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*Clean Energy Program*  
**Small Hydropower Initiative**

# **Hydropower Project Assistance**

Background, Guidelines, Application Forms and Instructions

Solicitation No. 2008-SHI-02

<b>Solicitation Manager:</b>	<b>Amy Barad</b>
<b>Solicitation Posted:</b>	<b>May 23, 2008</b>
<b>Bidders Conference:</b>	<b>June 11, 2008</b>
<b>Deadline for Written Questions:</b>	<b>August 22, 2008</b>
<b>Final Update to Q&amp;A:</b>	<b>August 29, 2008</b>
<b>Applications due at MTC:</b>	<b>September 22, 2008 – 3:00 PM</b>
<b>Awards Announced:</b>	<b>Target: December 2008</b>

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*Attachments to this Solicitation are available as separate documents.*

## **1. Introduction**

### **1.1. Overview**

The Massachusetts Technology Collaborative (MTC), as administrator of the Renewable Energy Trust Fund (Trust), is seeking applications for construction funding for hydropower generation projects through its Small Hydropower Initiative (SHI). MTC seeks to improve the efficiency and ecological acceptability of the region's portfolio of small wholesale hydropower assets. SHI has approximately \$1.5 million available for this solicitation. MTC may offer similar solicitations in the future, though none are scheduled at this time.

MTC is accepting grant, loan or pre-paid Renewable Energy Certificate (REC) contract applications for upgrade, rehabilitation, redevelopment or development of eligible run-of-river hydropower projects with nameplate capacity between 100 kW and 30 MW. Projects must be located within the control area of the Independent System Operator – New England (ISO-NE) and sell all power generated into that control area. For projects located outside Massachusetts, no more than 25% of the electricity generated may be consumed onsite. All projects must result in an increase in energy generation; projects also resulting in benefits to riverine ecology are preferred. Applicants may request funding through a competitive application process in the following activity areas:

- Upgrade of existing hydropower facilities, including but not limited to
  - turbine replacement or refurbishment
  - rewinding of generators
  - installation or upgrade of automated controls
  - replacement of wooden flashboards with rubber skirt/inflatable crest gate systems
  - enhanced fish passage (in conjunction with measures to increase generation)
- Re-development of inactive hydropower facilities, at ecologically appropriate locations
- Development of new hydropower generation facilities at ecologically appropriate locations, including non-ecological systems (e.g., in conduits, within wastewater treatment systems, or other locations that are not part of natural ecological systems)

This solicitation is not intended to support feasibility studies; applicants must be able to demonstrate feasibility as part of their applications. However, detailed design associated with construction is an allowable activity.

Grants and prepaid contracts for Renewable Energy Certificates awarded through this competitive solicitation will be capped at the lesser of \$750,000, or 75% of actual costs; loans will be capped at the lesser of \$1 million or 75% of actual costs. Applicants are encouraged to request less than the maximum allowed, as the cost efficiency of proposals (as described in further detail below) is one of the criteria by which applications will be evaluated.

### **1.2. Background on Sponsors**

#### **1.2.1. The Massachusetts Technology Collaborative**

MTC is an independent economic development agency chartered by the Commonwealth to serve as a catalyst for growing the state's innovation economy. MTC brings together leaders from industry, academia, and government to advance technology-based solutions that lead to economic growth and a cleaner environment. MTC energizes emerging markets in the high-tech sector by filling gaps in the marketplace, connecting key stakeholders, conducting critical economic analysis, and providing access to intellectual and financial capital. For additional information, please visit: [www.masstech.org](http://www.masstech.org).

#### **1.2.2. The Renewable Energy Trust**

MTC administers the Trust to help build a sustainable, competitive market for renewable energy in the Commonwealth. The Trust was created by the Electric Utility Restructuring Act of 1997. MTC's

legislative mandate is to increase the supply of and demand for green power while expanding economic activity in the state's renewable energy industry.

### 1.2.3 The Clean Energy Program

The Clean Energy Program seeks to increase both the supply of and demand for renewable energy. On the supply side, it supports both utility-scale and community-scale energy projects that harness the wind, sun, and bioenergy. On the demand side, it educates citizens, teachers, and students, and advances the green electricity market by giving consumers objective information and clearly-defined choices. The program aims to achieve the first of the Trust's fundamental goals: to shift the state toward a greater reliance on renewable energy resources to meet energy needs in the Commonwealth. The Clean Energy Program has several initiatives which can be grouped into four categories: education and outreach; consumer clean energy purchasing; clean energy development; and planning and policy.

