



Innovations in Demand Response, Load Management and Dynamic Pricing

Program Opportunity Notice (PON) 1151



Energy Efficiency Research Program Solicitation

Revised January 5th, 2011

All or none of the funds could be awarded in any round.

The full solicitation may be downloaded from, and detail about the solicitation's informational audio/web conference and email list found at <http://www.nyserda.org/demandside/default.asp>.

Summary of Revisions

The following changes have been made to PON 1151, "Innovations in Demand Response, Load Management and Dynamic Pricing":

- 1) Proposals to PON 1151 will be accepted for an additional, fourth round. The added proposal due date is as follows: Round 4 is due March 15th, 2011 at 5PM EST.

No communication intended to influence this procurement is permitted except by contacting Anthony Abate (Designated Contact) at (518) 862-1090, ext. 3522 or awa@nyserda.org. 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 proposer, and (2) may result in the proposer not being awarded a contract.



Innovations in Demand Response, Load Management and Dynamic Pricing

Program Opportunity Notice (PON) 1151

Energy Efficiency Research Program Solicitation
\$5,000,000 available for 4 proposal rounds*

REVISED January 5th, 2011

Proposals for an added Round 4 are due by 5 PM EST March 15th, 2011.
*(Previous rounds: October 1st, 2009, March 2nd, 2010, and June 15th, 2010)
All or none of the funds could be awarded in any round.

This solicitation may be downloaded from and email list found at <http://www.nyserda.org/demandside/default.asp>.

I. Solicitation Summary

Electric loads that can be automatically curtailed or shifted (aka enabled load) through demand response, demand management or dynamic price signals can help New York State reduce peak demand, price volatility and emissions, and increase grid reliability and the integration of renewables. These demand side resources are especially valuable in the down-state market (aka NYISO zone J). The New York State Energy Research and Development Authority (NYSERDA) invites proposals for development, demonstration and technical (paper) study of innovative ways for NYS electric customers to manage and curtail their electrical demand (kilowatt). NYSERDA's objective is to encourage cost effective technologies and techniques that enable electric loads, especially aggregations of dispersed small loads, to participate in a demand response market¹ or program², be automatically managed for facility peak load reduction and/or respond to a dynamic energy price. The benefits of these innovations to NYS rate-payers will be increased opportunity to participate in demand response programs and demand charge and energy cost savings.

Three rounds are scheduled for this solicitation with total available funding of \$5,000,000, of which all or none could be awarded in any round.

The web site for this solicitation (PON 1151) is <http://www.nyserda.org/demandside/default.asp>. You are strongly encouraged to subscribe to this solicitation's email list at <http://www.nyserda.org/demandside/listserv.asp>. An informational conference call/webinar about this solicitation will be held on August 18, 2010. The schedule time and instructions will be posted on the website and sent to those subscribed to the email list. Other conference call/webinars may be scheduled if necessary and notification will be posted at solicitation website and sent to the email list. If you desire an alternative way to access information or participate in functions NYSERDA is providing for PON 1151 via its website or email, please contact NYSERDA's project manager, Anthony Abate at (518) 862-1090, ext. 3522 or awa@nyserda.org.

At the solicitation (PON 1151) website, <http://www.nyserda.org/demandside/default.asp>, you may;

- download the solicitation and forms,
- submit a question about this solicitation or review FAQs,

¹ NYISO DR Providers http://www.nyiso.com/public/webdocs/products/demand_response/general_info/dr_providers.pdf

² NYISO DR programs http://www.nyiso.com/public/products/demand_response/index.jsp,
ConEdison DR programs http://www.coned.com/energyefficiency/demand_response.asp,
National Grid https://www.nationalgridus.com/niagaramohawk/business/programs/3_demand.asp,
O&R <http://www.oru.com/programsandservices/incentivesanddebates/index.html>,
NYSEG <http://www.nyseg.com/MediaLibrary/2/5/Content%20Management/NYSEG/SuppliersPartners/PDFs%20and%20Docs/120v82.pdf>,
CHG&E http://www.cenhd.com/about_us/business_rights.html,
RGE <http://www.rge.com/MediaLibrary/2/5/Content%20Management/RGE/SuppliersPartners/PDFs%20and%20Docs/PSC19.pdf>

- review conference call/webinar schedule and instructions,
- learn about doing business with NYSERDA,
- indicate your intent to propose to this PON (voluntary and confidential)
- seek other entities wishing to collaborate on a proposal to this PON*,
- review any changes to the PON 1151 or subsequent rounds.

