

# Extreme Energy Makeovers FAQs

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## Goals

**What are the goals for Extreme Energy Makeovers?** The goals are an electric energy usage reduction target of 25% per home, with an implementation cost of approximately \$10.00 per square foot, and an annual savings of 1,000 Megawatt-hours. The completion date for implementing all projects is February 1, 2017.

**How many homes do you expect to be retrofitted?** The number of homes retrofitted will depend on average energy use of the homes in the targeted community and the percent savings per home that the project team expects to achieve. Based on our estimates, we expect approximately 800 homes to be retrofitted across all EEM projects.

**How should the cost per square foot be calculated?** The cost per square foot will be calculated using the total project team expenditure divided by the total square feet of all of the homes retrofitted by that project. Total project expenditure includes marketing and administrative costs as well as direct implementation costs. Total project expenditure is limited to funding awarded to Project Teams (e.g., does not include TVA administrative expenditure). For the proposal, it is acceptable to use an estimated average square foot per home appropriate for the targeted community.

**What is the target market for EEM?** The target market is 20-year old homes or older located in lower-income communities.

**How did you arrive at the project goals (i.e., 25% reduction per home, \$10/square foot, and 1,000 MWh/year)?** Goals for this project were set in the EPA-Approved Plan created in 2012.

## Terminology

**What does the phrase “whole-house approach” mean?** A “whole-house approach” refers to the evaluation and upgrade of the home’s thermal envelope (the space the homeowner wants heated and cooled – involving insulation and air sealing), the home’s appliances, doors and windows, lighting, and the energy systems (HVAC, including duct system; water heater). Health and safety issues would be evaluated as part of the process and addressed on an “as needed” basis.

**What constitutes a community?** The project team will define the community in their proposal. At a minimum, it will be a defined geographical area.

**Will education about the makeovers be considered part of the project?** Tailored education will need to be provided to the homeowner based on what technologies are implemented within their home.

**Will this project track emissions impacts?** Yes, the lifetime emissions avoided for CO<sub>2</sub>, SO<sub>2</sub>, NO<sub>x</sub>, and Hg will be tracked. They will be based on estimated MWh avoided and reported quarterly as the calculated average tons/GWh based on TVA's generation portfolio.

**What do you mean by “energy efficient technologies”?** Energy efficient technologies or devices are designed to use energy more efficiently. Such devices include, but are not limited to, high efficiency air conditioning or water heating, CFL/LED lighting, smart meters, consumer interface/display devices, and energy storage.

**What is meant by “homeowner”?** The “homeowner” will be defined by the project team who will be responsible for clearly defining the prospective participants (resident, landlord/tenant, or a city). The project team will need to identify any potential risks associated with their definition and include in their proposal their planned mitigation actions to address those risks.

**What qualifies as “lower income”?** Projects will target “lower income” homeowners and/or residents. The term “lower income” will be defined by the project team as it relates to the proposed community. The project team must be able to justify their lower income definition and explain the processes for participant selection and verification.

**What is meant by “outreach”?** Outreach is the ongoing activities or processes of bringing information on the project and the available resources to the prospective community – both the targeted homes as well as the larger community.

**What does “representative portion of a moderate-sized community” mean?** The defined community must be large enough that the project will meet its stated goals while allowing for a percentage of potential participants to opt-out of the project.

## Project Team

**What is a Project Team?** A project team consists of members from multiple companies and organizations who have partnered to implement a Smart Community project or projects. The project team must include a local power company. Other project team members may include, but are not limited to, a third-party implementer, community organizations, local and state governmental agencies, manufacturers, businesses, and non-profit organizations.

**If a LPC or other project team member plans to hire a third-party implementer, does that implementer need to be identified before the proposal is submitted?** Yes. We expect all of the primary implementation partners to be identified in the proposal, including signing a letter of commitment and giving their qualifications and experience to fill their role on the project team. Project Team members are not prohibited from hiring subcontractors after the contract has been awarded.

**Do subcontractors need to be identified before the proposal is submitted?** No. Project Team members are not prohibited from hiring subcontractors after the contract has been awarded.

**If there are ongoing projects with a LPC, can this funding be used to expand the project to explore multiple business models?** Yes.

**Can a Project Team include more than one LPC?** No. The project must identify a target community located in the territory of a single LPC. Only the LPC where the community is located may be part of the Project Team.

