



Department of
Development

Ted Strickland, Governor

Lee Fisher, Lt. Governor

Director, Ohio Department of Development

Ohio Department of Development Ohio Energy Office

Advanced Energy Fund NOTICE OF FUNDING AVAILABLE RENEWABLE ENERGY PROGRAM

(NOFA #08-09)

The Ohio Department of Development's (ODOD) Ohio Energy Office (OEO) is seeking applications to implement renewable energy projects limited to solar electric, wind electric, and solar thermal systems for Commercial, Industrial, Institutional and Governmental entities in Ohio. In accordance with the authority provided the Director of the ODOD under Ohio Revised Code §4928.61-63, qualifying applicants will be eligible to apply for grant assistance to cover a portion of the costs of eligible projects located in the service territories of the four investor-owned electric distribution companies listed in Section 1.3. Grant funds are limited, but qualifying applications will be funded until all the funds for this Notice of Funding Available (NOFA) are awarded or the OEO determines the program no longer suits the best interest of Ohio's energy plan.



The State of Perfect Balance



Department of Development

Ted Strickland, Governor

Lee Fisher, Lt. Governor

Director, Ohio Department of Development

Date: May 1, 2008

To: Interested Parties

From: Lee Fisher, Lt. Governor
Director, Ohio Department of Development

Subject: Renewable Energy Grant Opportunity

On behalf of the Ohio Department of Development, I am pleased to announce Advanced Energy Fund Notice of Funding Available (NOFA) 08-09, a grant program to promote implementation of renewable energy technologies by commercial, industrial, institutional and governmental entities. This program for solar and wind projects is an example of the Ohio Department of Development's unwavering commitment to advanced energy.

Applications will be accepted beginning May 1 on a first-come, first-served basis until all the funds for this NOFA are awarded, or until the Ohio Department of Development determines the program no longer suits the best interest of Ohio's energy plan. This grant opportunity is an Advanced Energy Fund program funded by a rider on the electric bills of customers of investor-owned electric distribution utilities in the State. It picks up where NOFA 07-02 left off, with these notable changes:

- It simplifies the solar incentive by offering on flat rate rather than a sliding scale.
- Third-party financed renewable energy systems are eligible to apply.
- Projects must be tied to the electrical grid.

I encourage you to consider responding to this opportunity. Thank you for all you do to keep Ohio's economy strong and its quality of life excellent.

A handwritten signature in black ink, appearing to be "Lee Fisher".

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Section 1: Overview

1.1 Time Table for Applications and Awards

Commercial, industrial, institutional and governmental applications accepted beginning May 1, 2008. Applications will be approved or rejected four weeks after the application is received.

If approved for funding, project work must not begin until after the grant agreement specifying the award of grant funds is executed. Projects are to be completed no later than one year from date of the grant agreement. Funds will be disbursed upon project completion and satisfactory final inspection.

The OEO reserves the right to adjust the dates listed above for whatever reasons it deems appropriate. The OEO also reserves the right to request additional information to assist in the review process, or reject any and all applications if it determines that it is in the best interest of the State of Ohio to do so.

1.2 Eligible Projects and Requirements

Commercial, industrial, institutional and governmental customers served by the following investor-owned utilities: AEP, First Energy, Duke Energy, or Dayton Power and Light are eligible for funding under this NOFA. Eligibility will be determined by the utility bill classification.

Eligible Technologies and Funding Limits

Solar Electric Systems		Wind Electric Systems	
Incentive Level		Incentive Level	
\$3.50/watt		\$2.50/watt	
Minimum 10kW Direct Current (DC)		Minimum 10 kWh Alternating Current (AC) generated annually at the average wind speed for the site	
Maximum incentive as % of eligible system costs	50%	Maximum incentive as % of eligible system costs	50%
Maximum incentive as total of eligible system costs	\$150,000	Maximum incentive as total of eligible system costs	\$150,000
Solar Thermal Systems			
Incentive Level			
\$30 per kBtu/day			
Minimum 200kBtu/day			
Maximum incentive as % of eligible system costs	50%		
Maximum incentive as total of eligible system costs	\$150,000		