* NYSERDA will make its best effort to share the contact information of all organizations interested in collaborations within each round in an email sent to the solicitation email list approximately one month before the due date of each round, but can make no guarantee in this regard.

II. Eligible Projects

For the purposes of this PON, demand side resources and curtailable loads (without fuel-switching or use of fossil-fuel based back-up) are ratepayer loads in NYS that: 1) may be controlled and curtailed as part of a demand response market or program, 2) can shed, shift or displace load for demand management, or 3) can respond to an event and/or price signal. Innovations may include novel: 1) sources of curtailable load, 2) load control technologies and techniques, 3) communications, protocols and standards, 4) metering, measurement and verification, and 5) implementation and management of dynamic rates (i.e. voluntary/mandatory time of use rates).

Proposed projects are expected to fall into one of two categories: 1) development and/or demonstration of an innovative technology, product or technique or 2) technical/paper studies that, for example, investigate feasibility, develop necessary standards, protocols, etc. The maximum NYSERDA funding offered for development and demonstration proposals is \$500,000 and NYSERDA prefers development/demonstration proposals that offer at least 50% cost-sharing as co-funding or in-kind contributions to the total proposed budget. Demonstration project must be conducted in NYS. The maximum NYSERDA funding offered for technical/paper study proposals is \$100,000 with 30% cost-share preferred. Cost-sharing may include funding from other organizations, but may not include other NYSERDA funds. Verifiable in-kind contributions are also acceptable and could include direct labor, reduced overhead rates, and/or use of special equipment where a fee is normally charged for its use. The extent of cost-sharing will be evaluated when considering which projects to fund. Proposals including product development activities may be subject to recoupment; refer to General Conditions.

NYSERDA seeks proposals from NYS and non-NYS entities, including: wholesale market participants, curtailment service providers, energy management services companies, energy services companies (ESCOs), technology vendors, commercial, industrial and multifamily facilities, etc. Collaboration on proposals by teams of entities with complementary skills and qualifications is encouraged when necessary to meet the project goals. Teams are encouraged to identify a lead entity and demonstrate the individual organization's commitment of resources to project in the proposal. Teams may consist of commercial firms, government organizations, academic institutions or other organizations.

This solicitation is primarily funded from the NYS System Benefit Charge (SBC). A small amount of funding from other NYSERDA sources may be available for projects primarily benefiting rate payers and facilities that do not pay of SBC.

III. Suggested Areas of Innovation

This list is intended as a guideline and not as a comprehensive list of possible areas for innovations under this solicitation. Innovation may include discrete technologies, bundles of technologies, new applications and demonstrations, techniques, protocols, technical studies, etc.

1. Innovative sources of shifted, responsive and curtailable load:
 - a. Residential/multifamily building loads
 - b. Aggregations of small dispersed loads
 - c. Aggregation of diverse demand response sources

- d. Novel and repeatable commercial or industrial loads
- 2. Innovative automatic load control technologies and techniques for:
 - a. Building/residence demand and/or price responsive control systems
 - b. NYISO Special Case Resources or Ancillary Services products³
 - c. utility demand side programs
 - d. Residential and commercial direct load controls
 - e. Portfolio load control management (i.e. aggregated)
- 3. Innovative demand-side communications, protocols and standards:
 - a. Communications between NYISO, utility, aggregator, facilities, residences and loads
 - b. Innovative distribution of price signals
 - c. Real-time 2-way demand response communication innovations
 - d. Home area network innovations for direct or customer-activated load control and price response
 - e. Building and equipment protocols for demand response, demand management, price response, etc.
- 4. Innovative metering, measurement and verification technologies and techniques for proper control and settlement:
 - a. Novel feedback from non-metered aggregated loads
 - b. Cost effective small load metering
 - c. Secure meter data access for non-utility entities
 - d. Use of advanced meters (i.e. AMI)
- 5. Utilization of dynamic electric price:
 - a. Residential dynamic rates in sub-metered multifamily buildings
 - b. Commercial and industrial customer management of utility mandatory hourly pricing (MHP)
 - c. ESCO dynamic rate

IV. Proposal Evaluation

Proposals that meet minimum proposal requirements (below) will be reviewed by a Technical Evaluation Panel (TEP) and will be scored and ranked according to the criteria indicated. NYSERDA's program team and management review the TEP's ranking and recommendations. After the proposals are reviewed and approximately 10 weeks after the due date, NYSERDA will issue a letter to each proposer indicating whether NYSERDA is interested in further pursuing the proposal and negotiating to reaching agreement on mutually acceptable terms and conditions. The proposer may be required to submit a more detailed statement of work, budget and schedule, and may also be asked to address specific questions or recommendations during contract negotiations.