**Will TVA provide assistance in the formation of Project Teams by connecting LPCs with potential partners/vendors?** TVA will not take an active role in the formation of Project Teams, but has provided resources to interested parties. A list of all TVA LPCs is located at [http://www.energyright.com/power\\_company\\_listing.html](http://www.energyright.com/power_company_listing.html). In addition, interested partners/vendors may submit information about their company to TVA; TVA will compile information from all respondents and make the list available to LPCs. Partners/vendors should send their contact information, a 200 word description of their company's capabilities, and their organization's potential role on a project team to [smartcommunities@tva.com](mailto:smartcommunities@tva.com).

**Can a project span across both EEM and Smart Energy Technologies (SET)?** SET and EEM have separate RFP processes. A Project Team may submit multiple proposals in the SET and/or EEM RFP process. However, each proposal must be for a different geographic area; SET and EEM projects cannot be implemented in the same physical community.

**Can project team members be a part of more than one project proposal?** Yes. When a company/organization agrees to join a Request for Proposal (RFP) submission, the company/organization is agreeing to allocate the resources necessary to make each, independent project a success.

**What if the approach outlined in the Response for Proposal submittal does not match (in part or in whole) with any of the business models presented in the benchmarking study?**

The business models listed in the benchmarking study are not an exhaustive list of models. Other approaches may be submitted and will be reviewed. The chosen project might include ideas from multiple business models or from other resources. Any submitted approach must meet the scope and desired outcome of the project.

**Are you looking for something original or is it acceptable to model a successful program?** It is acceptable to model a successful program.

**Why should a local power company participate in a Smart Community project?** The local power company would be providing homeowners and/or residents with a higher quality of life by supporting the efforts of these projects. In addition to the communities being able to enjoy an enhanced standard of living, the local power company receives the benefits of residential homes using electric energy more efficiently and enhanced customer satisfaction from the services rendered by the local power company.

**What does the term “leveraging partners” mean?** Members of a project team should utilize the strengths of each team member, and use those strengths to implement the project successfully (i.e., meet the project goals within the required timeframe).

## Community

**How many Extreme Energy Makeovers projects will be awarded?** At a minimum, two projects. Each project must be located in separate climate zones within the TVA service territory.

**What are the climate zones?** The climate zones are as follows: EPA Area 3 (AL, MS, Shelby Co. TN and surrounding environs), EPA Area 4 (the remainder of TN, KY, VA, GA, SC), and EPA Area 5 (Avery and Watauga counties, NC).

**May an Extreme Energy Makeovers project and a Smart Energy Technologies project be located in the same Local Power Company territory?** Yes. The only restriction is the individual homes cannot be included in both projects. Homes must be exclusive to one project or the other.

**Why should a community participate in an Extreme Energy Makeovers project?** The upgrades made to the homes will improve the quality of life for the residents living in the community. Residents will be able to focus their time and resources on things that matter to them instead of focusing on the home or the home's systems.

## Participant Eligibility

**How is participant eligibility determined?** Participant eligibility will be documented and determined by the project team(s) in their Request for Proposal submission.

**Is multi-family housing eligible to participate?** Yes, as long as electric energy savings targets can be achieved.

**Are unoccupied homes eligible to participate?** No, unoccupied homes are not eligible to participate.

**May a home participate in both the Extreme Energy Makeovers project and the In-Home Energy Evaluation (IHEE) program?** Not at the same time. For EPA/TVA reporting purposes, Extreme Energy Makeovers project dollars must be kept separate from other project/program dollars (implementation and administrative).

### **Funding and Administration**

**What is the funding for Extreme Energy Makeovers?** Of the \$12 million allocated for the EEM project, \$10.2M will be awarded to Project Team(s) through the RFP process. The remaining funding has been allocated for administrative activities and project support under other contracts. TVA will award, at a minimum, two EEM projects. The funding will be divided between recipients at TVA's discretion.

**When will the project launch and how long will it run?** Implementation will begin in 2015 and continue through 2016. Final reporting of results to TVA will occur no later than mid-2017.

**What is TVA's role in project implementation?** In addition to funding awarded for Project Team, TVA will provide additional support and guidance on marketing and education, including development and production of materials.

**How much of the award will be allowable for administrative costs versus direct implementation costs?** Each Project Team will submit a budget as part of their proposal. This budget must include a breakdown of costs by type and by year.

**What funding is the local power company expected to provide?** The projects will be fully funded by TVA. The local power company is not obligated to provide financial support for the project. However, the local power company may contribute to the project financially to support or expand the project's reach.

**May project team members bring additional funding to their project?** Yes. Project team members may provide additional funds to support the scope of the project. Cost sharing will be considered as a leveraged resource in the evaluation process. For EPA/TVA reporting purposes, TVA project dollars must be kept separate from individual project team member dollars. Additional funding from project team members cannot be used as justification to extend the final implementation project date.