## 2. Minimum Applicant and Project Requirements

Each applicant must demonstrate compliance with the following minimum criteria:

Criteria	Minimum Requirement
<b>Eligible Applicants</b>	An eligible applicant is defined as any commercial, industrial, institutional, non-profit or public entity. The applicant must demonstrate site control over the project location and the rights to the water used to power the system. If the applicant does not own the dam associated with the project, a letter of support from the dam owner is required.
<b>Project Location, Project Size, and Type</b>	<p>The hydropower project must be located in and connected to the control area of the Independent System Operator – New England (ISO-NE) and sell wholesale power within the control area, except that if the project is located in Massachusetts, zero to 100 percent of the electricity generated may be consumed onsite.</p> <p>The nameplate capacity of the hydropower facility (following completion of the proposed project) must be at least 100 kW and no greater than 30 MW.</p> <p>Unless in a “non-biological” setting, such as a water supply conduit or wastewater treatment plant outfall, all projects must be designed for “run-of-river” operations with the intent of operation in that mode. (For purposes of this solicitation, run-of-river means that inflows equal outflows on a real-time basis.)</p> <p>Projects may not create new impoundments or increase the area or volume of existing impoundments, other than by <i>de minimus</i> amounts due to any required dredging, unless there is a compensating environmental benefit, such as removal of contaminated sediments.</p> <p>Any non-FERC-licensed dam associated with a project must be registered with the Massachusetts Department of Conservation and Recreation, or the appropriate agency in its host state.</p>
<b>&lt;25% Onsite Usage</b>	If the hydropower project is not located in Massachusetts and is associated with an onsite facility that uses any of the hydroelectricity behind the meter, the applicant must demonstrate that no more than 25 percent of the electricity produced by the completed system will be used onsite, based on annual production and usage estimates. Note that Massachusetts projects with onsite loads consuming 25 percent or more of the energy produced may also be eligible for funding under MTC's Large Onsite Renewables Initiative (see: <a href="http://masstech.org/renewableenergy/large_renewables.htm">http://masstech.org/renewableenergy/large_renewables.htm</a> ), although a

Criteria	Minimum Requirement
	project may receive an award through only one Initiative.
<b>Project Timeframe</b>	Projects must anticipate a date for commissioning within three years from the date of award. Projects with shorter timeframes until completion are preferred. Note: Projects with significant permitting needs may be eligible for support from MTC's Pre-Development Financing Initiative (see: <a href="http://www.masstech.org/grants_and_awards/CE/predev_overview.htm">http://www.masstech.org/grants_and_awards/CE/predev_overview.htm</a> ).
<b>Eligible Technologies</b>	<p>Only projects employing established, commercially-available technologies are eligible for funding under this Solicitation.</p> <p>Dams associated with proposed projects must be intact (i.e., must not have been breached).</p> <p>Hydroelectric turbines and generators may be either new or refurbished. All equipment should be accompanied by warranties and service support options, which may be subject to MTC approval.</p> <p>This solicitation is not intended to support projects using ocean thermal, wave or tidal energy.</p>
<b>Demonstration of Feasibility</b>	Applicants must provide the results of a feasibility study addressing technical, environmental, regulatory, and economic factors.
<b>Financial Need</b>	The applicant must explain why the requested support is necessary and how it makes the project financially viable.
<b>Minimum Technical Requirements</b>	Applicants and installations must comply with the Minimum Technical Requirements in Attachment C. This includes, wherever feasible, participation in MTC's Production Tracking System (PTS) for purposes of tracking the incremental power produced by the project. The project budget can reflect the purchase and installation of equipment needed for participation in the PTS.
<b>Prevailing Wage for Construction Activities</b>	Awardees must comply with any prevailing wage regulations in their respective states. Prevailing wage rates must be incorporated into the application budget.
<b>No Conflict of Interest</b>	Any vendors or contractors providing services directly to MTC through a Master Agreement for Services and associated Work Orders are not eligible for funding under this Solicitation. Applicants must demonstrate that the entire proposed team is eligible for funding.
<b>Related Parties</b>	The Applicant will procure services from subcontractors using commercially-responsible procurement mechanisms, and to the greatest extent practicable, using competitive procurement procedures. Furthermore, the Applicant is required to notify MTC in the event that it intends to or has entered into an agreement for goods or services with a related entity. For purposes of this Solicitation, a related entity is an entity that can control or significantly influence the management or operating policies of another entity to the extent one of the entities may be prevented from pursuing its own interests. In the event Applicant is given an award, MTC must approve the use of such related entity in writing prior to Awardee using MTC funds to pay for the costs associated with such related entity.

Criteria	Minimum Requirement
<b>Public Procurement Compliance (Massachusetts government entities only)</b>	<p>Massachusetts government entities must demonstrate compliance with Massachusetts Public Procurement Law. For example, a proposed team must be assembled in compliance with Massachusetts Public Procurement Law prior to the submittal of a SHI application to MTC. Any related contracts between a Massachusetts public entity and a proposed team may be contingent upon the award of SHI funding by MTC.</p> <p>For more information:  <a href="http://www.mass.gov/ig/igch30b.htm">http://www.mass.gov/ig/igch30b.htm</a></p>

### 3. Financial Support Specifics

#### 3.1. Project Funding

MTC is offering a choice of three funding approaches. Applicants may propose any one of the three approaches. Only one type of award per project will be made.

The three funding approaches are:

1. A grant;
2. A prepaid REC contract, repayable with RECs to be generated by the completed project; and
3. A loan in which payments are not due until the project is in operation, with a 10-year repayment period.

