



Heat Recovery Project Development
Program Opportunity Notice (PON) 5547
\$12,000,000 Available

NYSERDA reserves the right to extend and/or add funding to the Solicitation should other program funding sources become available.

Applications accepted on a first-come, first-served basis dependent on funding availability until November 17, 2025 by 3:00 PM Eastern Time.

Program Summary

The NYSErDA Heat Recovery Project Development Program (the “Program”) aims to animate the New York State (NYS) marketplace for heat recovery solutions by working with consulting engineers, heat recovery solution providers, building owners and operators, and other key stakeholders to develop a robust pipeline of heat recovery retrofits. To accelerate heat recovery retrofit project development, the Program provides cost-share to applicants for two categories of activities:

- Category 1 Heat Recovery Opportunity Assessment provides cost-share for consultants to assess a property’s heat recovery opportunity by quantifying the heat that is currently rejected and analyzing its potential to be repurposed. The goal of the assessment is to inform the building owner’s decision on whether to move forward with heat recovery project design.
- Category 2 Heat Recovery Project Design provides cost-share for consultants to develop an implementation-ready, technically, and economically viable design to implement a heat recovery system in an existing property.

Eligibility: Existing multifamily, commercial, institutional, industrial, and manufacturing buildings and facilities are eligible.

Funding: The funding is broken down into two categories according to the below table:

Category	Total Project Cost-Share	Maximum NYSErDA Funding Per Award
Category 1: Heat Recovery Opportunity Assessment	Up to 75%	\$40,000
Category 2: Heat Recovery Project Design	Up to 75%	\$80,000

Resources: Visit the [Heat Recovery Solicitation Page](#) for template documents and the [Heat Recovery webpage](#) for other current resources.

Application Submission

Completed application packages for both Category 1 and Category 2 will be accepted via [SeamlessDocs](#) through November 17, 2025, or until funds are fully committed. Applicants will receive a confirmation email of application receipt.

- For ease of identification, all electronic files should be named using the project name in the title of the document.
- Applicants may submit Word, Excel, or PDF files (file formats include csv, doc, docx, gif, jpeg, jpg, pdf, png, ppt, pptx, pps, ppsx, tif, txt, xls, xlsx, and zip). Individual files should be 100MB or less in file size. Proposal PDFs should be searchable and should be created by direct conversion from MS Word, or other conversion utility. Files should not be scanned. NYSERDA will also accept proposals by mail or hand-delivery if online submission is not possible.

Informational Webinar: NYSERDA will host an informational webinar on Wednesday, November 8, 2023, starting at 11 AM. [Register in advance](#), or [join the webinar](#) just prior to 11 AM on November 8th. Questions may be submitted ahead of the webinar by emailing questions to HeatRecovery@nyserda.ny.gov until 5pm on Tuesday, November 7, 2023.

Questions: No communication intended to influence this procurement is permitted except by contacting Molly Kiick at 212-971- 5342, ext. 3232 or by email at HeatRecovery@nyserda.ny.gov. for technical questions. If you have contractual questions concerning this solicitation, contact Venice Forbes at VeniceSolicitations@nyserda.ny.gov. Contacting anyone other than the Designated Contacts (either directly by the proposer or indirectly through a lobbyist or other person acting on the proposer's behalf) in an attempt to influence the procurement: (1) may result in a proposer being deemed a non-responsible offerer, and (2) may result in the proposer not being awarded a contract.

*** All applications must be received by 3 p.m. Eastern Time on the date noted above. Late or faxed applications will not be accepted.** Incomplete applications may be subject to disqualification. It is the Applicant's responsibility to ensure that all pages have been included in the application.

Please note: for online submission, there are required questions that you will have to answer in addition to uploading attachments and you should allot at least 60 minutes to enter/submit applications. The online application system closes promptly at 3pm, files in process or attempted edits or submission after 3pm Eastern Time on the date above, will not be accepted.

If changes are made to this solicitation, notification will be posted on the "Current Opportunities" section of NYSERDA's website (<https://www.nyserda.ny.gov/Funding-Opportunities/Current-Funding-Opportunities.aspx>).

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I. Program Definitions

Applicant – The individual or firm applying to this solicitation. In most cases the applicant will be the Consultant performing work on behalf of the Customer, though any member of the Project Team is eligible to act as the Applicant. NYSERDA will contract with the Applicant to manage the defined Scope of Work for the defined budget.

Customer – The eligible New York State building owner requesting the Heat Recovery Opportunity Assessment or Heat Recovery Project Design of their property.