**Will the local power company receive financial assistance relating to the work provided in the project?** Funding the projects (implementation and administration) will be provided by TVA. The local power company will be a project team member.

**May project teams combine the administrative components of a Smart Communities project with another program?** For EPA/TVA reporting purposes, all Smart Communities project dollars (implementation and administration), energy savings, and emissions calculations must be kept separate and clearly delineated from any other potential spending.

**What financial obligation is the homeowner and/or resident expected to provide within an Extreme Energy Makeovers project?** Homeowners and/or residents are not expected to provide any financial assistance.

**Is funding available to assist organizations with the time incurred in preparing a proposal?** No.

## Technologies

**What are examples of “newer, most efficient energy technologies?”** Examples are technologies or devices designed to use energy more efficiently, but are not limited to, high efficiency air conditioning or water heating, CFL/LED lighting, and consumer interface/display devices.

**May a project include gas heating and/or gas appliances?** Yes. However, project funding will only go towards appliances that achieve electric energy savings goals. Recommendations for upgrading inefficient gas-fueled equipment should be made when applicable, but will not be covered by project funding.

**Is there a do-it-yourself component of Extreme Energy Makeovers?** No, all project work must be completed by the project team.

## Contractors

**Why should a contractor participate in an Extreme Energy Makeovers Smart Communities project?** Participating contractors would receive valley-wide (and possibly broader) recognition for the work performed as part of an Extreme Energy Makeovers project.

**How are contractors selected and managed for the Extreme Energy Makeovers projects?** Contractors will be selected by the project team and managed by the principal project team lead.

**If a homeowner already has a preferred contractor, may they use that contractor to perform Extreme Energy Makeovers project work on their home?** No. In order to meet the stated project goals outlined by both TVA and the EPA, the selection of contractors for project implementation will be performed by the project team.

**Will jobs be inspected that are a part of the Extreme Energy Makeovers project?** Yes. In order to verify that energy savings goals are met and ensure a quality implementation, 100% of the projects will receive a post-implementation inspection.

**Will any ongoing maintenance of systems implemented through the Extreme Energy Makeovers project be required?** Yes. The project team must propose a way to implement a maintenance program for systems, such as the HVAC, that continues for a minimum of two years. The proposal will have to include a way for the funding of this program to be incurred by the stated project completion date.

## Request for Proposals (RFP) Process

**When will the RFP be released and when is it due?** The EEM RFP will be released the week of June 2. It will be due the week of September 1, giving project teams 12 weeks to respond. Check [http://www.tva.com/environment/epa\\_mitigation/smart\\_energy\\_communities.htm](http://www.tva.com/environment/epa_mitigation/smart_energy_communities.htm) for the most up-to-date RFP schedule.

**Will there be a letter of intent or pre-proposal required?** Yes, the RFP will include an Intent to Bid form that will be due 2 weeks after the RFP is released. Project Teams do not need to be in place by this date; individual organizations can submit their own Intent to Bid form.

**Which Project Team member should submit the proposal?** The entity that submits the RFP is designated as the primary respondent and acts as TVA's contact throughout the RFP process. The primary respondent should be the entity that the Project Team intends to receive the project funding through a contract with TVA. Proposals also must include a Letter of Commitment from each Project Team member indicating that the organization is committed to providing the resources necessary to fulfill its roles and responsibilities, as identified in the proposal.

**How can I make sure I receive the RFP?** The RFP will be sent to the Smart Communities email list. Any individual who has participated in a Smart Community webinar or signed up at [http://www.tva.com/environment/epa\\_mitigation/smart\\_energy\\_communities.htm](http://www.tva.com/environment/epa_mitigation/smart_energy_communities.htm) is included on the email list.

## Benchmarking Study

**Why wasn't anyone within the valley included in the survey?** The benchmarking study intentionally focused on programs and projects that occurred outside the Valley. The individuals and organizations interviewed represent a good sample of projects and programs from across the United States.

**Is the benchmarking study publicly available?** The benchmarking study will be made available to the public in April 2014 at [http://www.tva.gov/environment/epa\\_mitigation/smart\\_energy\\_communities.htm](http://www.tva.gov/environment/epa_mitigation/smart_energy_communities.htm).

**What is a business model?** A business model encompasses how organizations create, deliver, and capture value. Business models are included in the study to provide insight into the diversity of players, value propositions, and primary delivery methodologies used in the marketplace today.

**Are you looking for something original or is it acceptable to model a successful program?** It is acceptable to model a successful program.

