



**MARKET TRANSFORMATION PROGRAMS •  
PROGRAM YEAR 2016-2017**

**MARKET TRANSFORMATION PROGRAM  
PROGRAM GUIDELINES  
PROGRAM YEAR 2016-2017**

**APPLICATIONS DUE OCTOBER 31, 2016**



**Illinois**  
**Department of Commerce**  
**& Economic Opportunity**  
Bruce Rauner, Governor

## **A. Program Information**

**Purpose.** The Illinois Department of Commerce and Economic Opportunity (the "Department of Commerce") administers the Illinois Energy Now ("IEN") portfolio of programs, as part of the State's Energy Efficiency Portfolio Standard ("EEPS"), to implement cost-effective energy efficiency measures that help meet annual energy savings targets. Implementing such measures enhances economic development in the State of Illinois, through energy cost savings, job creation, and business development. Specifically, the Market Transformation Program (MTP) will provide technical assistance, education, and outreach, to support the achievement of long-term efficiency goals in all market sectors. These programs are designed to educate energy professionals and strategic decision-makers so that they have the skills and information needed to implement effective energy efficiency strategies. During Program Year 2016-2017, the Market Transformation Programs will, to the extent funds are available, provide grants to organizations that are capable of providing statewide, regional or sector-based technical assistance, education, outreach, and capacity building, in the Commonwealth Edison ("ComEd"), Ameren Illinois ("Ameren"), Nicor Gas, Peoples Gas, and/or North Shore Gas territories.

The intent of this Market Transformation Program application is to solicit proposals, from eligible candidates, to assist the Department of Commerce in administering technical assistance, education/training, outreach, and/or capacity building projects.

Proposed activities should focus on supporting the achievement of long-term efficiency goals in other areas, by providing technical assistance, training/education, outreach, and/or capacity building. These activities may be targeted to specific sectors, subsectors, technologies, or types of energy efficiency projects, e.g., low income, wastewater treatment facilities, data centers, or new construction. Activities may include but are not limited to: developing and disseminating communications/educational materials, hosting or representing the Department of Commerce at events, conducting savings calculations, providing information on funding and financing options, completing field inspections and tests, data management support or other energy efficiency project implementation assistance. Applicants may propose more than one project under this category.

**Definitions.** The terms used in this document have the meanings set forth below. Words and terms not defined here, if defined in the Environmental Protection Act (415 ILCS 5 *et seq.*) will have the meanings as defined therein.

"Act" means the Public Utilities Act.

"Applicant" means (i) a unit of local, state, or federal government, association, public or private school, college or university, (ii) a not-for-profit organization or private company licensed to transact business in Illinois, or (iii) individual(s) proposing energy efficiency training and education and capacity building programs, that applies under these guidelines.

"Application" means a request for program funds by submitting the required information, on the Department of Commerce's approved forms and attachments as prescribed under this program.

"Consulting/Subcontractor costs" means third party services designed to support the applicant.

"Energy Efficiency" means measures that reduce the total Btu's of electricity or natural gas required to achieve a given end use.

"Entity" means any applicant submitting an application to the Department of Commerce.

"Equipment/Material Costs" means costs for energy efficiency measures, including equipment used for educational and demonstration purposes.

"Grantee" means an entity that has been awarded a grant under this program.

"Performance Period" means the length of time the grantee is required to operate the project and submit information/data to the Department of Commerce.

"Prior Incurred Costs" means costs that are incurred prior to the execution of a Grant Agreement with the Department of Commerce.

“Project” means an eligible energy efficiency project that the Department of Commerce agrees to fund under this program.

“Project Completion Date” means the date that all project tasks are completed and deliverables submitted.

“Program Year” means Program Year 2016-2017, which begins June 1, 2016, and ends May 15, 2017.