Consultant – The individual or firm providing expert advice and technical services. The Consultant will be performing the engineering analysis and feasibility of the project and provide expert, objective, and customized technical services.

Affordable Multifamily Housing – Projects in which at least 25% of the units are, or are expected to be, occupied by households earning not more than 80% of the Area or State median income, whichever is higher. Multifamily buildings are buildings with 5 or more dwelling units.

Project – The set of proposed activities and tasks to be completed as described in the Scope of Work submitted to the Program.

Property – The building(s) and/or facility(ies) within the scope and boundary of the Project.

Project Team – The Customer, Consultant(s) providing engineering analysis and design services, and any project facilitators or subcontractors engaged to support the Project.

II. Introduction

The goal of the Heat Recovery Program is to jumpstart the nascent market for heat recovery solutions as an economical approach to decarbonization for a broad swath of existing buildings in NYS.

According to [Lawrence Livermore National Lab \(LLNL\)](#), 68% of all U.S. energy consumed in 2021 was rejected or wasted through various system inefficiencies. NYS's building infrastructure contributes to this problem by rejecting heat through a variety of processes including ventilation, cooling, and wastewater systems. Heat recovery solutions can turn this problem into an opportunity by recovering and reusing energy that would otherwise be rejected. This is an essential step in most building decarbonization pathways.

Recent projects, including the [demonstration projects advanced through NYSERDA's Empire Building Challenge](#) (EBC), have shown that heat recovery is a key component of the decarbonization strategy for many of New York's existing building stock. All the projects awarded by EBC have featured heat recovery in some form as part of [a phased decarbonization strategy](#). By increasing adoption of heat recovery solutions amongst a larger share of NYS buildings, more building owners will reduce costs by recapturing energy they have already paid for.

To accelerate the growth from 10 to 100 successful heat recovery projects in NYS, the Program will:

- Support projects demonstrating the technical and economic feasibility of heat recovery solutions that are replicable across the State’s existing building stock, reducing energy use and enabling deeper decarbonization.
- Provide cost-share for engineering analysis and design services to support the inclusion of heat recovery energy conservation measures within a wider existing building retrofit and decarbonization plans.
- Attract best-in-class equipment manufacturers, solution providers, and other businesses to invest in innovation, product development, and technology transfer to bring forward the most beneficial heat recovery solutions for New York’s building stock.
- Engage consultants to provide engineering expertise and experience necessary to identify and implement heat recovery projects, while developing deeper industry expertise and experience with heat recovery projects in different building typologies.
- Gather real world insights on the shift from linear to circular approaches to energy management to identify opportunities and overcome barriers to building decarbonization, and share best practices and lessons learned.

These activities aim to accelerate confidence in heat recovery as a promising approach to decarbonization and to increase the number of building retrofit projects incorporating heat recovery energy conservation measures to reduce energy use and emissions.

III. Program Requirements

Program Eligibility

To qualify for the Program, a Project Team must include an eligible Consultant and a Customer representing an eligible building.

Eligible Buildings

Participating buildings must be located in New York State, served by a New York State Investor-Owned Electric Utility (such as Consolidated Edison, National Grid, NYSEG, Orange and Rockland, Central Hudson, or RG&E), and pay System Benefits Charges (SBC). An existing property of any size that falls under the classification of multifamily, commercial, industrial, and/or institutional buildings is eligible. New construction projects are not eligible for this program.

The boundary of a project under this Program pertains to either a single building or multiple buildings that share energy services. When dealing with a single building, any rejected energy should be reused within that building’s boundaries. However, when the study boundary spans multiple buildings, it is still necessary to reuse the rejected energy within the defined boundary but not necessarily in the same building that rejected it.

Eligible Consultants

Eligible Consultants are the Engineering or Sustainability Consultant working on behalf of the building ownership or project developer. The Consultant must demonstrate experience and expertise in clean energy services delivery to commercial, industrial and/or multifamily customers in NYS and provide expert, objective and customized technical services to inform on the capability for heat recovery in the proposed property.

Customers in need of a Consultant may choose from NYSERDA's [FlexTech Consultant list](#).

Category 1: Heat Recovery Opportunity Assessment Requirements

Please see Attachment C - Category 1 Scope of Work Template for full details on expected tasks and deliverables for the opportunity assessment.