The three funding approaches are explained in greater detail below. The maximum grant or prepaid REC contract for a project (approaches 1 or 2) is \$750,000 or 75% of the total costs, whichever is less. (The maximum prepaid REC contract is further limited as described below.) The maximum loan for a project (approach 3) is \$1,000,000 or 75% of the total costs, whichever is less. Applicants must provide a cost share of at least 25% under any approach. Applicants are advised to consider the Financial Request selection criteria (see Section 4.2, below), particularly the calculation of the cost-effectiveness ratio, when deciding which approach to use in their proposal. Applicants receiving awards through other MTC programs for their proposed project are still eligible for SHI awards.

Please note that your project may be eligible for federal Production Tax Credits, but accepting a grant or below-market-rate loan may impair your ability to use the tax credit. You may wish to consult a tax advisor as you decide which of the three funding approaches to include in your proposal.

##### 3.1.1. Grant Option

Under the grant option, the maximum grant for a project is \$750,000 or 75% of the total costs, whichever is less. Funds will be disbursed according to the payment schedule described in Section 3.3, below.

##### 3.1.2. Prepaid REC Contract Option

Applicants who expect their projects to generate Renewable Energy Certificates (RECs) that are qualified to meet the Renewable Energy Portfolio Standards in Connecticut (Class 1), Rhode Island ("New Renewable Resource" Class) or New Hampshire (Class I) may request a prepaid REC contract. MTC will disburse the nominal value of the contract according to the payment schedule described in Section 3.3, below. Awardees then repay this prepaid amount by giving MTC RECs generated by the project on a quarterly basis, beginning within 3 months of project operation. The RECs will be valued at \$21 each for the duration of the contract. The nominal value of a prepaid REC contract is limited to the amount that can be repaid in 10 years using 75% of the RECs expected to be generated per year, or \$750,000, or 75% of project costs, whichever is least. In evaluating the cost-effectiveness of a project requesting a prepaid REC contract, MTC will consider the net present value of the cost of the contract to MTC, using a discount rate of 6.0%. A spreadsheet that illustrates this approach is included as Worksheet X.

*Example:* ABC Hydropower wishes to construct a project that is expected to generate 1500 incremental MWh per year. The maximum prepaid REC contract ABC Hydropower can request is 1500 RECs/year x 75% x \$21/REC x 10 years or \$236,250. ABC decides to request a \$200,000 prepaid REC contract, which it commits to pay back through the return of 70% (or 1050) of the RPS-eligible RECs generated per year. Therefore, at \$21 per REC, ABC will repay \$22,050 of the prepaid amount per year, and will pay off the whole contract in 9 1/4 years.

Once a project is in operation, the Awardee must turn over to MTC at least the contracted annual number of RECs, prorated quarterly, on a quarterly basis. An awardee may turn over more than the annual contracted number, and its account will be credited accordingly on a nominal basis. If an Awardee has not generated sufficient RECs to meet its contracted amount, it must turn over as many RECs as possible and make up the deficit as soon as additional RECs are generated. MTC shall be granted a first position perfected security interest (UCC-1 Financial Statement) in all RECs and shall always be first in line for receipt of all RECs generated by the project for purposes of contract fulfillment. If at the end of 10 years, the Recipient has not fully repaid the contract, MTC shall, in the sole exercise of its discretion, either 1) require a cash payment for the deficient RECs, at \$21 per REC, or 2) continue the Awardee's obligation to turn RECs over to MTC for as long as necessary until the nominal value of the contract has been repaid.

In the event that a project does not achieve operation within five years of the effective date of the contract, the Awardee immediately shall be obligated to pay liquidated damages in the amount of the cash advanced plus interest at the rate of six percent per annum.

In the event that a project achieves operation but the RECs produced by the project are not of the class required in this solicitation, the Awardee shall be required to pay MTC the difference between the market value of the RECs generated and \$21, unless the market value of the RECs generated is greater than \$21. Such payments shall be made quarterly and shall continue until the contract is fully repaid.

Any Applicant requesting a prepaid REC contract must provide documentation that, in MTC's sole judgment, provides assurance of the eligibility of the project to produce and provide RECs qualified for at least one of the listed RPS classes. If MTC judges the RPS-eligibility of the RECs to be questionable, it will consider the application as a request for a grant.

Upon award, MTC shall require a letter of credit to ensure that it realizes the full value of its prepayment and any liquidated damages.

### **3.1.3. Loan Option**

Under the Loan option, funds will be disbursed according to the payment schedule described in Section 3.3. The loan will accrue interest at a rate to be identified by the applicant. Except in the case of default, no payments of either principal or interest will be required until the project has been in operation for one year, or three years from the contract effective date, whichever comes first. Once repayment is triggered, the principal and accrued interest will be repayable on a fully amortizing basis over 10 years. In the event of default, repayment is due immediately. Failure to reach Milestones 2 or 3 shall be considered a default. The maximum amount of the initial loan is \$1,000,000 or 75% of total project costs, whichever is less. In evaluating the cost-effectiveness of a project requesting a loan, MTC will consider the net present value of the cost of the loan to MTC, using a discount rate of 6.0%. A spreadsheet that illustrates this approach is included as Worksheet Y.

