



**Industrial and Process Efficiency Program  
Program Opportunity Notice (PON) 2456  
\$31,000,000 available**

**Applications are accepted on a first-come, first-serve basis through  
December 29, 2017 or until funds are exhausted.**

## **Program Summary**

The **Industrial and Process Efficiency** Program Opportunity Notice (PON) 2456 offers performance-based incentives to manufacturers and data centers that implement cost-effective electric and fossil fuel<sup>1</sup> efficiency and process improvements as outlined below:

- **Industrial Manufacturing Improvement** incentives are offered to offset the cost of energy projects at industrial sites. The focus is on cost effective projects that result in a gross reduction of energy usage or a net reduction of energy usage per unit of production.
- **Data Center Improvement** incentives are offered to offset the costs of energy projects at data center sites. The focus is on increasing information technology (IT) efficiency and minimizing support (power and cooling) system energy consumption per unit of compute.
- **New Construction** incentives are offered to offset the costs of installing energy efficient process and building equipment in new industrial and data center facilities. The focus is on designing energy efficiency into both the building and the process.
- **Operations & Maintenance (O&M)** incentives are offered to support upgrades and initiatives that promote persistent and measurable operations-based energy savings.

Facilities can receive both electric and fossil fuel incentives from the Industrial and Process Efficiency Program, subject to program requirements. Incentives are performance based (see Section II for incentive rates and Section III for eligibility requirements) and are capped at \$1 million dollars per electric Project and \$500,000 per fossil fuel Project. Each company is subject to a total program incentive cap of \$2,000,000 for any combination of electric and fossil fuel Projects.

Please note that cost-shared Flexible Technical Assistance is also available to manufacturers and data centers through PON 1746 for targeted, site-specific, energy studies.

**Application Submission:** Incentives are offered both Upstate and Downstate. Please see Section II: Incentives for details.

Applicants should visit the NYSERDA Consolidated Funding Application (CFA) page to fill out the CFA on-line form and NYSERDA will receive the application: <http://www.nyserda.ny.gov/Funding-Opportunities/Consolidated-Funding-Application.aspx>  
(See Section IV for further details)

**Program Assistance:** NYSERDA's Industrial and Process Efficiency team can help identify and prioritize projects that will maximize energy productivity savings. NYSERDA's team is available to:

- Consult with Facilities and Applicants about eligibility

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<sup>1</sup> NYSERDA reserves the right to evaluate eligibility of other non-electric fuels.

- Schedule site visits and discuss energy efficiency measures
- Assist Facilities and Applicants with the application process
- Applicants interested in Industrial and Process Efficiency opportunities should contact: [IPEOutreach@nyserda.ny.gov](mailto:IPEOutreach@nyserda.ny.gov)

**Program questions should be directed to:**

Upstate: Stacey Sabo, 866-NYSERDA ext. 3037, [stacey.sabo@nyserda.ny.gov](mailto:stacey.sabo@nyserda.ny.gov)  
 Downstate: Megan Fisher, 866-NYSERDA ext. 3627, [megan.fisher@nyserda.ny.gov](mailto:megan.fisher@nyserda.ny.gov)

All Contractual questions should be directed to: Venice Forbes ext. 866-NYSERDA 3507, [venice.forbes@nyserda.ny.gov](mailto:venice.forbes@nyserda.ny.gov).

## I. Introduction

The Industrial and Process Efficiency Program's goal is to help manufacturers and data centers increase product output and improve data processing as efficiently as possible by focusing on projects that improve manufacturing process productivity and data center efficiency. Incentives are calculated, when appropriate, on a reduction in energy usage per unit of production or workload. Projects may include those that increase productivity and capacity, enhance reliability, and/or increase uptime. Incentives are available for both electric and fossil fuel projects for the custom and site-specific use of commercially available technology. Incentives are based on one (1) year's energy savings from installed Projects. Both existing and new facilities are eligible to participate. Projects may involve Process Efficiency, Energy Efficiency, or O&M.

### Definitions:

**Applicant:** The entity receiving the approved incentive amount upon Project completion, and will be responsible for delivering the energy savings. Applicants can include third parties such as Energy Service Companies (ESCOs), Facility owners, management companies, and/or tenants with the authority to make improvements.

**Facility:** The building or structure where the energy efficient measures are being implemented. A Facility can also be the Applicant on its own behalf.

**Project:** The plan for the implementation of eligible measures at a specified Facility. The Project may include multiple energy efficiency measures.

**Technical Consultant:** Engineering firm contracted with NYSERDA to provide assistance to Applicants and technical review of Projects.