Category 1 provides funding to document current building infrastructure, quantify and diagram (examples of Energy Flow Diagrams available on the [Heat Recovery webpage](#)) rejected heat from current operations, and explore the feasibility of potential cost-effective measures to recover and reuse heat to reduce total energy consumption and emissions. The goal of the opportunity assessment is to provide building owners with actionable information to inform their decision-making to move forward with heat recovery project design by validating its potential to reduce a property's energy use and emission footprint. Rejected heat from existing building ventilation, cooling, wastewater and internal processes should be considered in the assessment, as well as the potential to incorporate thermal storage.

Applicants can receive funding for up to 75% of total project cost, capped at \$40,000, to create and deliver opportunity assessments.

Category 2: Heat Recovery Project Design Requirements

Please see Attachment D - Category 2 Scope of Work Template for full details on expected tasks and deliverables for the project design.

Category 2 provides funding to develop an implementation-ready, technically, and economically viable design of a heat recovery system for an existing property. Energy recovery from ventilation, cooling, wastewater systems and other internal processes are eligible, as is the inclusion of thermal storage measures to maximize the usefulness of recovered energy.

Applicants can receive funding for up to 75% of total project cost, capped at \$80,000, to create and deliver designs for an existing property. These designs should have the potential to significantly improve the heat recovery performance of the property.

Participation in Category 1 is not a requirement to participate in Category 2.

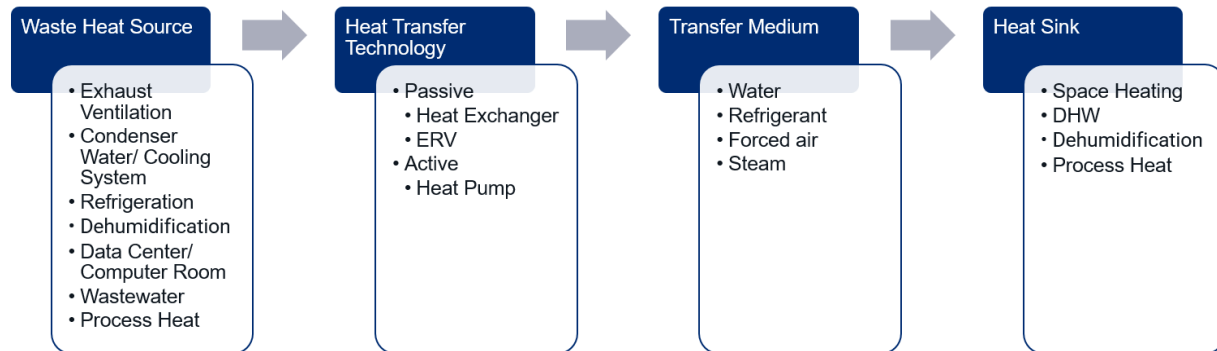
Category 2 Eligible Projects

Eligible project designs must improve energy performance of existing properties by identifying and capturing rejected heat from an existing building system or process, then reusing the energy to reduce total energy consumption. The captured energy can be stored before being reused for one or more purposes, i.e. heat sinks, within the project boundary.

To qualify for funding under program Category 2, project designs must include previously identified rejected energy suitable for recovery and reuse with a proposed heat recovery opportunity including the following four (4) components:

1. Waste Heat Source
2. Heat Transfer Technology
3. Transfer Medium
4. Heat Sink

Examples of these components are listed below:



Some examples of design concepts include, but are not limited to the following:

- Ventilation Exhaust Heat Recovery, including:
 - Integrating Energy Recovery Ventilator (ERV) to existing or modified building ventilation systems
 - Installing “Run Around Coil” to building ventilation exhaust
- Cooling and Dehumidification Process Heat Recovery, including:
 - Condenser water heat recovery, using heat recovery chillers or water source heat pumps (WSHP) to extract heat from condenser water loop before exhausting heat into the atmosphere with cooling towers or dry coolers
 - Distributed WSHPs on ambient/condenser water loops enabling heat sharing across the building
 - Other refrigeration, data center, or cooling heat recovery through VRF systems or hydronic system heat extraction
- Wastewater Heat Recovery, including:
 - Wastewater heat pump, recovering heat from wastewater at building scale before it exits to the municipality’s sanitary sewer main
 - Drain Water Heat Recovery Coil: preheat fresh makeup water by coiling it around a primary drainpipe to recover waste heat before going into the water heater
 - Steam condensate heat recovery prior to rejecting condensate into the sanitary sewer
- Process Waste Heat Recovery, including:
 - Capturing the waste heat generated by industrial or other processes to be reused within a plant’s process streams or to produce electricity on-site

- Thermal Storage Technology incorporated into eligible Heat Recovery designs, including:
 - Ice tanks, Phase Change Material (PCM), water tanks, condenser water storage, molten salt, geothermal, etc.

