

**Addendum No. 1 to RFQ 13-06**



**CITY OF SOMERVILLE, MASSACHUSETTS**  
**Department of Purchasing**  
**JOSEPH A. CURTATONE**  
**MAYOR**

To: All Parties on Record with the City of Somerville as Holding RFQ 13-06,  
Energy Management Partner for Residential Energy Efficiency Program

From: Angela M. Allen, Purchasing Director

Date: August 3, 2012

Re: Answers to Questions about the RFP

**Addendum No. 1 to Request for Qualifications (RFQ) 13-06**

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**Please acknowledge receipt of this Addendum by signing below and including this form in your proposal package. Failure to do so may subject the proposer to disqualification.**

**X**

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Name of Authorized Signatory

Title of Authorized Signatory

I. Deadlines for this RFQ are:

<i>Deadline for submitting questions on RFQ</i>	<b><i>August 8, 2012 at 4:30 p.m.</i></b>
Proposals due	<b>August 29, 2012 at 11:00 a.m.</b>
Proposers contacted for interviews	<b>September 2012</b>
Consultant Selected/Project Begins	<b>September/October 2012</b>

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### **II. Questions and Answers**

1. All Somerville homeowners qualify for the MassSave HeatLoan, which is a 0 percent loan and 0 down. Can the Energy Management Partner utilize this loan? It is more attractive than any other existing financing solution.

Reply: The RFQ asks vendors for their ideas and innovations regarding financing of energy efficiency improvements. From the City of Somerville's point of view, the EMP may work with MassSave to utilize this loan for Somerville residents. Whether the loan would pass through the EMP first is subject to agreement with MassSave.

2. MassSave loans are up to 7 years, but the Somerville program limits repayment to 5 years. Can the Energy Management Partner offer the MassSave Heat Loan for 7 years – or will this be viewed unfavorably?

Reply: Yes, the EMP may propose to offer / leverage the MassSave Heat Loan for seven years to match the terms of the MassSave Loan.

3. The proposal requires the customer to pay the Energy Management Partner one fixed fee bill that covers electricity, heat, and the cost of the retrofit. Has power and gas utility agreed to bill for power through the Energy Management Partner? If the utility has not agreed, how will proposals be judged on this criteria?

Reply: The City has not entered into any formal agreements with utilities at this time. The City will judge EMP proposals based on the criteria outlined in the RFQ, and capacity to leverage financing is a critically important criterion. The City does not expect utilities to have signed agreements with the EMP at the time of proposal submission; however, commitment letters or other written support for the EMP's proposal will be appropriately weighted. The City is interested in seeing the EMP's proposal for financing energy efficiency projects and if billing is a component of that proposal, please elaborate upon this in your submission.

4. The RFQ assumes the monthly bill be a fixed fee. This would assume the customer is not changing their behavior. What if the customer turns up their thermostat beyond past levels in the winter – or turns it down in the summer? Or buys a product that uses more electricity than before (e.g., an electric car). Does the RFQ expect the financing solution to take the risk of changed behavior?

Reply: The City expects the EMP's proposal for billing in the implementation plan to address this concern. We understand that the agreement between the homeowner/tenant and the EMP is one of the more complicated aspects of this program, and we are interested in seeing how the EMP proposes accounting for this risk, whether it is through a slight increase in the flat rate, or some other form of agreement with the unit occupant.

### **III. Comments and Clarifications**

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1. On behalf of CSG, the Lead Vendor for the Mass Save Home Energy Services (HES) program, and our clients NSTAR and National Grid, I would like to make the following comments or clarifications about your RFQ for an Energy Management Partner.... We submit these as written questions or comments to the City of Somerville and request that this be distributed to all bidders and/or clarified in the Pre-Submission conference.

a. *A respondent must meet the following criteria:*

*a. is now, or is capable of becoming, a Home Performance Contractor (HPC), an Independent Installation Contractor (IIC) under the MassSave Home Energy Services program, or capable of engaging with the MassSave program in an alternate way that will meet needs of this initiative in Somerville, including maintaining pricing and service delivery standards as set by MassSave;*

Comment from CSG: The respondent must be or become an HPC or IIC within the Mass Save HES Program. There is no alternate way to engage the Program.

Clarification: If a homeowner, tenant or resident does not wish to work with MassSave but still wishes to implement energy efficiency measures, the City will not require such homeowner / tenant to work with MassSave. In other words, the EMP will not necessarily have to work with MassSave for every project that falls under the City's energy efficiency program.

*b. The City has launched an initiative that builds upon the existing MassSave program, currently referred to as the Somerville Residential Energy Efficiency Program (REEP)..... The City will work with the electric and gas utilities serving the City to facilitate appropriate co-branding and other coordination to increase the success of the program..... The City will also take the lead in marketing the program to its residents and building owners.*

Comment from CSG: NSTAR and National Grid are excited to work with the City on this effort and recognize that the REEP brand is controlled by the City. However, the Mass Save brand is controlled statewide by all of the Program Administrators. The Mass Save brand must be emphasized for the Mass Save programs including HES and all uses of the Mass Save brand must be approved by NSTAR, National Grid, and the other Program Administrators in the state.

Clarification: The City will certainly coordinate directly with MassSave and the EMP regarding protocol for using the non-City specific brands.

*c. To qualify for participation in this City-sponsored program, households are required to agree to a scope of retrofit that will bring their building to a defined "energy smart" standard, which would not necessarily be an energy standard but could be a list of measures achieved, to generate the maximum economically feasible energy savings in their entire building.*

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Comment from CSG: All residential customers of NSTAR and National Grid are eligible to participate in the Mass Save programs. Somerville residents cannot be excluded or discouraged from participating in the core Mass Save HES program if they do not agree to participate in a higher or different standard set by the City. Also, CSG, NSTAR, and National Grid are confused as to what exactly is the “energy smart standard”. Can you please provide more details?

Clarification: The “energy smart standard” would be developed with the EMP and such standard would be specific to the City of Somerville’s residential energy efficiency program. Somerville residents could still go to Mass Save on their own and the City encourages its homeowners and tenants to do as much as possible to save energy and take advantage of existing programs, whether it is through the City’s program or other resources, or both.