**What is meant by "market framework?"** A market framework is used to categorize the various activities associated with the programs researched. A market framework can be used to organize key findings. The framework for Extreme Energy Makeovers could be grouped into three areas: Engagement, Delivery, and Management.

**Scalability is included as a key design element. Does that mean that the project must be done throughout the LPC service territory?** No. A project does not need to cover the entire LPC service territory. See the community section of this document for more information on how Project Teams should define their target community. Scalability refers to the flexibility of the project to adjust to different funding levels or to be used as a model for a larger-scale program that could be implemented in the Tennessee Valley or nationally.

## Updates as of June 5, 2014

### **If a third-party is the primary applicant, is the LPC required to maintain active oversight?**

It is not a requirement for the LPC to maintain oversight; however, the project team should determine if such duties need to occur.

**Why not use pre- and post-blower door testing along with comparative analysis of power bills in the calculation of energy savings?** For EEM, blower door testing is a requirement before and after implementation on each home. The blower door testing is used to quantify the deemed energy savings. Power bill analysis may be performed by TVA or TVA's designated partner to perform post-implementation evaluation, measurement, and verification (EM&V) at a later date.

**Will lead remediation, mold abatement, etc. be funded separately over and above \$10 per square foot?** Health and safety evaluation and work must be included within the \$10 per square foot cost. The EEM project is not providing additional funding for health and safety issues. Any work performed in regards to health and safety issues must relate directly to a measure being installed in the home (e.g., asbestos duct insulation removal from replacement duct work/duct sealing).

**What energy savings methodology will you use to (1) energy audit the home, and (2) evaluate electric energy savings? Can respondents propose the methodology?** As written in the EEM RFP, the project team must provide their methodology for calculating deemed electric energy savings. The project team must provide their methodology regarding the audit process and its components (e.g., pre- and post-blower door, HERS).

**If we have an existing program that does low income retrofits, could TVA monies be injected into this existing program?** All funding related to the EEM project must be used for the EEM project. EEM project funding cannot be used for, or injected into, existing programs.

**Does this program exclude businesses and schools?** Yes. The EEM project is strictly for residential homes.

**How do you define multi-family housing?** A building that contains three or more dwellings. A dwelling means a single, self-contained housekeeping unit comprised of one or more rooms providing complete independent facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation, that receives permanent electric service from a local power company. Each housekeeping unit must have (1) a dedicated water heating system, (2) a thermostat or thermostats that control a dedicated unitary heating system, (3) a full kitchen with range, oven, and refrigerator, (4) a minimum conditioned living floor area of 500 square feet, and (5) for rental units, a minimum one month term of tenant occupancy.

**Who is responsible for the post implementation inspection?** The project team must designate who performs the post-implementation inspection. The only requirement is the organization performing the post-implementation inspection cannot be the same organization who installed the measures/upgrades within the home. TVA reserves the right to perform post-

implementation Evaluation, Measurement, and Verification (EM&V) using their designated third-party evaluators.

**Explain Community size: Large enough to meet goal, with potential participant opt-out?**

A defined area that provides sufficient project sites, is manageable, allows the project to stay within budget, and provides the targeted emissions impacts. Any home targeted for inclusion within a project community must be given the opportunity to opt-out of the EEM project. In the event a home does opt-out, no project work can be performed on that home.

**If a technology doesn't have a deemed savings number, can it be eligible?** The project team must justify the inclusion of technologies installed. The project goals of 25% reduction in the home's energy usage and \$10 per square foot installation continue to apply.

**Can 2-3 cities be included in a project area?** The project area must meet the requirements of the EEM project goals. There is no predefined community size, but all homes within the community must be served by the same LPC.

**Would there be priority given to rural communities seeing that a lot of a state's poverty is rural?** Both rural and urban communities are equally eligible to participate as long as the community selected meets the project goals.

### **Updates as of July 7, 2014**

**What is the penalty if the Extreme Energy Makeover project falls below the required 25% savings minimum as outlined in the RFP?** The contract between TVA and the primary respondent will include termination provisions that allow TVA to terminate the contract upon the occurrence of a breach on failure to satisfy the project goals. The contract will require recordkeeping and submission of periodic reports so that progress in implementing the project can be tracked by TVA. Failure to comply with project recordkeeping and reporting is also grounds for termination of the contract.

**How will savings be calculated?** All savings will be reported as deemed savings. Please refer to the TVA Technical Resource Manual (TRM) for guidance on how to calculate deemed savings for the various measures. A link to the TRM can be found on the Smart Communities website at [http://www.tva.com/environment/epa\\_mitigation/smart\\_energy\\_communities.htm](http://www.tva.com/environment/epa_mitigation/smart_energy_communities.htm). Look in the right hand column for the paragraph referencing the TRM.