## **3.2. Supported Activities**

Awarded funds can support the following activities:

<b>Supported Activities</b>	
<b>Design &amp; Permitting Activities</b>	<p>Design and permitting activities that are eligible for funding under this Solicitation may include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• preparation of final detailed system design, technical specifications, and securing of equipment/construction quotations</li> </ul>

	<ul style="list-style-type: none"> <li>• completion of generation interconnection studies and execution of Interconnection Service Agreement between the awardee and the awardee's electric distribution company</li> <li>• preparation of permitting or licensing documents and securing of permits or licenses needed for construction</li> <li>• preparation of environmental impact studies and reports, if applicable</li> <li>• public outreach related to permitting or licensing</li> </ul>
<b>Construction Activities</b>	<p>Construction, installation and commissioning activities that are eligible for funding under this Solicitation may include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• site preparation, including repairs or modifications to existing structures</li> <li>• removal of old equipment</li> <li>• refurbishment of existing equipment</li> <li>• equipment down payment</li> <li>• purchase of new or refurbished equipment to be installed</li> <li>• installation</li> <li>• upfront payment of service contracts (up to five years)</li> <li>• commissioning of the new system</li> <li>• completion of post-construction testing, permitting, and licensing</li> <li>• documentation of project, including photos</li> </ul>

### 3.3. Deliverables and Payment Process

The deliverables required for each project milestone and subsequent payments are described in Attachment D: Deliverable Instructions and Template.

Payment is contingent upon submission to MTC of the required deliverables with an original signed invoice and copies of applicable invoices from the project team.

Construction Payment Schedule	
Design, Initial Permitting, and Site Preparation Deliverable and Invoice	30%
Equipment Delivery and Installation Deliverable and Invoice	55%
Commissioning, Final Permitting and Final Report/ Invoice	15%

MTC reserves the right to re-evaluate the award amount if the planned project has undergone any changes. MTC will ensure that the total amount paid to the Awardee never exceeds the funding caps set forth earlier or seventy-five (75%) percent of the actual expenses of the project that is supported by the Award. No grant, loan or prepaid REC funds may be used to reimburse or write down costs incurred prior to the execution of an agreement with MTC.

## 4. Selection Process and Criteria

### 4.1. Selection Process

Projects will be selected through a competitive process according to the criteria discussed in the next section. These criteria will be used to: 1) identify projects that meet minimum threshold criteria; and 2) compare and select projects that meet MTC goals, satisfy MTC preferences, and demonstrate a higher probability of success. MTC reserves the right to consider only applications that, in its sole judgment, meet the minimum threshold requirements.

MTC staff may contact the applicant to request supplemental information prior to formal review. MTC may also request an interview with qualified applicants and/or a site visit. MTC staff and a panel of external reviewers will review the applications, and will present their recommendations for funding to the MTC Board of Directors.

MTC reserves the right to make no awards, to award less than the applicant requests, and/or to award less than the maximum amount of funds potentially available through this Solicitation.

#### 4.2. Selection Criteria

Criteria	Sub-Criteria
<b>Minimum Threshold</b>	<p>MTC reserves the right to only consider applications that, in its sole judgment, meet the following minimum threshold criteria:</p> <ul style="list-style-type: none"> <li>• The applicant site meets minimum solicitation requirements and guidelines (Section 2). <ul style="list-style-type: none"> <li>○ Minimum applicant and project site requirements</li> <li>○ Eligible technology</li> <li>○ Minimum technical requirements</li> </ul> </li> <li>• The application is complete and responsive to the Solicitation’s requirements (including use of the application templates provided by MTC and adherence to submission instructions).</li> <li>• The application includes all required attachments.</li> <li>• The clarity, specificity, and consistency of the application are sufficient to be deemed credible.</li> <li>• The applicant has provided evidence of their commitment to the project and has committed to the required cash cost-share.</li> </ul>
<b>Team and Qualifications</b>	<ul style="list-style-type: none"> <li>• Relative commitment of applicant and applicant understanding of project compared to other similar applications. Related criteria include the applicant’s commitment to proceed to construction, and the applicant’s impetus and expectations for the project.</li> <li>• If applicable, the commitment of other key players, such as site property owners (if different than the applicant).</li> <li>• Qualifications, experience, and commitment of the key technical personnel in providing similar services for other projects.</li> </ul>
<b>Project Characteristics</b>	<ul style="list-style-type: none"> <li>• Ecological suitability of site for and operations of proposed project. Note that MTC prefers projects <ul style="list-style-type: none"> <li>○ at facilities that <ul style="list-style-type: none"> <li>▪ do not pose significant obstacles to the movement of fish or other wildlife in and along rivers or cause other significant adverse impacts to riverine species and/or</li> </ul> </li> </ul> </li> </ul>