### Types of Projects:

**Process Efficiency** – Projects that install a new process or improvements to an existing process resulting in a gross reduction of energy usage, or a net reduction of energy usage per unit of production. Projects may involve:

- Industrial and data center process improvements or new installations
- Capacity additions that improve the energy use per unit processed
- Quality improvement
- Waste and scrap reduction
- Throughput increase
- IT improvements including desktop virtualization, server, storage, network, and telecommunications projects

**Energy Efficiency (related to process)** – Projects that result in the reduction of on-site consumption of energy in new or existing facilities. Projects may involve:

- New construction
- Energy/heat recovery
- Space conditioning improvements (related to IT or industrial processes only)
- Pumping system improvements
- Compressed air efficiency
- Fluid and support system improvements

- Air flow management improvements

**O&M** – Projects that deliver verifiable annual energy savings resulting from upgrades or initiatives to improve operations. Projects may involve:

- Compressed air system leak management
- Replacement of leaking steam traps
- Installation of cogged styles fan belts
- Burner tune-up

**Applicants considering projects related to measures not listed above should contact NYSERDA to discuss eligibility.**

## II. Incentives

### Available Funds

Funds are available through this PON for Industrial and Process Efficiency incentives and will be paid out on a first-come, first-served basis. If additional funds become available, NYSERDA reserves the right to increase the total available funding under this PON. NYSERDA will initially allocate 60% of available funding for electric Projects. NYSERDA reserves the right to make modifications to the allocation depending on program participation.

### Process and Energy Efficiency Incentives

Incentive Type	Energy Source	Upstate Incentive	Downstate Incentive
<b>Process and Energy Efficiency</b>	Electric	\$0.10/kWh	\$0.16/kWh
	Fossil Fuel	\$6/MMBtu	
<b>Operations &amp; Maintenance (O&amp;M)</b>	Electric	\$0.04/kWh	
	Fossil Fuel	\$3/MMBtu	
<b>Minimum Incentive</b>	\$25,000		
<b>Maximum Incentive</b>	50% Project cost		
	\$1 million / Project Electric and \$500,000/ Project Fossil Fuel \$2 million total / company		

*Notes: The incentive rates shown above are based on annual energy savings. Incentives are determined by multiplying the annual energy savings by the rates shown.*

### NYSERDA Payment

Upon approval of all final deliverables, NYSERDA will provide full payment for Projects not requiring M&V and partial payment for Projects requiring M&V (see Section IV for further details). Once the M&V is completed, NYSERDA will review the results and release any remaining funds (which may be adjusted, based upon the M&V results.) At NYSERDA's discretion, progress payments may be made available upon request.

## III. Program Eligibility Requirements

The Industrial and Process Efficiency Program is available to the manufacturing sector in New York State and targets key industries such as: chemicals and pharmaceuticals; primary metals, non-metallic minerals; pulp and paper; automotive; computers and electronics; food processing; and forest products. It includes manufacturing facilities, or support operations such as warehousing and distribution sites. Mining and extraction, as well as water and wastewater, are also included.

Data centers are eligible under the Industrial and Process Efficiency Program, and are found in nearly every sector. Key target sectors for data centers include financial services, technology services, cable and telecommunications, insurance and medical, as well as colleges and universities.

To be eligible for incentives a Facility must pay into the System Benefits Charge (SBC) on their electric bill through one (1) of the below utility companies. Up to twelve (12) months of utility bills may be requested to verify the Facility's annual SBC contribution.

	Utility Company	Electric
Downstate	Consolidated Edison Company of New York, Inc.	X
Upstate	Central Hudson Gas & Electric Corporation	X
	National Grid Generation d/b/a National Grid	X
	New York State Electric & Gas Corporation	X
	Orange and Rockland Utilities, Inc.	X
	Rochester Gas and Electric Corporation	X

Note: Only certain service rate classes are eligible. Please check the Facility's current utility bill.

#### Other Eligibility and Program Information

- Projects at both existing and new Facilities are eligible. This includes upgrades to equipment and processes within new or existing Facilities, or substantial renovations to industrial and data center facilities.
- The total incentive cannot exceed 50% of the Project cost for most Projects. Project cost may include equipment, external engineering services costs, and approved internal labor costs. If approved, internal labor costs must be documented and are limited to 25% of the Project cost.
- Multiple measures may be bundled into one (1) Project application.
- All measures are expected to achieve savings for at least five (5) years.
- Projects with simple payback periods greater than 18 years (excluding NYSERDA incentives) may be ineligible.
- An Applicant or a Facility may receive only one (1) incentive per measure from any of NYSERDA's programs.
- An Applicant or Facility may receive an incentive for a specific energy efficiency measure either through NYSERDA or one (1) of the utility companies listed on this page, but not both.
- Ineligible Projects include power quality, power factor, lighting, and space conditioning improvements (unrelated to IT or industrial processes).
- Projects that derive benefits from the decommissioning of equipment due to a reduction of work/production are not eligible for incentives.
- Projects that are already installed are not eligible for Industrial and Process Efficiency incentives.
- NYSERDA, at its sole discretion, may cancel applications with a 30-day notice if Applicant responses to information requests are not timely.

