, supplies or services in NYS.

4) How will NYSERDA funds be used in your project?

Complete the table in Section 2.1 for each Key Business Objective you have identified.

2.1 Project Statement of Work

Project Information: Break down each Key Business Objective into the major tasks required to achieve it in the table format as shown below. Provide sufficient discussion and explanation to clearly explain your plan. Include your business plan for this project with your proposal. The information on the tables that you submit will be used as part of the Statement of Work for your project.

Key Business Objective:	**Personnel Responsible**	**Milestone to be Achieved**	**Target Date for Completion of Milestone**	**NYSERDA milestone pay't requested and cost share provided**
Task 1				$
Task 2				$
Task 3				$
Task 4				$

This section also should contain **schedule and budget** elements for project meeting and reporting.

3.0 Company Information

Please answer the following questions relative to your proposed work and attach resumes of personnel who will be working on the project.

1) Please identify and quantify the market for your product both in and outside of NY State.

a) Who are your chief competitors for this product or service?

2) What are your company's strengths/weaknesses?

3) How many employees (full-time/part-time) do you have?

4) What is your sales/marketing plan to achieve success?

5) Are there any other pertinent facts about your company/business that you would like to present?

4.0 Financial Capabilities

1) Describe your company's financial status. Give us a snapshot of the past five years to present, and where you envision your situation five years from now. Provide both revenues and P&L for the past five years and your projections for the next five.

2) Can you provide the required minimum of 50 percent co-funding for the project? Please indicate sources of financial support for your company and describe the relationship between your company and any other parties that intend to financially participate in the project.

3) What are your company's risks and how are you mitigating them?

5.0 Letters of Commitment

Include letters of commitment, signed by a person authorized to contractually obligate the organization, for all participating organizations and cost-sharing parties. **Absence of letters of commitment or support will be interpreted as the proposer not having commitment or support from those parties.**

6.0 Schedule

Please provide an overall schedule, using dates provided in the Project Statement of Work table. Projects should be completed within 12-24 months. Projects that result in near term results/benefits will be given preference.

7.0 Budget / Funding

Complete the Contract Pricing Proposal Form (CPPF) attached to this PON (Attachment C) for the work to be performed during the project, indicating the degree and breakdown of cost sharing in the appropriate format. The CPPF form must break down costs by total project, including in-kind contributions. For each subcontractor with a proposed subcontract in excess of $10,000, include a detailed budget breakdown for equipment, material, and travel. Provide rates for each skill type or labor category identified.

Cost Sharing - The proposal should show non-NYSERDA funding of at least **50 percent** of the total cost of the project. Cost sharing can be from the proposer, other team members, and other government or private sources. Contributions of direct labor (for which the laborer is paid as an employee) and purchased materials may be considered "cash" contributions. Unpaid labor, indirect labor, or other general overhead may be considered "in-kind" contributions. NYSERDA will not pay for efforts that have already been undertaken. The proposer or

proposing team cannot claim as cost-share any expenses that have already been incurred. Show the cost-sharing plan in the following format (expand table as needed):

	Cash	In-Kind Contribution	Total
NYSERDA	$	$	$
Proposer	$	$	$
Others (list individually)	$	$	$
Total	$	$	$

Cost-sharing to support routine or normal business activities currently conducted by the team will not be considered. Proposed in-kind cost sharing must be for items necessary to complete the project as defined in the Statement of Work.

Attach supporting documentation to support indirect cost (overhead) rate(s) included in your proposal as follows:

- Describe the basis for the rates proposed (i.e., based on prior period actual results; based on projections; based on federal government or other independently-approved rates).

- If rate(s) is approved by an independent organization, such as the federal government, provide a copy of such approval.

- If rate(s) is based on estimated costs or prior period actual results, include calculations to support proposed rate(s). Calculation should provide enough information for NYSERDA to evaluate and confirm that the rate(s) is consistent with generally accepted accounting principles for indirect costs.

NYSERDA reserves the right to audit any indirect rate presented in the proposal and to make adjustment for such discrepancies. Requests for financial statements or other needed financial information may be made if deemed necessary.

A proposer whose project has been selected for funding and who has entered into a contract with NYSERDA may invoice NYSERDA for payments monthly or in conjunction with achievement of specific milestones as set forth in the proposed project plan. NYSERDA will retain 10 percent of each invoice, to be released upon approval of the Final Report.

NYSERDA will provide funding up to a maximum of $200,000 per award. A total of $6 million in NYSERDA funding is available under three due dates for this solicitation. NYSERDA may reissue this PON or a similar solicitation until total budgeted funding is committed. NYSERDA reserves the right, in its sole discretion, to make no awards, or to award less than the maximum amount set forth in this solicitation.

IV. Proposal Evaluation

Proposals that meet requirements of this solicitation will be reviewed and ranked for business merit, project merit, and cost-value relationship, including cost sharing or co-funding, based on

the criteria below, by a Technical Evaluation Panel (TEP) consisting of NYSERDA staff and selected outside reviewers. Significant deficiencies by a proposer will directly impact the TEP's evaluation of the project and the likelihood of an award. In addition, final rankings may be based on programmatic and management considerations. All references to the "proposer" below apply to the proposer and any additional Team members.

After the proposals are reviewed by the technical evaluation panel, NYSERDA will notify each proposer as to whether or not the proposal was favorably evaluated. Proposers receiving favorable evaluations as a result of this initial TEP review process **may** be invited to NYSERDA's Albany offices to present and interview with an audience consisting of TEP members, NYSERDA staff, and invited guests. Proposers may also be asked to answer written questions from the TEP or address specific questions or recommendations of the TEP during the presentation.