Where applicable, consultants incorporating heat recovery products should first consider equipment qualified through NYSERDA's [RFQL 5217](#) Heat Recovery Solutions.

NYSERDA seeks a diverse range of project types including various building typologies, existing HVAC configurations, occupancy types, and geographies.

Deliverable Submission

Project deliverables will be submitted through the [NYSERDA Partner Portal](#). For ease of identification, all electronic files should be named using the project name in the title of the document. NYSERDA reserves the right to perform technical review on all submittals. Deliverables found by NYSERDA to not fulfill the approved Scope of Work and/or deliverable requirements may receive a reduced cost-share or may not be reimbursed by NYSERDA.

NYSERDA is interested in sharing best practices, lessons learned and showcasing final projects and will work with Applicants to accomplish this.

Payment, Procurement, and Schedule

Program funding will be distributed to the Applicant according to milestone-based payments as defined in the Scope of Work.

The Applicant must submit a copy of the Consultant's invoice(s) to the building owner(s) indicating the total billed cost. The invoice(s) will include labor and non-labor costs, staff titles, hourly rates, dates, and hours for each task. All required cost-share documentation must be submitted through the [NYSERDA Partner Portal](#).

Funding Caps

The Program will fund Category 1 and Category 2 activities at a cost-share for up to 75% of eligible costs, with funding for Category 1 capped at \$40,000 and for Category 2 at \$80,000. Projects must include cost-sharing in the form of matching cash support from the Customer.

Project scopes for qualified Affordable Multifamily Housing may qualify for additional cost-share, up to 100% of project costs, by demonstrating availability of capital and/or financing to fund Project implementation. Description of the ability to fund implementation of heat recovery measures may be included in the Scope of Work. Affordable projects must meet affordability criteria detailed in Affordable Multifamily Building Guidelines available on the [Heat Recovery webpage](#) to be eligible for the additional cost-share.

When reviewing and negotiating the Scopes of Work and Budgets, NYSERDA reserves the right to:

- Adjust the funding award from the proposed budget based on the scope of services included and their potential impact.

- Review and request additional information to support proposed staffing titles and their associated hourly rates to ensure appropriate alignment of staff-to-task complexity.
- Utilize comparable NYSERDA-funded projects and contracts to confirm reasonableness of hourly rates commensurate with geographical location, staff titles, and the individual tasks proposed.
- Provide less than 75% funding on a project scope if the scope includes ineligible tasks.

NYSERDA reserves the right, for any reason, to stop approving incentive applications and limit or stop making incentive payments at any time without notice.

Eligible Expenses

NYSERDA's funds may be applied toward the following categories of eligible expenses:

- The fees for both primary and subcontracted architects, consultants and engineers.
- Expenses related to data acquisition devices (capped at 40% of total Category 1 incentives).
- Expenses related to labor and services.
- Expenses related to creating data graphics for the Sankey diagrams and any other visualizations included in final deliverables.
- Expenses related to energy modeling services.

Work completed prior to NYSERDA's receipt of an application is ineligible for funding.

IV. Application Requirements

Applicants may submit completed Category 1 and Category 2 application packages via [SeamlessDocs](#). In addition to the Program Application, an itemized Budget and Scope of Work must be provided for all projects. Work completed prior to NYSERDA's receipt of an application is ineligible for funding. A complete application package shall include the following:

- Program Application (via [SeamlessDocs](#))
- Budget (Attachment B) – The Applicant must provide a Budget broken down by individual line-items by task for materials, labor (personnel title and hourly rate), and other costs.
- Scope of Work (Category 1: Attachment C; Category 2: Attachment D) – The Scope of Work must provide justification for the funding request based on tasks and deliverables included in the project. Multiple sites, studies, and activities may be included in one Scope of Work if objectives and site similarities and/or differences are clearly accounted for. The Scope of Work must follow the requirements for the Program, which includes the project description, tasks and deliverables, and schedule. If the Applicant is the Consultant, then the Scope of Work must be signed by the Customer.

NYSERDA evaluates projects based on the above submitted information. All applications will be reviewed on a first-come, first-served basis until funds are fully committed. It is at NYSERDA's discretion to accept projects, dependent on project applications meeting all Program requirements.

V. General Conditions

Proprietary Information - Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes.

The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSERDA that the proposer wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 <https://www.nyserdanyny.gov/About/-/media/Files/About/Contact/NYSERDA-Regulations.ashx>. However, NYSERDA cannot guarantee the confidentiality of any information submitted.