Minimum Proposal Requirements: As appropriate, please make sure your proposal addresses the following:

- ✓ NYSERDA's Proposal Checklist included (see Attachment A)
- ✓ Follow the Proposal Submission and Proposal Format guidelines below
- ✓ Include NYSERDA Contract Proposal Pricing Form and addressed cost-sharing
- ✓ Attach explanation of indirect rates (see Work Plan section Budget instructions below)
- ✓ Sign lobbying forms

Proposal Review Criteria:

³ http://www.nyiso.com/public/products/demand_response/index.jsp

- ✓ **Quality of the Innovation or Study:** Is the proposed technology/technique, development or application demonstration innovative compared to other approaches? Is the proposed technical/paper study novel and relevant? Does the proposed innovation or study have sufficient breadth and encompass relevant issues? Does the proposal address several necessary innovations? Is the innovation novel while still being practical and feasible? How substantially will the innovations or study impact demand response, demand management or use of dynamic prices? Does the proposal emphasize innovations and studies that are marketable/deployable rather than basic research?
- ✓ **Likelihood of Commercialization, Adoption or Transfer of the Innovation or Study:** What specific need or problem does the innovation address? If addressing a future need, what evidence supports your view? Is the need or problem wide spread and could the application of the innovation be wide spread? Is this applicable to NYS? Does the proposal present a detailed plan/strategy for adoption or commercialization of the innovation? Are there any significant market, institutional, and infrastructure barriers to the adoption or commercialization that would prevent the innovation from moving beyond demonstration?
- ✓ **Benefits to New York State:** Is the innovation replicable in NYS and of a magnitude that makes a difference? Will the proposed innovation result in more curtailable loads as demand-side resources, increased availability of novel loads, greater use of dynamic rates, rate payer savings, economic benefits in New York State, etc.? What portion of the project work will be done in NYS? Estimate energy (kwh), demand (kw), environmental, economic and rate payer benefits in NYS as appropriate?
- ✓ **Proposer Qualifications:** Does the proposer(s) have the capability to do the proposed work? Does the proposer(s) have experience/ qualifications in markets that they propose to participate? How strong is the commitment of the team members and/or demonstration site? Does the proposer have the skills to facilitate adoption or commercialization of the innovation?
- ✓ **Proposal Quality:** Is the proposed work appropriate to the maturity of the innovation? Are the proposed scope, work plan, budget, schedule and responsibilities clear and appropriate? Is the overall cost justified by the anticipated benefits? Are the budget, co-funding contributions, labor, overhead and G&A rates reasonable? Is the schedule realistic with significant milestones identified? Does the proposal demonstrate that the necessary resources have been secured to do the project (i.e. IP, technology, demo site)?
- ✓ **Other Considerations:** Projects will be reviewed to determine if they reflect NYSERDA's overall program objectives. The considerations include, but are not limited to:
 - Balance among NYSERDA projects of long-term and short-term benefits, risk/reward relationships, and similarity to presently or previously funded projects.
 - General distribution of NYSERDA projects among diverse commercial, industrial, and other organizations, as well as the distribution of projects within New York State.
 - Energy efficiency benefits related to the project or innovation.
 - Efficient use of NYSERDA and other project funding.

V. Proposal Submission

Proposers must submit five (5) paper copies and one (1) electronic version, on compact disc, of their proposals. Acceptable electronic versions include:

- Microsoft Word Read-only files (Save As/Tools/General options/Read-only recommended)
- Adobe Portable Document Format (PDF) files (if produced with Acrobat, please enable Comments)

It is preferred to have the entire proposal, with attachments, in a single electronic file. A completed and signed Proposal Checklist must be attached as the front cover of your proposal and must contain an original signature. The signed Proposal Checklist, paper proposal, electronic file and compact disc must be clearly labeled and

submitted to:

**Ms. Roseanne Viscusi, PON 1151
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399**

Proposals will not be accepted at any other NYSERDA location other than the address above. **Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist will be returned.** Faxed or e-mailed copies will not be accepted.