Criteria	Sub-Criteria
	<ul style="list-style-type: none"> <li>habitat               <ul style="list-style-type: none"> <li>▪ are not active candidates for dam removal</li> <li>▪ cause minimal diversion of water from its natural river course                   <ul style="list-style-type: none"> <li>○ that promote more natural flow patterns in the stream.</li> </ul> </li> </ul> </li> <li>• Compliance with dam safety regulations. MTC prefers projects at facilities with no safety or other deficiencies, and that are in good condition.</li> <li>• Proposed system’s technical feasibility, efficiency, and ecological benefits</li> <li>• Incremental energy produced</li> <li>• Economic analysis or estimates supporting the ability of proposed project to meet or exceed the end user’s target payback threshold. Feasibility of ownership model(s)</li> <li>• Thoroughness of feasibility analysis performed, addressing               <ul style="list-style-type: none"> <li>○ technical considerations</li> <li>○ ecological impacts, such as effects on stream flow, impact on upstream or downstream habitat, effects on resident or migrating fish, eels and other species</li> <li>○ regulatory and permitting issues such as 401 Water Quality Certification, FERC licensing, local wetlands bylaws</li> <li>○ project financing</li> </ul> </li> <li>• Development progress and timeframe relative to similar proposed projects, including permitting or licensing steps already taken and those remaining to be completed</li> <li>• Project development risks relative to similar proposed projects, and plans to mitigate project risks</li> </ul>
<b>Project Programmatic Benefits</b>	<ul style="list-style-type: none"> <li>• Increased supply of wholesale hydropower from ecologically-appropriate sites to Massachusetts ratepayers</li> <li>• Upgrade in small hydropower infrastructure and continued economic viability of small hydropower facilities</li> <li>• Improved efficiency and reduced environmental impact of small hydropower facilities</li> <li>• Location in an electric utility congestion area; improvement of system reliability</li> <li>• Potential for replication - the degree to which the project provides lessons applicable to other projects</li> <li>• Potential for public education, visibility and access</li> </ul>
<b>Scope of Work and Schedule</b>	<ul style="list-style-type: none"> <li>• Thoroughness, clarity and reasonableness of work plan, including <i>realistic</i> goals and timetables.</li> </ul>

Criteria	Sub-Criteria
	<ul style="list-style-type: none"> <li>Projects with shorter timeframes until completion are preferred.</li> </ul>
<b>Financial Request</b>	<ul style="list-style-type: none"> <li>Cost effectiveness of MTC contribution, as measured by funds requested per incremental kWh/year (\$/kWh/yr) estimated to be generated. The lower the value of \$/kWh/yr, the better the application will score. For example, an application for a \$200,000 grant for project that will increase generation by 1,000,000 kWh/yr will score better than an application for a \$200,000 grant for a project that will increase generation by only 500,000 kWh/yr. See Sec. 3.4 of the Application. Where MTC's contribution is a prepaid REC contract or a loan, the numerator of the \$/kWh/yr metric will be the net present cost of the contract or loan to MTC, with future payments to MTC discounted at 6.0%. Thus, an application for a loan for \$200,000 would score better than an application for a grant of the same amount, assuming both projects generate the same amount of incremental energy. See Sec. 3.4 of the Application and Worksheets X and Y for the evaluation of prepaid REC contracts and loans, respectively.</li> <li>Cost share provided by the applicant</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>Reasonableness of the budget for the proposed activities and deliverables</li> </ul>

## 5. Application Process

### 5.1 Application

Applicants must complete and submit a formal application for Hydropower Wholesale Generation Project Assistance. The Application and Budget Forms and Instructions are in Attachment B. A separate application must be submitted for each proposed project. Applicants are expected to have determined that the project does not have any fatal flaws and to have completed a thorough feasibility study. The feasibility analysis should provide substantive technical, ecological, regulatory and economic detail as well as demonstrate a thorough understanding of risks to timely project completion and related mitigation measures. The application must demonstrate a firm commitment from all partners involved in the project.

MTC recommends that applicants carefully follow instructions and prepare complete, clear, and concise applications. It is the sole responsibility of the applicant to ensure that its application is complete, meets minimum threshold requirements and is properly submitted to MTC. MTC reserves the right to only consider applications that, in its sole judgment, meet the minimum threshold and submission requirements.

### 5.2 Authorized Respondents Signature and Acceptance Form

A certification must be included in the application, indicating compliance with the terms, conditions and specifications contained in this solicitation. By executing the enclosed Authorized Applicant's Signature and Acceptance Form (Attachment A), the applicant will have satisfied this requirement.

Any and all data, materials and documentation properly submitted to MTC in response to this solicitation shall become MTC's property and shall be subject to public disclosure under the Massachusetts Public Records Act. In this regard, **PLEASE NOTE: By executing the Authorized Applicant's Signature and Acceptance Form and submitting a response to this solicitation, applicants certify that they (1) acknowledge and understand the procedures for handling materials submitted to MTC as set forth in Section 6.1, (2) agree to be bound by those procedures, and (3) agree that MTC shall not be**

liable under any circumstances for the disclosure of any materials submitted to MTC pursuant to this solicitation or upon the applicant's selection as an awardee.