## **B. Funding Information**

**Funding Authority.** The Department of Commerce is authorized by 20 ILCS 1105/3 to administer for the State any energy programs and activities under federal law, regulation or guidelines. The Department of Commerce is also authorized by the Energy Efficiency Sections of the Public Utilities Act (220 ILCS 5/8-103, and 220 ILCS 5/8-104) to administer a portion of the Illinois EEPS. The statute provides funding for the EEPS and sets certain statutory requirements to meet incremental annual energy savings goals; procure a minimum percent of the portfolio from local governments, municipal corporations, public schools, and community colleges; and target low income households proportionate to their share of annual utility revenues. The Market Transformation Programs are one component of the Department of Commerce’s total portfolio (known as Illinois Energy Now), designed to meet its obligations under the Act. Funding levels are determined each year by the Department of Commerce under a plan submitted to the Illinois Commerce Commission. The Department of Commerce reserves the right to limit the total amount of funding for these programs in any given fiscal year.

## **C. Eligibility**

**Eligible Applicants.** An eligible applicant is (i) a unit of local, state, or federal government, association, public or private school, college or university, (ii) a not-for-profit organization or private company registered to transact business in Illinois, or (iii) individual(s) knowledgeable about EEPS and capable of providing the proposed technical assistance, training/education, outreach, and/or capacity building.

**Pre-qualification.** As part of the changes to the state grant process brought about by the Federal 2 CFR Part 200 (Uniform Requirements) and the Illinois Grant Accountability and Transparency Act (GATA), all entities wishing to receive grants from the State of Illinois must now register at: <https://grants.illinois.gov/registration/>. Any organization planning to apply for an EEPS grant during the 2017 program year may now register.

Please note that FEIN and DUNS numbers are required to complete registration. The online registration will trigger a pre-qualification process that will ensure the entity:

- Has a current DUNS number;
- Has a current SAM CAGE Code (you will need to register at SAM.gov);
- Is not on the Federal Excluded Parties List; and
- Is in Good Standing with the Illinois Secretary of State.

An entity can only register once per DUNS number annually. If your entity attempts to register a DUNS number that has already been registered, you will receive a notice that contains the contact information of the original registrant.

Once your entity is pre-qualified, you will receive a link to an Internal Controls Questionnaire (ICQ). EEPS applicants must complete the ICQ as part of the pre-award process and program staff will then determine whether any or all risk-based conditions shall be incorporated into the Agreement.

**Eligible Projects.** Eligibility is limited to projects within the State of Illinois. Projects that receive EEPS funds must offer their services in the ComEd, Ameren, Nicor Gas, Peoples Gas, and/or North Shore Gas territories. Eligible projects include statewide, regional or sector-based technical assistance, education/training, outreach, and/or capacity building projects.

- Proposed activities should focus on supporting the achievement of long-term efficiency goals in other areas, by providing technical assistance, training/education, outreach, and/or capacity building. These activities may be targeted to specific sectors, subsectors, technologies, or types of energy efficiency projects, e.g., low income, wastewater treatment facilities, data centers, or new construction. Activities may include but are not limited to: developing and disseminating communications/educational materials,

hosting or representing the Department of Commerce at events, conducting savings calculations, providing information on funding and financing options, completing field inspections and tests, data management support, other energy efficiency project implementation assistance. Applicants may propose more than one project under this category.

**Eligible Expenditures.** The following costs are eligible expenditures, as defined above, if necessary and justified in the application:

- Administration
- Training/Conference Expenses
- Consulting/Subcontractor Costs
- Equipment/Material Costs
- Printing/Supplies/Commodities

As deemed appropriate, in the Grant Agreement, the Department of Commerce may allow prior incurred costs as an eligible expenditure, **however, the Department of Commerce is not obligated to allow or pay for these costs.**

**Ineligible Expenditures.** The following are not eligible for funding under these guidelines:

- Purchase or lease of property
- Food and beverage not specifically related to training/conference sessions
- Projects that repair or replace existing equipment with like equipment
- Projects for sole purpose of implementing demand response measures
- Projects receiving funding for the same equipment through any other EEPS programs offered by the Department of Commerce or Utilities (Ameren, ComEd, Nicor, Peoples, North Shore)
- Used equipment
- Renewable energy measures
- Linear LED lamp retrofits for fluorescent fixtures
- Any other expenditure explicitly prohibited by the Department of Commerce in the executed Grant Agreement

