

## PON 5989 EBC: Hospitals - FAQs

**Q: Are rural emergency hospitals eligible? Rural emergency hospitals do not have inpatient beds but do have observation patient beds.**

A: PON 5989 defines an eligible hospital as “A licensed institution that is primarily focused on the provision of acute, short-term medical and surgical care for patients, including diagnosis, treatment, and inpatient housing.” If your hospital meets this definition, it is eligible for the program. Contact [EBCHospitals@nyserda.ny.gov](mailto:EBCHospitals@nyserda.ny.gov) for further clarification on eligibility.

**Q: If a health system encompasses multiple hospitals, can a proposal be submitted for each hospital separately? Or are would the health system be limited to a single proposal for all hospitals?**

A: Yes, a separate proposal can be submitted for each. The program does not have a requirement or limitations for number of proposals a hospital or health system can submit.

**Q: Is there an advantage for or preference given to safety-net hospitals?**

A: PON 5989 evaluation criteria includes points for hospitals located in disadvantaged communities and those considered Safety Net.

**Q: Do power factor correction projects qualify for the program?**

A: Activities related to power factor correction are not eligible for program funding. To be eligible for PON 5989, projects must include electrification of building heating and cooling systems, building electrification readiness, and/or comprehensive building energy efficiency improvements.

**Q: Are awards based on lifetime carbon savings?**

A: No. Awards are based on total eligible project costs, capped at 75% of total cost, up to \$5 million per project.

**Q: Is funding for an awarded project distributed throughout construction or paid as a lump sum at the end of a project?**

A: NYSERDA plans to issue milestone-based contracts, meaning that structured lump sum progress payments will be made by NYSERDA upon completion and approval of Tasks and Deliverables, as defined in a contractual Scope of Work between NYSERDA and the

awarded hospital. At minimum, 10% of the overall award will be held until sufficient completion of the contractual Scope of Work, including one year of M&V.

**Q: Does the program provide any funding for a feasibility study?**

A: The program does not fund feasibility studies. However, [NYSERDA's FlexTech program](#) covers up to 50% of costs for feasibility studies.

**Q: Will a project using fossil fuel for emergency backup still qualify for the program? For example, replacing gas furnace units with heat pump air-handling units, but maintaining the gas connection for resiliency.**

A: Yes, they still qualify..

**Q: Is it eligible for a project to take a district approach, for example, include neighboring non-hospital buildings as part of the project?**

A: A project that includes neighboring, non-hospital buildings will be considered on a case-by-case basis. The majority of building space, energy savings, and carbon savings must be for eligible hospital buildings.

**Q: What is the funding cap per project?**

A: 75% of total eligible project costs, up to \$5 million.

**Q: Is a multi-discipline hospital with skilled nursing, urgent care, and medical care units eligible for the program?**

A: If the medical care unit meets the program's definition of a hospital, then the multi-discipline hospital would be eligible for the program. However, the buildings included in the project must be part of the hospital's medical care unit. The skilled nursing and urgent care units do not meet the program's definition of a hospital, but work done on central systems serving the hospital space may be eligible, even if they also serve the non-hospital buildings.

**Q: Is a solar project eligible for the program?**

A: Projects that solely include renewable energy technologies are ineligible for the program. Renewable energy projects are only eligible when completed in combination with electrification of building heating and cooling systems, building electrification readiness, and/or comprehensive building energy efficiency improvements.

**Q: Is the feasibility study for a proposed project required to be completed by a certain date?**

A: A feasibility study or equivalent analysis must be completed prior to submitting a proposal. A copy of the feasibility study report or equivalent analysis must be submitted as part of the proposal.

**Q: Are project consulting fees eligible for program funding?**

A: Third-party consultant fees are not eligible for program funding. Funding is only available for materials and labor associated with the installation of the proposed project.

**Q: Are building management system (BMS) controls and optimization projects eligible for the program?**

A: Yes, BMS controls and optimization projects are eligible.

**Q: Is a project that recently started construction eligible for the program?**

A: No, projects that have started construction prior to award are ineligible for the program. Costs incurred prior to an executed agreement between NYSERDA and the Proposer are ineligible for funding.

**Q: Could you explain how funding through this program could stack with other utility programs? For example, would a steam to hot water conversion and heat recovery chiller installation measure with a total cost \$10 million with NYSERDA providing \$5 million be eligible for stacking utility incentives?**

A: NYSERDA funding and utility funding cannot go to the same measure. In the example above, if the total cost of one of the measures (e.g. steam to hot water conversion) was large enough that NYSERDA's incentive was capped with that measure's cost alone, the other measure (heat recovery chiller installation) could pursue utility incentives. If the proposed project includes only one measure, that measure could not be funded by utility incentives if awarded funding under this program.