### 5.3 Application Package

The following items must be submitted to MTC as part of an application package:

- one unbound, double-sided copy of the Authorized Applicant Signature and Acceptance Form, application and attachments with original signatures in blue ink;
- seven bound, double-sided copies (no three-ring binders) of the Authorized Applicant Signature and Acceptance Form, application and attachments;
- one unbound single-sided copy of the Authorized Applicant Signature and Acceptance Form, application and attachments; and
- an electronic copy of the Authorized Applicant Signature and Acceptance Form, application and budget (in MSWord) and attachments (in MSWord or Adobe Acrobat format). The application and budget must be submitted in MSWord to help expedite the contracting process for awarded applicants. If requesting a prepaid REC contract or loan, be sure to include an electronic copy of the appropriate worksheets. Do not submit more than 3 electronic files; you may combine multiple attachments into a single electronic file. **Applicants are cautioned to review Section 6.1 hereof, prior to submitting the electronic copy of their applications. In accordance with the procedures set forth in Section 6.1, any information that an Applicant has identified as "sensitive information" in the hard copy of the application should be deleted from the electronic copy prior to submission to MTC.**

Applications must be clearly labeled **Small Hydropower Initiative** and delivered by **3:00 PM on September 22, 2008** to the following address. Applications received later than the date and time specified will be rejected or deemed non-conforming and returned to the applicant unopened. MTC assumes no responsibility or liability for late delivery or receipt of applications.

Wholesale Generation Project Assistance Solicitation  
 Solicitation No. 2008-SHI-02  
 Massachusetts Technology Collaborative  
 Innovation Center  
 75 North Drive  
 Westborough, MA 01581-3340

### 5.4 Application Timeframe

The schedule for the SHI Solicitation is outlined in the table below. The target date for award announcement is subject to change.

Solicitation Posted	May 23, 2008
Bidders' Conference	June 11, 2008
Deadline for Written Questions	August 22, 2008
Last Posted Update to Questions and Answers	August 29, 2008
Applications due at MTC	September 22, 2008 – 3:00 PM (applications received after 3:00 PM will not be accepted)
Awards Announced	Target: December 2008

### 5.5 Bidders' Conference and Questions

An optional bidders' conference will be held at MTC offices on **June 11, 2008**. Please check the website for the time and location of the conference. MTC will post summary responses to procedural questions

and issues addressed at the bidders' conference on its website.

Questions concerning this Solicitation should be submitted in **writing (e-mail, mail, or fax)** to the contact listed below. All inquiries should reference the Solicitation (2008-SHI-02). MTC provides a link on the SHI website ([http://masstech.org/grants\\_and\\_awards/CE/hydro\\_9\\_07.html](http://masstech.org/grants_and_awards/CE/hydro_9_07.html)) to a listing of all questions and answers. MTC will periodically update this listing and applicants are encouraged to visit the website for updates prior to submitting a question. Only answers posted on the web site should be treated as MTC's official response to any question. The contact for questions is:

Amy Barad  
Massachusetts Technology Collaborative  
75 North Drive - Innovation Center  
Westborough, MA 01581  
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## **6. General Conditions**

### **6.1 Notice of Public Disclosure.**

#### **6.1.1. General Statement.**

Funds awarded are public funds and any information submitted to MTC by the applicant in response to this grant solicitation or generated in relation thereto is subject to public disclosure requirements as set forth in the Massachusetts Public Records Act, M.G.L. c. 66 (the "Public Records Act"), which governs the retention, disposition and archiving of public records. For purposes of the Public Records Act, "public records" include all books, papers, maps, photographs, recorded tapes, financial statements, statistical tabulations, or other documentary materials or data, regardless of physical form or characteristics, made or received by MTC.

The foregoing notwithstanding, "public records" do not include certain materials or data which fall within one of the specifically enumerated exemptions set forth in the Public Records Act or in other statutes, including MTC's enabling act, M.G.L. Chapter 40J. One such exemption that may be applicable to documents submitted by the applicant in response to the grant solicitation is for any documentary materials or data made or received by MTC that consists of trade secrets or commercial or financial information regarding the operation of any business conducted by the applicant, or regarding the competitive position of such applicant in a particular field of endeavor (the "Trade Secrets Exemption").

**IT IS MTC'S EXPECTATION AND BELIEF THAT THE OVERWHELMING PERCENTAGE OF DOCUMENTS IT RECEIVES FROM APPLICANTS DOES NOT CONTAIN ANY INFORMATION THAT WOULD WARRANT AN ASSERTION BY MTC OF AN EXEMPTION FROM THE PUBLIC RECORDS ACT. APPLICANTS SHOULD THEREFORE TAKE CARE IN DETERMINING WHICH DOCUMENTS THEY SUBMIT TO MTC IN RESPONSE TO A GRANT SOLICITATION, AND SHOULD ASSUME THAT ALL DOCUMENTS SUBMITTED TO MTC IN RESPONSE TO THE GRANT SOLICITATION ARE SUBJECT TO PUBLIC DISCLOSURE WITHOUT ANY PRIOR NOTICE TO THE APPLICANT AND WITHOUT RESORT TO ANY FORMAL PUBLIC RECORDS REQUEST.**

#### **6.1.2. Procedures for Handling Documents Identified as "Sensitive Information."**

In the event that applicant's response to the grant solicitation includes the submission to MTC of documents that applicant believes may be proprietary in nature and may fall within the parameters of the Trade Secrets Exemption and/or some other applicable exemption, the following procedures shall apply:

- A) At the time of the applicant's initial submission of documents to MTC, the applicant must provide a cover letter, addressed to MTC's General Counsel, indicating that it is submitting documents which it believes are exempt from public disclosure, including a description of the specific exemption(s) that applicant contends is/are applicable to the submitted materials, a precise description of the type and magnitude of harm that would result in the event of the documents' disclosure, and a specific start date and end date within which the claimed exemption applies. If different exemptions, harms and/or dates apply to different documents, it is applicant's responsibility to provide detailed explanations for each such document.