Minimum Requirements

- Projects must be installed at an Ohio site.
- Projects must be tied to the electrical grid.
- Portable systems are not eligible for grants under this program.
- Projects must be installed in a service area of the following investor-owned utilities: American Electric Power, Duke Energy, First Energy and Dayton Power & Light.
- Grant funds will not be available to customers that had previous grants with the ODOD/OEO for a period of one year after grant expiration.
- All project components must be new equipment and come with a manufacturer's warranty. In cases where the installing contractor custom builds components, the installing contractor must provide a minimum 5-year warranty on those components.
- **Project equipment must NOT be ordered, purchased, or installed prior to having an executed grant agreement with the ODOD. Initiating the project prior to the execution of the grant agreement will nullify any award of grant funds.**
- When zoning clearance is required, a letter of zoning approval by the governmental authority having jurisdiction over the site must be submitted with the application.
- In jurisdictions that are governed by local or state building regulations all applicable permitting, licensing and codes must be followed.
- In jurisdictions that are not governed by local or state building regulations an electrician licensed by the Ohio Construction Industry Licensing Board (OCILB) must approve all electrical work.
- In jurisdictions that are not governed by local or state building regulations a plumber or hydronics contractor licensed by the Ohio Construction Industry Licensing Board (OCILB) must approve all Solar Thermal systems.
- Grant funds are not available to customers that have open (current but incomplete) Advanced Energy Fund or Distributed Energy Resources grants with the ODOD/OEO.
- Projects must be completed within 12 months of an award.
- Solar PV projects must be installed by NABCEP certified installers in good standing with the Ohio Secretary of State and NABCEP.
- Solar PV and Wind Energy project components must be approved by the Underwriters Laboratory (UL).
- Wind Energy project towers and foundations must be stamped by a Registered Professional Engineer specializing in structural engineering. This Registered Professional Engineer must be in good standing and duly licensed to practice engineering in the State of Ohio.
- Wind Energy systems proposals must include the system's wind speed performance curves and average wind speed for the proposed site at the proposed hub height.
- NABCEP certified installers and/or end use customers may submit applications.

Third-Party Renewable Energy Systems

Third-Party Renewable Energy System Project Financing as defined below is an eligible approach under this NOFA. Under this model there is an Energy Purchaser, Third-Party Owner and a Power Purchase Agreement (PPA).

- The Energy Purchaser may be a building owner or tenant but will always be the entity to which the electricity bills are listed.
- The Third-Party Owner may be a Bank or other financial institution or a group of investors who own and maintain the renewable energy system. The grant agreement will be between the Third-Party owner and ODOD.
- The PPA is an Agreement wherein the terms for the sale and purchase of the renewable energy are spelled out. This PPA also sets forth the responsibilities of both the Third Party Owner and the Energy Purchaser.

Eligible Technologies and Funding Limits
Specific to Third-Party Renewable Energy Systems

Solar Electric Systems		Wind Electric Systems	
Incentive Level		Incentive Level	
\$3.50/watt		\$2.50/watt	
Minimum 50kW Direct Current (DC)		Minimum 50 kWh Alternating Current (AC) generated annually at the average wind speed for the site	
Maximum incentive as % of eligible system costs	50%	Maximum incentive as % of eligible system costs	50%
Maximum incentive as total of eligible system costs	\$200,000	Maximum incentive as total of eligible system costs	\$200,000

Solar Thermal Systems	
Incentive Level	
\$30 per kBtu/day	
Minimum 500k/btu/day	
Maximum incentive as % of eligible system costs	50%
Maximum incentive as total of eligible system costs	\$200,000

Minimum Requirements Specific to Third-Party Renewable Energy Systems

- Projects must be installed at an Ohio site.
- Projects must be tied to the electrical grid.
- Projects must be installed in a service area of the following investor-owned utilities: American Electric Power, Duke Energy, First Energy and Dayton Power & Light.
- Grant funds will not be available to customers that had previous grants with the ODOD/OEO for a period of one year after grant expiration.
- All project components must be new equipment and come with a manufacturer's warranty. In cases where the installing contractor custom builds components, the installing contractor must provide a minimum 5-year warranty on those components.
- **Project equipment must NOT be ordered, purchased, or installed prior to having an executed grant agreement with the ODOD. Initiating the project prior to the execution of the grant agreement will nullify any award of grant funds.**
- When zoning clearance is required, a letter of zoning approval by the governmental authority having jurisdiction over the site must be submitted with the application.
- In jurisdictions that are governed by local or state building regulations all applicable permitting, licensing and codes must be followed.
- In jurisdictions that are not governed by local or state building regulations an electrician licensed by the Ohio Construction Industry Licensing Board (OCILB) must approve all electrical work.
- In jurisdictions that are not governed by local or state building regulations a plumber or hydronics contractor licensed by the Ohio Construction Industry Licensing Board (OCILB) must approve all Solar thermal systems.
- Grant funds are not available to customers that have open (current but incomplete) Advanced Energy Fund or Distributed Energy Resources grants with the ODOD/OEO.
- Projects must be completed within 12 months of an award.
- Solar PV projects must be installed by NABCEP certified installers in good standing with the Ohio Secretary of State and NABCEP.
- Solar PV and Wind energy project components must be approved by the Underwriters Laboratory (UL).
- Wind energy project towers and foundations must be stamped by a Registered Professional Engineer specializing in structural engineering.
- Wind energy systems proposals must include the manufacturers wind speed performance curves and average wind speed for the proposed site at the proposed hub height.
- NABCEP certified installers and/or end use customers may submit applications.
- Proof that the third-party applicant has secured all applicable lease agreements and right of ways for the PPA.
- Names, addresses and other contact information of the participants of the third-party entity.