**Can we use estimates based in increases in efficiency. For example, if we replace a 80 watt bulb with a 20 watt bulb, there is a 60 watt or 75% reduction in energy use. How would that equate to the overall goal of 25% reduction?** If your proposal includes the installation of energy efficient light bulbs as one of the project measures, you would calculate the deemed savings achieved and count that towards the 25% reduction.

**Can we use savings from gas appliances?**

**Can gas water heaters be changed out under this program. Your scope only has electric water heaters.**

**I assume we can change out gas furnaces under this program?** No, savings from gas appliances cannot be counted in this project. This is because the emissions reductions that this project is responsible for generating are calculated based upon the lifetime value of the measures (the 25% reduction in energy use) and the lifetime emissions (CO<sub>2</sub>, SO<sub>2</sub>, NO<sub>x</sub>, and Hg) avoided from using energy produced by the TVA coal fleet. Therefore, savings from gas appliances do not count towards the 25% energy reduction per residence or the annual 1,000 MWh reduction for the project.

Remember that while there are no savings to be counted for the project, there are benefits for both the resident and the local power company. The project team must balance those benefits with the fact that the project will not pay for gas appliances or fuel switching or count the savings for those appliances towards project goals.

**Are responders limited to measures listed in the TRM?** The TRM is provided as a resource, especially for the development of deemed savings for those project teams that want that specific guidance. It does include a comprehensive list of measures that are anticipated will be used in the projects and generally reflects those measures that are mentioned in the Response for Proposals. If there is a measure that you would include in a project that is not listed either place and you have some question about whether it would be accepted, either include an explanation in your proposal or send us additional detail to respond to.

**Is each home required to yield a 25% savings? If a home is expected to yield a 24% savings, for example, would they be precluded from participating in program?** Each home is required to yield a 25% energy savings. That said, homes that are projected to yield savings a point or two below that target shouldn't necessarily be precluded from project participation. This goal should not be considered as an average across all homes. The expectation is that each home will achieve the target. However, we are willing to be flexible within very narrow bounds.

**Is a rating, HERS or otherwise, required?** A rating, HERS or otherwise, is a way to definitely show the level of improvement a home has achieved. It would be nice information to have, but is not a requirement. However, the project administrator is still responsible for ensuring that each home receives a follow-up audit that includes a blower-door test once all measures are installed in the home.

**Can you explain why are you choosing projects in two different climates? What is the rationale for that?** At least one project will be awarded in each of two different climate zones because that is the agreement between TVA and the Environmental Protection Agency.

**Which modeling software programs are acceptable or allowable?** TVA does not endorse or recommend modeling software programs. If a project team chooses to use a modeling software program within their RFP response, the project team must reference and cite which modeling program was used, and why that particular modeling program was used. For the purposes of the final energy savings for project implementation and reporting, the RFP proposal states deemed energy savings will be used in conjunction with blower door testing prior to and after installation.

**Does the 15% deviation for the \$10 per square foot pertain to a ceiling and floor, meaning can the deviation be as low as \$8.50 or as high as \$11.50?** Yes, the 15% deviation regarding the cost per square foot does refer to both a ceiling and a floor. That being said, a proposal that reasonably anticipates a cost per square foot that is below \$10/sq. ft. would be evaluated more highly than a proposal that anticipates higher costs.

**The RFP states, "the deployment sites must have a defined geographical boundaries". In response to the RFP, we intend to deploy the EEM program in 5 defined zip codes. Does this fall within the guidelines of the RFP?** There are two things that must be considered. The first is whether the five chosen ZIP codes are contiguous or not. A defined geographical area must be contiguous. The second is whether the homes within those five ZIP codes meet the definition of lower income as defined by your project team within your response to the RFP.

**How many contractors will be available if we use TVA QCN network?** Any QCN member on your QCN list may be available for work. You would need to work with the individual contractors regarding their availability.

**If there is a letter of intent to bid due, please forward.** Please visit the Smart Communities website at [http://www.tva.com/environment/epa\\_mitigation/smart\\_energy\\_communities.htm](http://www.tva.com/environment/epa_mitigation/smart_energy_communities.htm). You will find the Request for Proposal for the Extreme Energy Makeovers project in the list on the right-hand side of the page. The Intent to Bid format is included in the Appendix.

**Can a Project Team include more than one LPC?** No. The project must identify a target community located in the territory of a single LPC. Only the LPC where the community is located may be part of the Project Team.