If you have program or technical questions concerning this solicitation contact Anthony Abate at (518) 862-1090, ext. 3522 or awa@nyserda.org. If you have contractual questions concerning this solicitation contact Nancy Marucci at (518) 862-1090, ext. 3335 or nsm@nyserda.org. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at <http://www.nyserda.org/demandside/default.asp>.

No communication intended to influence this procurement is permitted except by contacting Anthony Abate (Designated Contact) at (518) 862-1090, ext. 3522 or awa@nyserda.org. 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 may: 1) result in a proposer being deemed a non-responsible proposer, and 2) may result in the proposer not being awarded a contract.

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 texts 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.

VI. Proposal Format

Proposals should not be excessively long or submitted in an elaborate format that includes expensive binders or graphics. Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not influence the evaluation of the proposal. Each page of the proposal should state the name of the proposer, the PON number, and the page number. The proposal must be in the following format:

1. Proposal Checklist (see Attachment A)

A completed NYSERDA Proposal Checklist with the project title and name, address, and telephone/fax number(s) of the principal contact person must be attached to the front of all copies of the proposal. At least one copy of the Proposal Checklist must contain an original signature.

2. Executive summary (two page suggested limit)

Summarize the proposal which may include, but not limited to the following:

- Innovation as a technology, technique and or technical study
- Market needs addressed
- Benefits enabled or barriers overcome by the innovation
- Proposed project activities
- Proposer and/or team introduction

3. Background and justification for the innovation (six page suggested limit)

The proposal may include, but not limited to, the following:

- Description of the innovation being developed and/or, demonstrated, including the current stage of development and technical principles incorporated.
- Specific need(s) for and the objectives of the innovation and anticipated contribution from the proposed project activities.
- Identify who would benefit and how, explain how it furthers the adoption of demand response, load control and use of price signals.
- Carefully explain why people or entities will use the innovation.
- Detail how the innovation justifies the costs by affecting the user's value proposition for demand response, load control and dynamic rates.
- Compare costs and benefits of implementation of the innovation compared to competing techniques and technologies.
- Reasons the innovation and its application server the objectives of this PON and why the project will be successful.
- If the proposed project is a product development effort, state whether or not it is a proprietary or non-proprietary product development effort and explain the rationale for this determination.

4. Benefits to New York State (one page suggested limit)

This section should answer questions such as, but not limited to:

- Why should this project be supported with public funds?
- Would most or the entire project be performed in New York State?
- How many customers in New York State would be able to use the technology?
- What energy and environmental benefits would be achieved in New York State?
- How significant would the energy, environmental, and economic benefits be for New York State?
- If the innovation's economic benefits include jobs created in NYS, how many and what type could reasonably result from the proposer's efforts?
- How can the benefits from the proposed work be measured and evaluated?

5. Commercialization, adoption and/or technology transfer plan (three page suggested limit)

Discuss how the proposer will promote, disseminate and commercialize the innovation, either as part of the project or subsequently in order to maximize the benefits of the innovation to NYS.

- Using information from market studies, publications, trade associations, or business experience, estimate the size of the potential market in New York State for the proposed innovation.
- Discuss strategies for commercializing the technology.
- Identify possible market, institutional, and infrastructure barriers.

6. Work plan (10 page suggested limit)

Statement of work: Comprised of project phases and major tasks. Provide a detailed description of each task, how it will be performed, anticipated results and associated milestone(s). For each task also include who will perform it, resources needed, budget cost, duration, etc.

Schedule or timeline: Project scheduled should include phase and task durations, order of task, predecessors, cumulative duration, etc. Prepare a master schedule showing starting and completion times for each task (item), in terms of weeks or months. Identify major milestones, tests, demonstrations, reports, and other deliverables, as well as meetings. Generally, NYSERDA requires periodic progress reports, a final report, and annual project benefits reports (after completion of work).

Budgets: Include the following budget information:

- 1) Budget of Task Costs; simply listing the cost of each major task in the Statement of work
- 2) Project Funding Budget; listing funding and cost-share (cofunding or in-kind contributions) to the total budget in the following format.