After final consideration and evaluation of the proposals and presentations (if required), NYSERDA will notify each proposer whether or not the proposal was favorably evaluated. Within approximately **10 to 12 weeks from the proposal due date**, NYSERDA expects to notify each proposer whether its proposal has been selected to receive an award.

Evaluation Criteria

Proposals must meet the following criteria and fully answer the questions in this PON, or they will not be considered for funding.

1) Project goals and objectives must be clearly linked to new, improved, or expanded manufacturing, assembly, installation, distribution, sales and/or service of clean energy equipment and systems in New York State. Proposers must demonstrate that the proposed project strategies and activities will accomplish their goals and objectives.

2) The proposal must be complete and responsive to all solicitation requirements.

3) Proposed projects must be for new or expanded business and not part of routine business operations.

4) Project cofunding requirements must be met.

5) Proposers must demonstrate the project's potential to have a beneficial impact on the NYS clean energy market.

6) The project must be consistent with the objectives of the program as stated.

Projects meeting these evaluation criteria will be evaluated by the technical evaluation panel on the criteria specified below.

Qualitative/Quantitative Criteria to be Used by the Technical Evaluation Panel

Overall Proposal Quality

How responsive is the proposal to NYSERDA's request as specified in this PON?

Is the proposed work well-conceived and likely to succeed? Is it likely to achieve the business goals and key business objectives set forth in the proposal?

Does the proposal contain a financial plan, outline management plans, and needs, market analysis and marketing strategies?

Are the business strategies and implementation activities proposed appropriate to meet the objectives?

Are significant project milestones identified? How effective are the proposed milestone payments in ensuring project success? Are realistic alternatives outlined in the event the milestones are not achieved?

Is a business plan included? What is its quality?

New York State Benefits

Will this proposal result in new and expanded clean energy business and an increase in employment in New York?

Will the project result in an increase in the manufacture, distribution, assembly, service, etc., of clean energy technologies in New York?

To what degree will the proposed effort increase markets or adoption of clean energy systems in New York State?

Proposer Qualifications

Does the proposer and/or team demonstrate prior experience in the area of work proposed? Are resumes provided?

Are the roles of the project team clearly defined?

How complementary are the skills and background of the team members? Is team experience appropriate for carrying out the project as proposed?

Does the proposal adequately identify and address appropriate stakeholders?

Does the proposal clearly indicate the proposer's inherent role in and relationship to proposed activities?

Is there a capable plan for project coordination and management presented by the project sponsor and team?

Have letters of commitment been provided?

Budget and Schedule

Are the budget and schedule for proposed activities and deliverables reasonable (e.g., budgeted costs match the scope of planned activities)?

Does the schedule identify key milestones?

Can the effort be financially supported by the proposer or team?

To what degree are NYSERDA funds leveraged by proposer cost sharing?

Does the allocation of cost sharing demonstrate an appropriate level of risk sharing between NYSERDA and the proposer?

Can cost-sharing be verified?

Does the proposal leverage funding from other NYSERDA programs?

Other

Other programmatic and management factors deemed appropriate by NYSERDA.

Proposers' past performance in NYSERDA programs.

Geographic distribution and impact of projects.

V. GENERAL CONDITIONS

Proprietary Information - Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSERDA that the proposer wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to except it from disclosure, including a written statement of the reasons why the information should be excepted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 www.nyserda.org/nyserda.regulations.pdf. However, NYSERDA cannot guarantee the confidentiality of any information submitted.

Omnibus Procurement Act of 1992 - It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development
Division For Small Business
30 South Pearl Street

Albany, NY 12245

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development
Minority and Women's Business Development Division
30 South Pearl Street
Albany, NY 12245

State Finance Law sections 139-j and 139-k - NYSERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements that can be found at http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html The attached Proposal Checklist calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k and the Disclosure of Prior Findings of Non-responsibility form includes a disclosure statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.

Tax Law Section 5-a - NYSERDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSERDA having a value in excess of $100,000, to certify to the Department of Taxation and Finance (the "Department") whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. *See,* ST-220-TD (available at http://www.tax.state.ny.us/pdf/2006/fillin/st/st220td_606_fill_in.pdf). Prior to contracting with NYSERDA, the prospective contractor must also certify to NYSERDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a perspective contractor prior to contacting and filed with NYSERDA. *See,* ST-220-CA (available at http://www.tax.state.ny.us/pdf/2006/fillin/st/st220ca_606_fill_in.pdf). The Department has developed guidance for contractors which is available at http://www.tax.state.ny.us/pdf/publications/sales/pub223_606.pdf.

Contract Award - NYSERDA anticipates making multiple awards under this solicitation. It may award a contract based on initial applications without discussion, or following limited discussion or negotiations. Each offer should be submitted using the most favorable cost and technical terms. NYSERDA may request additional data or material to support applications. NYSERDA will use the Sample Agreement to contract successful proposals. NYSERDA expects to notify proposers in approximately 10-12 weeks from the receipt of an application whether the proposal has been selected to receive an award.

Limitation - This solicitation does not commit NYSERDA to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSERDA reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in NYSERDA's best interest.

Disclosure Requirement - The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or

any state or territory of the United States, and shall describe circumstances for each. When a proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of NYSERDA after the award of a contract, NYSERDA may exercise its stop-work right pending further investigation, or terminate the agreement; the contractor may be subject to penalties for violation of any law which may apply in the particular circumstances. Proposers must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

VI. Attachments:

Attachment A: Proposal Checklist

Attachment B: Disclosure of Prior Findings of Non-Responsibility

Attachment C: Contract Pricing Proposal Form

Attachment D: Sample Agreement