**I understand that project teams can consist of various members, but must include the local utility. Given the relatively short time frame for the open RFP, there is not much time available for the local utility to undergo a procurement process to determine what project team it would like to work with. It is highly possible that there are multiple project teams that are interested in applying in any given municipality. Would a local utility be able to sign on as a partner for multiple project team applications in a specific municipality, or is the onus on the local utility to select one project team to work with and submit one single application for a municipality?** Yes, a local power company may sign on as a partner for multiple RFPs.

### **Updates as of August 8, 2014**

**Are letters of support from organizations not involved in our grant writing process useful or accepted by TVA?** You may include any letters of support that you wish in your proposal. However, only letters of support from organizations that will act as a leveraged resource in some way are required.

**Is TVA open to applicants asking that landlords sign contracts that would do the following:**

- a. **Ensure that tenants receive the benefit of efficiency through agreeing that they will forgo raising rent for a minimum of two years?**
- b. **That any removable upgrades, such as a thermostat or fridge may not be sold or otherwise removed from the premise without [local power company] notification/consent**
- c. **Ensure that landlords do not impose any additional fees on tenants in addition to not raising rent?**

If a project team includes landlords in its definition of a homeowner, then the project team needs to address any potential risks associated with landlords and identify how they will mitigate those risks. The three proposals included in this question are ways to mitigate risks associated with landlords. Project teams are encouraged to check with their local government to verify that any contractual proposals like those above are legal within the target community. The project team should also consider if the proposed mitigation action is reasonably enforceable and include an explanation within the narrative.

**Would technologies like solar or other distributed alternative generation be appropriate for this grant?** Such technologies would not exclude a proposal from consideration. However, the project team must carefully evaluate whether they will be able to achieve the required energy reduction of 25% per home at a cost of approximately \$10 per square foot if these technologies are included.

**Can we get a list of vendors that submitted an Intent to Bid form?**

**Is TVA allowed to release how many Letter of Intents it received for this opportunity? If so, may we know that number?**

No, TVA does not release information about the Letters of Intent it receives.

**Did TVA require any bonding for this RFP?** TVA did not include a provision for bonding in the RFP. TVA anticipates that the companies that would require bonding will be contractors or subcontractors doing the work on the homes. The contract that TVA enters into will be with either a third-party implementer or the local power company that would then hire those contractors. The project team could consider requiring bonding for all contractors that do work as part of the project. Consider whether your state requires bonding to receive a business license.

**Is the July 25<sup>th</sup> deadline for questions only for vendors or does it include power distributors as well?** The deadline for questions is the same for all potential project team members – July 25, 2014. This deadline is so that TVA has time to answer and post all questions no later than two weeks before the RFP submittal deadline. The decision was made to follow this process so that the project teams have time to incorporate the information in the answers as necessary.

**In proposal sections such as 4.2 (Roles and Responsibilities), 5.2 (Project Concept Details), and 5.5 (Budget and Implementation Schedule), that reference an Appendix form, should responses be limited *only* to completion [of] the applicable form?** The sections mentioned in the question require only that the cited forms be completed. In particular, the Project Concept Details are limited to 100 words per prompt. So additional information

attached to this form would not be considered by the review committee. The most appropriate place for information to support the Roles and Responsibilities form would be in the narrative. If the project team feels they need to make additional comments to the Budget and Implementation Schedule form, they may include a single page following the formatting guidelines for the narrative.

**The RFP and question responses indicate that project deployment sites must have defined geographic boundaries, such as zip codes that are contiguous and where “the homes in those zip codes meet the definition of low income.” Can you please clarify whether *all* homes within a defined boundary must be considered low income, or whether a project boundary containing both low income and non-low income homes is appropriate, provided that only low-income homes would be eligible to participate in the program?** All homes within a defined geographic boundary do not have to be low income. It is this fact that makes it necessary for the project to determine that there are, in fact, a large enough proportion of residences within the targeted community that qualify under the project team’s definition of low-income, which also allows for a percentage of those homes to opt out while still hitting the required target. All assumptions should be explained in the proposal.

**The RFP states that awards shall be paid incrementally upon satisfactory completion of program objectives. Will this payment be reimbursement or up-front payments to cover implementation costs? How will payment be made (e.g. check or direct transfer)?** Once awards have been made, TVA will work with the primary respondent and other project team members to identify appropriate milestones during the pre-implementation or “ramp up” period so that project costs can be recovered in a timely way. Once implementation has started, payments will be based upon regular invoices from the primary respondent that include the required reports to demonstrate that work has been successfully completed. Per TVA accounting practices, all payments will be made by electronic funds transfer (EFT).