- B) At the time of the applicant's initial submission of documents to MTC, the applicant must also clearly and unambiguously identify each and every such document that it contends is subject to an exemption from public disclosure as "Sensitive Information." It is the applicant's responsibility to ensure that all such documents are sufficiently identified as "Sensitive Information," and applicant's designation must be placed in a prominent location on the face of each and every document that it contends is exempt from disclosure under the Public Records Act.

**INFORMATION SUBMITTED TO MTC IN ANY FORM OTHER THAN A HARD COPY DOCUMENT WILL NOT BE SUBJECT TO THE PROCEDURES SET FORTH IN THIS SECTION. FOR EXAMPLE, INFORMATION SUBMITTED BY E-MAIL, FACSIMILE AND/OR VERBALLY WILL NOT BE SUBJECT TO THESE PROCEDURES AND MAY BE DISCLOSED AT ANY TIME WITHOUT NOTICE TO APPLICANT.**

- C) Documents that are not accompanied by the written notification to MTC's General Counsel or are not properly identified by the applicant as "Sensitive Information" at the time of their initial submission to MTC are presumptively subject to disclosure under the Public Records Act, and the procedures for providing the applicant with notice of any formal public records request for documents, as set forth below, shall be inapplicable.
- D) At the time MTC receives documents from applicant in response to the grant solicitation, any such documents designated by applicant as "Sensitive Information" shall be segregated and stored in a secure filing area when not being utilized by appropriate MTC staff for purposes of evaluating the application for funds. By submitting a signed grant application to MTC, applicant certifies, acknowledges and agrees that (a) MTC's receipt, segregation and storage of documents designated by applicant as "Sensitive Information" does not represent a finding by MTC that such documents fall within the Trade Secrets Exemption or any other exemption to the Public Records Act, or that the documents are otherwise exempt from disclosure under the Public Records Act, and (b) MTC is not liable for the subsequent disclosure of any documents submitted to MTC by the applicant, whether or not such documents are designated as "Sensitive Information" or MTC was negligent in disclosing such documents.
- E) In the event that MTC receives an inquiry or request for documents submitted by applicant in response to the grant solicitation, MTC shall produce all responsive documents without notice to applicant. In the event that the inquiry or request entails documents that the applicant has previously designated as "Sensitive Information", the inquiring party shall be notified in writing that one or more of the documents it has requested has been designated by the applicant as "Sensitive Information", and that a formal, written public records request must be submitted by the requesting party to MTC's General Counsel for a determination of whether the subject documents are exempt from disclosure.
- F) Upon the General Counsel's receipt of a formal, written public records request for documents that encompass materials previously designated by applicant as "Sensitive Information", the applicant shall be notified in writing of MTC's receipt of the public records request, and MTC may, but shall not be required to provide applicant an opportunity to present MTC with information and/or legal arguments concerning the applicability of the Trade Secrets Exemption or some other exemption to the subject documents.
- G) The General Counsel shall review the subject documents, the Public Records Act and the exemption(s) claimed by the applicant in making a determination concerning their potential disclosure.

**THE GENERAL COUNSEL IS THE SOLE AUTHORITY WITHIN MTC FOR MAKING DETERMINATIONS ON THE APPLICABILITY AND/OR ASSERTION OF AN EXEMPTION TO THE PUBLIC RECORDS ACT. NO EMPLOYEE OF MTC OTHER THAN THE GENERAL COUNSEL HAS ANY AUTHORITY TO ADDRESS ISSUES CONCERNING THE STATUS OF "SENSITIVE INFORMATION" OR TO BIND MTC IN ANY MANNER CONCERNING MTC'S TREATMENT AND DISCLOSURE OF SUCH DOCUMENTS.**

**FURTHERMORE, THE POTENTIAL APPLICABILITY OF AN EXEMPTION TO THE DISCLOSURE OF DOCUMENTS DESIGNATED BY THE APPLICANT AS "SENSITIVE INFORMATION" SHALL NOT REQUIRE MTC TO ASSERT SUCH AN EXEMPTION. MTC'S GENERAL COUNSEL RETAINS THE SOLE DISCRETION AND AUTHORITY TO ASSERT AN EXEMPTION, AND HE MAY DECLINE TO EXERT SUCH AN EXEMPTION IF, WITHIN HIS DISCRETION, THE PUBLIC INTEREST IS SERVED BY THE DISCLOSURE OF ANY DOCUMENTS SUBMITTED BY THE APPLICANT.**

- H) MTC shall provide the requesting party and applicant with written notice of its determination that the subject documents are either exempt or not exempt from disclosure.
- I) In the event that MTC determines that the subject documents are exempt from disclosure, the requesting party may seek review of MTC's determination before the Supervisor of Public Records, and MTC shall notify the applicant in writing in the event that the requesting party pursues a review of MTC's determination.
- J) In the event the requesting party pursues a review of MTC's determination that the documents are exempt from disclosure and the Supervisor of Public Records concludes that the subject documents are not exempt from disclosure and orders MTC to disclose such documents to the requester, MTC shall notify the applicant in writing prior to the disclosure of any such documents, and applicant may pursue injunctive relief or any other course of action in its discretion.
- K) In the event that MTC determines that the subject documents are not exempt from disclosure or the General Counsel determines that, under the circumstances and in his discretion, MTC shall not assert an exemption, MTC shall notify the applicant in writing prior to the disclosure of any such documents, and applicant may pursue injunctive relief or any other course of action in its discretion.