#### IV. Application Requirements

The Applicant must complete and submit the following documentation before or within 90 days of Project contracting, and prior to any demolition or removal of existing equipment or installation of new equipment for the Project:

- Consolidated Funding Application (CFA): <http://www.nyserdera.ny.gov/Funding-Opportunities/Consolidated-Funding-Application.aspx>
- NYSERDA Terms and Conditions signed by the Facility; generated by NYSERDA E-Commerce and sent to the Facility upon receipt and review of the CFA
- Current and complete utility bill documenting the SBC
- Proposed equipment specification sheets and/or additional supporting Project information or eligibility criteria, if applicable
- Preliminary calculations of the anticipated energy savings
- Timeline for implementing the Project

**All applications will be reviewed and accepted or rejected at NYSERDA's discretion<sup>2</sup>.** Applicants may be required to provide NYSERDA with additional information necessary to complete evaluation of the application.

#### Project Deliverables

NYSERDA evaluates the Project based on the submitted documentation. If deemed eligible, a

<sup>2</sup> Applications may be referred to a utility program if deemed appropriate.

Purchase Order will be issued to the Applicant. The Applicant will have four (4) years from the issue date of the Purchase Order to complete the Project. Projects without adequate energy savings estimates, will not receive a Purchase Order until after the Engineering Analysis (EA) is complete.

### ***Pre-Inspection***

Each accepted Project is assigned a NYSERDA Technical Consultant who provides support to Facilities throughout the process. Following receipt of a complete application, NYSERDA and NYSERDA's assigned Technical Consultant will conduct a pre-installation inspection to verify existing conditions and collect project information.

### ***Engineering Analysis***

Industrial and Process Efficiency Projects require an Engineering Analysis to substantiate energy savings. The EA shall include, but is not limited to, Project description, detailed energy savings calculations, economic evaluation, and a M&V plan (if required – see below). If an Applicant-produced EA is not available, a NYSERDA assigned Technical Consultant will complete an EA based upon energy, production and/or computing data supplied by the Applicant.

### ***Project Implementation***

After the pre-installation site inspection and NYSERDA's review and approval of the EA, NYSERDA will notify the Applicant and Facility contact(s) that the Project implementation can begin. An Applicant proceeding with Project demolition or installation prior to the NYSERDA conducted pre-installation inspection and the EA approval does so without confirmation of the incentive amount for the project, and assumes the financial risk that the project may or may not be approved at the anticipated amount. The Applicant shall notify NYSERDA's Technical Consultant that the Project is complete and ready for a post-installation inspection.

### ***Post-Installation***

The Applicant, in coordination with NYSERDA's assigned Technical Consultant, conducts a post-installation inspection, creates a Post Installation Report (PIR), and collects relevant Project documentation (including invoices) and any other remaining items for submittal to NYSERDA. Upon approval of all final deliverables, NYSERDA issues the full incentive payment for Projects not requiring M&V to the Applicant, and partial incentive payment for Projects requiring M&V.

### ***Measurement & Verification***

At the EA stage, NYSERDA's Technical Consultant will develop an M&V plan in collaboration with the Applicant. Projects requiring M&V must complete the M&V Plan in accordance with the approved EA. M&V is required for:

- Electric energy efficiency Projects saving more than 500,000 kWh annually
- Fossil fuel efficiency Projects saving more than 20,000 MMBtu annually
- O&M Projects must provide documentation to verify ongoing projects savings to NYSERDA. Depending on Project size, the Applicant may be required to perform M&V for a period up to two (2) years.
- **At NYSERDA's discretion, M&V may be required or waived for any Project.**

When the M&V is complete, NYSERDA reviews the results and releases the remaining incentive funds. NYSERDA will pay up to 60% of the incentive upon installation and the balance after NYSERDA receives and approves the final M&V report. The final incentive payment may be adjusted based on data gathered during post-installation inspection and/or within the M&V Plan results. Projects failing to perform to savings estimates may be required to reimburse NYSERDA for overpayment.

Determination of installation payment is at NYSERDA's discretion and will take into account the complexity of the Project and the predictability of energy savings. Installation payments on Projects with savings based upon variable load production will be based upon the production rate at the time of Project installation and will not exceed 30% of the total estimated incentive.

## **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 <http://www.nyserda.ny.gov/About/-/media/Files/About/Contact/NYSERDA-Regulations.ashx>. 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  
625 Broadway  
Albany, NY 12207

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

Empire State Development  
Minority and Women's Business Development Division  
625 Broadway  
Albany, NY 12207

**Contract Award** - NYSERDA may award a Purchase Order based on applications without discussion, or following limited discussion. NYSERDA may request additional data or material to support applications. A sample Purchase Order is available on request. NYSERDA will notify Applicants whether the application 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 –Terms and Conditions, Prompt Payment Policy Statement, and General Conditions