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

Cost-sharing (either cash or in-kind) can be from the proposer, other team members, and other government (besides NYSERDA) 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 which have already been undertaken. The proposer or proposing team cannot claim as cost-share any expenses that have already been incurred.

- 3) Contract Proposal Pricing Form (CPPF – Solicitation Attachment C); On this required NYSERDA form, list the various cost elements and associated indirect rates for the requested NYSERDA funding and proposed cost-share. Also attach documentation to support indirect cost (overhead, general & administrative rates) included in your proposal as follows:
- a. 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).
 - b. If rate(s) is approved by an independent organization, such as the federal government, provide a copy of such approval.
 - c. 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) are 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 difference. Requests for financial statements or other needed financial information may be made if deemed necessary.

- 7. Proposer /team qualifications** (two pages suggested plus related literature and resumes in an appendix)
 Prepare an organizational chart listing all key personnel, including any subcontractors and other sponsors involved in the project, showing their roles or responsibilities. Explain how coordination with all project participants will be accomplished. Summarize supporting entities, also include letters of resource commitment and/or support as attachments. Include letters of commitment, signed by a person authorized to contractually obligate the organization, for all participating organizations and cost-sharing parties. Letters from team members that are committing curtailable load to the project should be provided. Absence of letters of commitment or support will be interpreted as the proposer not having commitment or support from those parties.
- What type of organization are you (e.g., not-for-profit, consulting firm, manufacturer, etc.)
 - Describe the business activity, approximate size, and experience of your organization.
 - Describe your research and business goals and how the proposed project would accomplish these goals.
 - Provide examples of previously completed projects that are similar to the proposed work.
 - Provide references where appropriate.
 - Include resumes for key personnel and involvement in other NYSERDA sponsored work.
 - Business or product literature and brochures may be included.
- 8. Intellectual property** (if applicable)

To the extent that proposed activities include the use or further development of any existing intellectual property (IP) assets, the proposer must describe the IP and provide details that would identify any granted patents or pending applications related to the IP. For patented and patent-pending technologies, the proposer must: i) identify the patent number(s) of any issued patent(s); ii) identify the application serial number(s) for any pending patent application(s); iii) indicate whether pending patent applications are provisional or non-provisional applications; iv) provide a list of the inventors; and v) identify the assignee(s)/owner(s) of the IP. If the proposer does not own the relevant IP, but is a licensee of the IP, then the proposal must specifically identify and describe any relevant license agreements. Proposers are encouraged to provide copies of relevant IP license agreement(s) and/or letter(s) of support from licensors as attachments to the proposal. To the extent any of the above represents non-public information, please refer to the "Proprietary Information" section in Article V below.

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 exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 <http://www.nyserda.org/About/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 which 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/2007/killin/st/st220td_507_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 prospective contractor prior to contacting and filed with NYSERDA. See, ST-220-CA (available at http://www.tax.state.ny.us/pdf/2006/killin/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_507.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 pertaining to the Statement of Work. Each proposal 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 reserves the right to limit any negotiations to exceptions to standard terms and conditions in the Sample Agreement to those specifically identified in the submitted proposal. NYSERDA expects to notify proposers in approximately 10 weeks from the proposal due date whether NYSERDA is interested in further pursuing the proposal and entering into contract negotiations.

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. NYSERDA reserves the right to reject proposals based on the nature and number of any exceptions taken to the standard terms and conditions of the Sample Agreement.

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.

Recoupment - For any new product development projects requesting NYSERDA funding over \$50,000, NYSERDA will require a royalty based on sales of the new product developed. NYSERDA's standard royalty terms are 1.5% of sales for products produced in New York State (for a period of fifteen years or until the Contractor pays NYSERDA an amount equal to the amount of funds paid by NYSERDA to the Contractor, whichever comes first) and 5% of sales for products produced outside of New York State (for a period of fifteen years or until the Contractor pays NYSERDA an amount equal to three times the amount of funds paid by NYSERDA to the Contractor, whichever comes first).

VI. Attachments

Attachment A – Proposal Checklist

Attachment B – Disclosure of Prior Finding of Non-responsibility (mandatory)

Attachment C – Contract Pricing Proposal Form and Instructions

Attachment D – Sample Agreement