**If payment is reimbursement based, how long is the expected turn-around time between submission of an invoice and payment? Will any money (for example, 10% of budget) be provided to cover start-up operational funding? Will reimbursements be issued for the required two years of maintenance on installed technologies?** Turn-around time between invoice submission and payment will be determined during contract negotiations, but will be between 30 and 45 days once the invoice has been received (processed into the system) by TVA, as long as the invoice includes all necessary documentation. As stated in the previous response, TVA will work with winning project teams to identify appropriate milestones during the operational start-up period so that project costs can be recovered in a timely way. Yes, the costs for the required two year minimum of maintenance will be paid to the primary respondent. The project team should include in its proposal what the maintenance costs cover, when it will be billed for, and how payments to the appropriate subcontractors will be made over the two-year period. While the primary respondent will be responsible for ensuring that all maintenance costs are covered during the minimum two-year period, TVA must be invoiced for the anticipated costs no later than September 1, 2016. (It is a line item in the “Project Budget and Implementation” form in Appendix F.)

**Under item #3 Budget and Scope of Project, [t]he RFP states “All awards are at the sole discretion of TVA and shall be paid incrementally upon satisfactory completion of program objective.” Does this mean funds for retrofits have to be paid up front by the performing group and be reimbursed at some point? Please advise.** Yes, as described in the previous answer, an invoice with sufficient documentation to show that the work was completed, including installation of all materials and appliances, must be submitted before payment is made to the primary respondent – the entity that holds the contract with TVA – and will be responsible for then making payment to the appropriate companies.

**Section 5.3 of the RFP specifies a credit worthiness requirement for contractors, including “no lawsuits filed against the company in the last 5 years.” What does “filed against contractor” mean in this case? Many people file lawsuits against contractors, but these lawsuits are dismissed by a judge/court. Does TVA only require that a contractor has not had a lawsuit filed that resulted in a judgment against that contractor?** “Filed against [the contractor] in the last 5 years” means just that. The QCN Weatherization Application clearly states that “A negative answer to any of the following questions would constitute an unsatisfactory completion,” which includes lawsuits filed against the company in the previous five years.

**Will Project Teams be allowed to invoke TVA’s Energy Right brand in marketing the program to participants?** In Project Concept Prompt #2 (“Project Concept Details” form, Appendix E), project teams are asked to describe how they will handle project branding. It is expected that the project team will include the EnergyRight® Solutions and local power company logos in all media. The project team will be responsible for following logo usage guidelines provided by EnergyRight Solutions and the local power company. It is reasonable to expect that project partners, especially those that are used as leveraged resources, will also have their logos incorporated into media as appropriate.

**How will TVA oversee/enforce the Buy American Act as described in Appendix H? Will Buy American provisions apply to all materials installed in homes through the project by installation contractors?** The guidelines for material purchases will be outlined in the contract once awarded. The Buy American Act is definitely our preferred choice.

**The FAQ’s contain this exchange which needs clarification: Can a project span across both EEM and Smart Energy Technologies (SET)? SET and EEM have separate RFP processes. A Project Team may submit multiple proposals in the SET and/or EEM RFP process. However, each proposal must be for a different geographic area; SET and EEM projects cannot be implemented in the same physical community. But in another part of the FAQ’s there is this exchange: May an Extreme Energy Makeovers project and a Smart Energy Technologies project be located in the same Local Power Company territory? Yes. The only restriction is the individual homes cannot be included in both projects. Homes must be exclusive to one project or the other. These two answers seem to be in conflict. For clarification, if an LPC applies for EEM homes, and also submits a proposal to do SET work on homes that are also in the same city served by the LPC, is that going to be okay so long as no EEM and SET monies are spent on the same address?** Yes, an

EEM and a SET project may be awarded to project teams working in the same local power company's territory. Individual homes cannot be included in both projects. Homes must be exclusive to one project or the other and be located in different geographic areas (i.e., different communities within a local power company's service territory).

**What if the EEM work is done in a fashion that makes those home[s] also able to participate in the SET work and the ongoing operation of a SET community? So long as additional SET money is not spent on the EEM home, is this going to work?** No. The geographically defined areas for EEM and SET cannot overlap, even if no SET money is used on an EEM home.

**Will the TVA QCN be able to handle the influx of new work from the RFP. Our TVA QCN works with the eScore program. If we use the QCN for the RFP, will this slow down the work of the QCN. Can additional contractors be added?** It is expected that the contractor manage his/her workload in such a way that conflicts with other obligations are minimized. Non-QCN contractors may be leveraged within this project. However, the project team must provide the documentation that the non-QCN contractor meets the same qualifications as a QCN contractor, as stated in the EEM RFP.