- A copy of the agreement between the property owner(s) where the equipment will be installed including approval letter from the property owner(s) that grant permission for this project.
- A copy of the PPA for the sale or distribution of the generated power.
- A Financial Pro forma (detailing revenues and expenses and profits or losses for entire period governing PPA or amortization period for the lease or power purchase generation period.
- Submit a plan for the ownership or disposition of the renewable energy generating equipment upon the expiration of the PPA or lease agreement.

Section 2: Application Submissions and Inquiries

2.1 Application Submission Requirements

One original and two copies of:

- Project Application (Appendix A)
- Appropriate Technical Worksheet(s) (Appendix B,C, or D)
- Itemized costs of major component and labor costs
- Proof of electric service provider in form of utility bill or letter from provider
- Proof of ability to finance project
- Appropriate drawings, letters, and other material requested in the Technical Worksheets

Submitted to:

Ohio Department of Development
Ohio Energy Office
Attention: Renewable Energy Program
P.O. Box 1001
77 South High Street, 26th Floor
Columbus, Ohio 43216-1001

Applications will be accepted beginning May 1, 2008 and continue until ODOD/OEO closes the NOFA. The application must be submitted in hard copy. No fax or e-mail submittals will be processed. Applications will be funded until all the funds for this NOFA are awarded or the OEO determines the program no longer suits the best interest of Ohio's energy plan. Each application will be date and time stamped upon receipt at ODOD.

2.2 Communication and Inquiries

Questions regarding this NOFA may be submitted to the OEO at any time by fax or e-mail. Questions and answers will be posted on the OEO website at www.ohioenergyoffice.ohio.gov.

Submit questions by fax machine or e-mail to:

Preston Boone
Fax: (614) 466-1864
E-mail: AEF@odod.state.oh.us

OEO accepts no responsibility for faxes or e-mails that are not delivered.

Section 3: General Requirements

3.1 Costs of application

All costs of preparing and submitting applications in response to this NOFA are solely the responsibility of the applicant. The OEO shall not contribute, in any way, to the cost of the preparation and delivery of the application.

3.2 Confidentiality

All information submitted in response to this NOFA shall be public information unless a statutory exception exists which would exclude the information from being released to the public. Any information submitted with the proposal, which the applicant feels is a trade secret as that term is defined in the Ohio Revised Code section 1331.61 must be conspicuously designated as such and shall be treated accordingly if the information is determined to be a trade secret under the laws of the State of Ohio. It is the applicant's sole duty to identify and mark such passages it deems trade secrets. All applications submitted will become the property of the OEO and all information submitted in response to this NOFA will not be returned to the applicant.

3.3 Tax Liability

It is the responsibility of the applicant to determine the income tax consequences of accepting grant funding through this NOFA. Please consult your tax professional or the Internal Revenue Service (IRS). The State will issue an IRS form 1099 in the amount of the grant.

Section 4: Grant Agreement Requirements

The Grant agreement governing the relationship between the selected applicant(s) and ODOD shall be based on the terms of the sample Grant Agreement, which is attached as Appendix E to this NOFA. ODOD reserves the right to modify any of the terms of the grant agreement that it deems necessary.

Section 5: Grantee Approval

Only projects that meet all the requirements of the program as stated herein will be considered for grant assistance. Grant assistance will be approved on a first-come, first-served, basis for those applications determined to be complete.

If during the review process it becomes necessary to collect additional information to determine project eligibility, OEO reserves the right to notify applicants of deficiencies and request corrections. Incomplete applications will not be considered and will not be considered in the submission order until they are complete. The State of Ohio reserves the right to reject any and all proposals.

Section 6: Appendices

- Appendix A – Project Application, All Technologies
- Appendix B – Solar PV Worksheet and Technical Application
- Appendix C – Wind Worksheet and Technical Application
- Appendix D – Solar Thermal Technical Application
- Appendix E – Sample Grant Agreement
- Appendix F – List of NABCEP Certified Installers in Ohio