**Q: Are the costs for recommissioning of systems eligible for program funding?**

A: No, recommissioning of existing systems is not eligible for program funding.

**Q: Do awardees need to wait for NYSERDA's approval to begin construction?**

A: Awarded projects shouldn't begin construction until there is an executed agreement with NYSERDA. Work conducted prior to an executed agreement with NYSERDA is not eligible for cost reimbursement.

**Q: If a design build contractor is doing the project's work, would their design costs be eligible for program funding? How would costs be validated?**

A: Design is not eligible for funding under this program. In the example above, design costs would have to be broken out from installation costs.

**Q: Is an agreement for an awarded project between NYSERDA and the hospital applying for funding? At what stage is an agreement executed?**

A: Yes, an agreement for an awarded project is between NYSERDA and the hospital receiving the funding. An agreement is executed after award but prior to construction, purchase, or installation of equipment.

**Q: Are costs for third-party measurement and verification (M&V) services eligible for program funding?**

A: No, third-party costs for M&V services are not eligible for program funding.

**Q: The program requires proposers to utilize a third-party independent contractor to complete the project's Scope of Work. Will the program fund in-kind labor?**

A: The program cannot fund in-kind labor. However, projects using in-kind labor could still be eligible for funding for material costs.

**Q: The program requires a feasibility study or equivalent analysis to be completed in advance of submitting a proposal. Is it required to have completed the study or analysis through NYSERDA's FlexTech program?**

A: It is not required to complete the study or analysis through NYSERDA's FlexTech program. However, if you still need to complete a feasibility study, FlexTech can cover up to 50% of costs for a feasibility study.

**Q: Are Proposers required to complete Attachment A - Proposal Template as part of their proposal?**

A: Proposers can choose to complete PON5989 Attachment A – Proposal Template, responding to the instructions and questions directly within the document, **OR**

Proposers can submit a separate, standalone document responding to the questions in Attachment A – Proposal Template. The format in the separate document must match the format of Attachment A – Proposal Template.

**Q: The PON's evaluation criteria includes "Proposal demonstrates approval from the Proposer's CEO/CFO/COO, board, and/or other decision-making body." How can a proposal demonstrate this?**

A: Proposers have the option to include supporting documentation. One way to demonstrate this could be to include a letter(s) of support from the hospital's board, CEO/CFO/COO, or other decision-making body as supporting documentation with a proposal.

**Q: Does design need to be completed prior to submitting a proposal?**

A: It is not required for design to be completed prior to submitting a proposal. However, the program's evaluation criteria include points for projects that have already completed design.

**Q: Does previous participation in NYSERDA programs preclude a Proposer from being eligible for this program?**

A: No. NYSERDA will evaluate proposals for potential overlap between programs. Discussion will be needed if funding is requested for work that is already being funded by another NYSERDA program.

**Q: Can a project awarded through this program also receive funding from other NYSERDA programs?**

A: Projects awarded under this program will not be eligible to apply for any other incentives from NYSERDA for the same work. Participation in this program does not impact eligibility for NYSERDA Technical Assistance Programs, such as FlexTech and On-site Energy Manager.

**Q: Does the program require hospitals to be located in a disadvantaged community to be eligible?**

A: The program does not require hospitals to be located in a disadvantaged community. However, the program's evaluation criteria includes points for hospitals located in disadvantaged communities.

**Q: The PON states that borehole testing is recommended for projects that include geothermal. Are projects required to have this completed?**

A: It is not required for projects to complete borehole testing. However, the program's evaluation criteria includes points for borehole testing. NYSERDA's FlexTech program cost-shares feasibility studies for GSHP and geothermal systems, including bore hole and thermal conductivity analysis.

**Q: Are new construction projects eligible for the program?**

A: New construction projects are not eligible for the program. The program may consider expansions to existing buildings on a case-by-case basis, for example, if a project's central heating system will also serve the expansion.

**Q: Are there any building types that would not be eligible for the program?**

A: Buildings must be existing facilities and meet the program's definition of hospital (primarily focused on the provision of acute, short-term medical and surgical care for patients, including diagnosis, treatment, and inpatient housing. Healthcare facilities such as nursing homes, psychiatric hospitals, rehabilitation centers, urgent care facilities, etc. do not meet the Program's definition of a hospital.)

**Q: What is the timeline that an awardee has to fully invoice for project funding?**

A: Unless otherwise negotiated, all work funded must be completed and invoiced within four (4) years of contract execution. Extensions to this timeline must be submitted to NYSERDA for approval.