**APPLICANT'S SUBMISSION OF A GRANT APPLICATION, WITH OR WITHOUT SUPPORTING DOCUMENTATION, SHALL REQUIRE A SIGNED CERTIFICATION THAT APPLICANT ACKNOWLEDGES, UNDERSTANDS AND AGREES WITH THE APPLICABILITY OF THE FOREGOING PROCEDURES TO ANY DOCUMENTS SUBMITTED BY APPLICANT IN RESPONSE TO THE GRANT SOLICITATION, INCLUDING BUT NOT LIMITED TO THE ACKNOWLEDGEMENTS SET FORTH IN SECTION 6.1.2(D), AND THAT APPLICANT SHALL BE BOUND BY THE PROCEDURES SET FORTH IN THIS SECTION 6.1.**

All documents submitted by applicant, whether designated as "Sensitive Information" or not, are not returnable to applicant.

## **6.2 Contractual Requirements**

*Note: If the Applicant is a public agency of the Commonwealth, please contact MTC's legal department.*

MTC intends to enter into an agreement with the selected applicants containing certain standard provisions (the "Agreement"). MTC reserves the right to amend the Agreement without further issuance of another solicitation. The specifics of the Agreement are dependent on the type of award requested by the applicant. **WITH THE EXCEPTION OF APPLICATIONS FOR FUNDING THROUGH A PRE-PAID REC CONTRACT, APPLICANTS ARE REQUIRED TO SPECIFY ANY EXCEPTIONS TO THE AGREEMENT AND TO MAKE ANY SUGGESTED COUNTERPROPOSAL WITH THEIR APPLICATION. A FAILURE TO SPECIFY EXCEPTIONS AND/OR COUNTERPROPOSALS WILL BE DEEMED AN ACCEPTANCE OF THE AGREEMENT'S GENERAL TERMS AND CONDITIONS, AND NO SUBSEQUENT NEGOTIATION OF SUCH PROVISIONS SHALL BE PERMITTED.**

A) Grant Funding: If applying for grant funding, applicant should review the documents in Attachment E (the "Grant Agreement"). The Grant Agreement is designed to be executed once by an awardee and will govern any award received by the awardee from *any division of MTC (i.e., Renewable Energy Trust; John Adams Innovation Institute; e-Health Initiative; Life Science Collaborative)*. It consists of three parts, the General Terms and Conditions which are the legal terms that will govern the award, MTC's Sensitive Information Policy which sets forth the procedures by which awardees can submit sensitive information under the Public Records Law; and a Task Order Template which contains language an awardee may see depending on the division providing the award. This document is not intended to be specific to an award made under this solicitation. Upon MTC authorization to proceed with the project, MTC and the selected applicant will execute a task order which will set forth the respective roles and responsibilities of parties specifically as they relate to the project receiving the award under this solicitation. Applicants are required to review the Grant Agreement and identify any exceptions to its terms in Section 7 of the Application Form (Attachment B). If the applicant has no exceptions to the Grant Agreement, applicant may complete and submit the Grant Agreement as part of its Application.

B) Loan Funding: If applying for loan funding, applicant should review the documents in Attachment F (the "Loan Agreement").

C) Prepaid REC Contract: There currently is no Prepaid REC Agreement available for review. Applicants for funding through a pre-paid REC contract should check the website periodically for

the availability of the Prepaid REC Agreement and will be expected to review and provide exceptions, if any, to it with their application.

### **6.3 Waiver Authority**

MTC reserves the right, at its sole discretion, to waive minor irregularities in submittal requirements, to request modifications of the application, to accept or reject any or all applications received, and/or to cancel all or part of this solicitation at any time prior to awards.

### **6.4 Disclaimer**

This solicitation does not commit MTC to award any funds, pay any costs incurred in preparing an application, or procure or contract for services or supplies. MTC reserves the right to accept or reject any or all applications received, negotiate with all qualified applicants, cancel or modify the solicitation in part or in its entirety, change the application guidelines, make no awards, award less than the applicant requests and/or to award less than the maximum amount of funds potentially available through this Solicitation, when it is in its best interests.

### **6.5 Changes/Amendments to Solicitation**

This solicitation has been distributed electronically using MTC's website. It is the responsibility of applicants to check MTC's website for any addenda or modifications to a solicitation to which they intend to respond. MTC, the Commonwealth of Massachusetts, and its subdivisions accept no liability and will provide no accommodation to applicants who submit an application based on an out-of-date solicitation document.