**Since TVA will not fund gas appliances in this RFP. Will you fund the following:**

- **can we replace/repair ductwork for central HVAC systems with gas furnaces?**
- **can we make condenser replacements when coupled with a gas furnace?**

Duct replacement/repair is a separate measure to be addressed within a home and would be funded. When reporting the deemed savings value for this replacement/repair, only the value associated with cooling may be reported. Condenser replacements would be funded since they are solely for cooling purposes.

**If attic insulation is installed as a measure, do we only use the summer energy savings in our proposal. What about the winter savings in gas usage (can this be added to the 25%)?** Deemed savings should be the methodology used when calculating energy savings per home. This project is focusing on the electric energy savings per home and will not accept gas savings.

**Energy auditors with BPI or Resnet (HERS rater) certifications are in very short supply in some parts of the TVA territory. May pre-treatment audits and post-treatment inspections be performed by someone with other certifications, such as Weatherization Assistance Program training?** When it comes to the pre-blower door test, it is important that it be performed by a certified auditor who will be able to make the appropriate, cost-effective weatherization and energy efficiency recommendations for each home. For consistency in the post-blower door test, it also must be performed by a certified auditor. Acceptable certifications are: Home Energy Rating Systems (HERS) rater, Home Performance with ENERGY STAR contractor, Building Performance Institute (BPI) Analyst, or a Duct and Envelope Tightness (DET) verifier.

**Are post-treatment blower door tests required in all cases, even if no air-sealing has been performed?** Yes, post-installation blower door tests are required.

**The [team name] is in the process of applying for the TVA EEM RFP and would like to know if the \$10 a square foot for retrofits is inclusive of all externalities as well, ie: marketing, project management, etc.?** A small percentage of the overall proposal total may be excluded from the total used to calculate the \$10 per square foot savings per home. This is reflected in the budget that must be submitted in your proposal. The percentage of implementation dollars versus administration dollars will be a factor considered in the review process.

**Our team plans to use audit software that uses a variable-based heating degree day method to calculate the deemed savings from proposed and installed measures based on multiple factors specific to each home. Thus, this software/deemed savings calculation methodology does not assign a static deemed annual savings value for each measure. In order to complete the table requested in Appendix K, would it be appropriate for us to list an average deemed savings value or average savings range for each measure?** Use an average, but err on the side of being conservative. The project team must be able to justify deemed savings values with appropriate supporting documentation.

**Can you provide or give a link to the IHEE spreadsheets cited in the TVA Technical Resource Manual? Specifically, I'm looking for the savings calculated for replacement of central air conditioners and heat pumps, as referenced on Pages 259 and 262 of the TRM (v 2.0, Dec. 2013).** The link to the IHEE spreadsheets is on the Smart Communities website, [http://www.tva.com/environment/epa\\_mitigation/smart\\_energy\\_communities.htm](http://www.tva.com/environment/epa_mitigation/smart_energy_communities.htm). It is the second link under the "Technical Resource Manual."

**Can the experience of a companies key personnel be used to satisfy the experience requirements as stated?** Yes, if the same key personnel will be the ones performing the work for the project team.

**If we bring on additional funding, may we bring on an "Education" or "Awareness" partner who would designate funds specifically for Community Education or Marketing, dollars that can be backed out of the \$10 per square foot calculation?** Yes, both the additional funding and/or the additional project team members focused on community education and/or marketing would be considered leveraged resources.

**May we include the local gas company as a part of our project team? Would this be an advisable addition?** You may include the local gas company as a partner if you wish. If the local gas company wants to partner and bring additional dollars to do gas upgrades that cannot be done with TVA funds that may be something that the project team selects to do. However, no savings from gas appliances can be counted.

**Would it be appropriate and appreciated to assign an E Score to a home if we do not use it for the rebate program? Or would introducing an E Score present a conflict between existing TVA programs and the EPA settlement?** Incorporating eScore work alongside the implementation work of EEM could present a conflict. EEM project funding cannot overlap with other energy efficiency programs that offer incentives. If a project team would like to provide a

home with an eScore, the best approach is to perform the eScore work once the EEM project work has been completed and invoices submitted.

**Will TVA supply the winning organization a template for reports to EPA? Specifically, should teams plan on deciding how to report emissions?** TVA will work with the winning project teams on how to report project information when submitting invoices. TVA is responsible for developing the emissions savings.