Omnibus Procurement Act of 1992 - It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development
Division for Small Business
625 Broadway
Albany, NY 12207

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development
Minority and Women's Business Development Division
625 Broadway
Albany, NY 12207

State Finance Law sections 139-j and 139-k - NYSERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements which can be found at <https://online.ogs.ny.gov/legal/lobbyinglawfaq/default.aspx> . Proposers are required to answer questions during proposal submission, which will include making required certification under the State Finance Law and to disclose any Prior Findings of Non-Responsibility (this includes a disclosure statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years).

Tax Law Section 5-a - NYSEDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSEDA having a value in excess of \$100,000, to certify to the Department of Taxation and Finance (the "Department") whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. See, ST-220-TD (available at http://www.tax.ny.gov/pdf/current_forms/st/st220td_fill_in.pdf). Prior to contracting with NYSEDA, the prospective contractor must also certify to NYSEDA whether it has filed such certification with the Department.

The Department has created a second form that must be completed by a prospective contractor prior to contracting and filed with NYSEDA. See, ST-220-CA (available at http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf). The Department has developed guidance for contractors which is available at <http://www.tax.ny.gov/pdf/publications/sales/pub223.pdf>

Contract Award - NYSEDA anticipates making multiple awards under this solicitation. NYSEDA anticipates a contract duration of two years, unless NYSEDA management determines a different structure is more efficient based upon proposals received. A contract may be awarded based on initial applications without discussion, or following limited discussion or negotiations pertaining to the Scope of Work. Each application should be submitted using the most favorable cost and technical terms. NYSEDA may request additional data or material to support applications. NYSEDA will use the Sample Agreement to contract successful proposals. NYSEDA may at its discretion elect to extend and/or add funds to any project funded through this solicitation. NYSEDA reserves the right to limit any negotiations to exceptions to standard terms and conditions in the Sample Agreement to those specifically identified in the checklist questions. Proposers should keep in mind that acceptance of all standard terms and conditions will generally result in a more expedited contracting process. NYSEDA expects to notify applicants in approximately 6 weeks from the receipt of an application whether your application has been selected to receive an award. NYSEDA may decline to contract with awardees that are delinquent with respect to any obligation under any previous or active NYSEDA agreement.

Limitation - This solicitation does not commit NYSEDA to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSEDA reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in NYSEDA's best interest. NYSEDA reserves the right to reject proposals based on the nature and number of any exceptions taken to the standard terms and conditions of the Sample Agreement. NYSEDA reserves the right to disqualify proposers based upon the results of a background check into publicly available information and the presence of a material possibility of any reputational or legal risk in making of the award.

Disclosure Requirement - The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States and shall describe circumstances for each. When a proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of NYSEDA after the award of a contract, NYSEDA may exercise its stop-work right pending further investigation or terminate the agreement; the contractor may be subject to penalties for violation of any law which may apply in the particular circumstances. Proposers must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

EO 16 Protocols – Pursuant to Executive Order No. 16 issued on March 17, 2022, all vendors responding to bids or contracting with New York State must certify, using the form provided ([Standard Forms and Agreements](#), Executive Order No. 16 Certification), their status with regard to conducting business operations in Russia, and that any such business operations in Russia conducted on behalf of the vendor are determined to be permitted under any of the allowable exemptions. The term vendor is intended to encompass bidders prior to contract award, contractors who have received a contract award, contract assignees, or contractors for whom an extension to an existing contract is being pursued. Exemption decisions are in NYSERDA’s sole discretion and are final decisions. NYSERDA reserves the right to solicit additional materials or information regarding the responses or materials provided by a vendor.

Pursuant to Executive Order No. 16, all vendors will be vetted to ensure that they are not on the federal sanctions list at <https://sanctionsearch.ofac.treas.gov/>. There is no waiver or exemption process for vendors appearing on the federal sanctions list.

The Executive Order remains in effect while sanctions imposed by the federal government are in effect. Accordingly, vendors who may be excluded from award because of current business operations in Russia are nevertheless encouraged to respond to solicitations to preserve their contracting opportunities in case sanctions are lifted during a solicitation, or after award in the case of some solicitations.

VI. Attachments:

Attachment A – Sample Agreement

Application Attachments

Attachment B – Budget Template

Attachment C – Category 1 Scope of Work Template

Attachment D – Category 2 Scope of Work Template

Deliverable Attachments

Attachment E – Project Design Narrative Template

Attachment F – Data Collection Form