#### **D. Program Administration**

**Payment Schedule.** The executed grant agreement will specify conditions for payment and payment schedule. Generally, grantees are reimbursed quarterly based on the program year, for eligible costs incurred during that quarter that are documented in the required quarterly reports. The Department of Commerce reserves the right to determine the appropriate payment structure on a project-specific basis.

**Reporting Requirements and Project Monitoring.** Grantees will be required to submit quarterly status reports. The grant terms will also stipulate that regular (at least quarterly) meetings between the grantee and the Department of Commerce or its implementer will be held to discuss the progress of the grantee in completing project tasks. The Department of Commerce reserves the right to structure reporting requirements on a project-specific basis. The Department of Commerce project manager will monitor the grantee's compliance with the terms of the grant agreement.

**Grant Duration/Performance Period.** The grant term/performance period will be determined on a project specific basis, targeted at 12 months.

**Freedom of Information Act/Confidential Information.** Applications are subject to disclosure, in response to requests received under provisions of the Freedom of Information Act (5 ILCS 140/1 *et seq.*). Information that could reasonably be considered to be proprietary, privileged or confidential commercial or financial information should be identified as such in the application. The Department of Commerce will maintain the confidentiality of that information only to the extent permitted by law.

**Authority/Approvals.** The applicant's signature on the application form attached is its certification that all authorizations required to perform the project have either been obtained or will be obtained no later than 90 days following the grant beginning date set forth in the Notice of Grant Award issued by the Department of Commerce.

**Legal Compliance.** The applicant must certify on the application that the project complies with all applicable state, federal, and local environmental and zoning laws, ordinances, and regulations and that all permits, licenses, etc.,

required to perform the project have either been obtained or will be obtained no later than 90 days following the incentive beginning date.

**Dissemination of Information/Technology Transfer.** Grantees will be contractually required to allow the Department of Commerce access to the project site and the ability to obtain, publish, disseminate or distribute any and all information obtained from the project (except any data or information that has been negotiated as being confidential or proprietary), without restriction and without payment or compensation by the Department of Commerce.

**Ownership/Use of Equipment.** The grant agreement will specifically prohibit the sale, lease, transfer, assignment, or encumbrance of any equipment or material purchased with grant funds, without the express written approval of the Department of Commerce for the duration of grant agreement.. In the event of a grantee's failure to comply with this requirement, the grant agreement will provide that the Department of Commerce may, at its discretion, require the grantee to return all grant funds provided by the Department of Commerce, require the grantee to transfer to the state ownership of equipment and material purchased with grant funds and bar the grantee from consideration for future funding. The Department of Commerce reserves the right to require the grantee to give it a purchase money security interest in equipment purchased with grant funds for the duration of the grant term.

**Marketing and Promotion.** The Department of Commerce and the grantee will acknowledge the participation of the other Party in all press releases, publications and promotional materials presented to the media, or otherwise disseminated or published concerning the project. Grantees must utilize the Illinois Energy Now logo and templates on all program materials, including but not limited to: printed materials, presentations, websites, business cards, and display materials. The grantee shall submit all program materials to the Department of Commerce grant manager for approval prior to release.

**Prevailing Wage Requirements.** Grantees are responsible for determining if their projects will trigger compliance with the Illinois Prevailing Wage Act (820 ILCS 130 *et seq.*). The Department of Commerce will not render a legal opinion as to the applicability of the Prevailing Wage Act to any project. Questions regarding the applicability of Prevailing Wage requirements may be referred to the Illinois Department of Labor at 312.793.2800 or 217.782.6206. Attorney General Opinion No. 00-018, which addresses applicability of Prevailing Wage requirements, may be accessed on the Attorney General's Web site at <http://www.ag.state.il.us/opinions/2000/00-018.pdf>.

**State Not Liable.** Grantee shall hold the State of Illinois harmless from any and all claims, demands, and actions based upon or arising out of any services performed by Grantee or by their agents or employees under a grant agreement. The Department of Commerce, by entering into a grant agreement, does not pledge or promise to pledge the assets of the state nor does it promise to pay any compensation to the grantee from any moneys of the treasury or the state except such moneys as shall be appropriated and paid to the grantee by the Department of Commerce.

**Indemnity.** The grantee agrees to assume all risks of loss and to indemnify and hold the Department of Commerce, its officers, agents and employees, harmless from and against any and all liabilities, demands, claims, damages, suits, costs, fees, and expenses, incidents thereto, for injuries or death to persons and for loss of, damage to, or destruction of property because of the grantee's negligence, intentional acts or omissions. In the event of any demand or claim, the Department of Commerce may elect to defend any such demand or claim against the Department of Commerce and will be entitled to be paid by the grantee for all damages.

**Insurance.** The grantee shall provide Workers' Compensation Insurance or the same, as required, and shall accept full responsibility for the payment of Unemployment Insurance, premiums for Workers' Compensation, Social Security, and retirement and health insurance benefits, as well as all income tax deductions required by law for its employees who are performing services specified by the grant agreement.

**Return of Funds.** The grantee shall return to the Department of Commerce any and all funds that are determined by the Department of Commerce to have been spent in violation of the grant agreement.

## **E. Application Process**

**Application Submittal.** Applications submitted under these guidelines must complete all the data requirements within the application.

Applications under this program will be **DUE NO LATER THAN OCTOBER 31, 2016.**

Note: Applicants may contact Bruce Selway at 217.785.2023 or [bruce.selway@illinois.gov](mailto:bruce.selway@illinois.gov) with questions. (TDD 800.785.6055)

The Department of Commerce will accept applications at the following email address: [illinois.energy@illinois.gov](mailto:illinois.energy@illinois.gov). **Please state "Market Transformation Application" in the subject line.**

**Evaluation.** Applications will first be reviewed to determine eligibility and completeness. Ineligible or incomplete applications will be immediately rejected, and the applicant will be notified.

Evaluation criteria have been developed to assist the Department of Commerce in identifying those projects that display the most potential for achieving the goals and objectives of the Market Transformation Programs. Applications satisfying the general review will be evaluated competitively on the basis of the following criteria:

- Overall quality of the application including measurable project goals, tasks and activities, a well-developed work plan, and easily identifiable deliverables.
- Potential for the project to encourage investment in energy efficiency measures and achieve long-term efficiency goals. Preference will be given to proposals that include a proposed method for measuring kWh and/or therm savings resulting from the proposed project (directly or indirectly).
- Likelihood of actual project development, potential to accomplish defined objectives and technical feasibility. This includes, but is not limited to a clear description of the relationship of the applicant to the identified audience(s) for the proposed project and the access they have to the members of that sector.
- Reasonableness of budget and cost-effectiveness of the proposed project – not necessarily using the EEPS statutory definition, but rather the relative tangible benefits produced for the money spent.
- Capability of the applicant including previous experience and additional professional resources available.
- Potential for the project to support economic development in the state of Illinois through job creation and business development.
- Any applicant that is a previous or current grantee of the Department of Commerce and was/is delinquent in its grant obligations shall have such delinquency included as one of the application evaluation criteria for this current application.
- Other criteria as determined by the Department of Commerce to be in the best interest of the State of Illinois.

**Rejection of Applications.** The Department of Commerce reserves the right to reject any application. The submission of an application under these guidelines confers no right upon any applicant. The Department of Commerce is not obligated to award any grants under this program, to pay any costs incurred by the applicant in the preparation and submission of an application, or pay any grant related costs incurred prior to the grant beginning date.