



NYSERDA

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.

- Categories 1, 2, and 4: Applications accepted on a first-come, first-served basis dependent on funding availability until November 17, 2025 by 3:00 PM Eastern Time (ET).
- Category 3:
 - Round 1 Proposals due November 7, 2024 by 3:00 PM ET.
 - Further rounds will be announced based on available funding.

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 four 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. Applications will be accepted on a first come, first served basis.
- Category 2: Heat Recovery Project Design provides cost-share for Consultants to develop an implementation-ready, technically, and economically viable design of a heat recovery system for an existing Property. Applications will be accepted on a first come, first served basis.
- Category 3: Heat Recovery Demonstration provides cost-share for the implementation of innovative and effective heat recovery systems in an existing Property. Category 3 will accept three rounds of Proposals, with the first due on November 7, 2024 by 3:00 PM ET, and the following two rounds in 2025, subject to funding availability. Proposals will be evaluated based on the Proposal Evaluation Criteria outlined on page 11.
- Category 4: Manufacturer Growth Initiative provides cost-share to solution providers qualified by NYSERDA’s [RFQL 5217 - Heat Recovery Solutions](#) for business development services. Applications from eligible Applicants will be accepted on a first come, first served basis.

Eligibility: Existing multifamily, commercial, institutional, industrial, and manufacturing buildings and facilities are eligible for Categories 1-3. Solution providers qualified through NYSERDA’s RFQL 5217 are eligible for Category 4.

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

| Category | NYSERDA 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 |
| Category 3: Heat Recovery Demonstration | Not specified, see Proposal Evaluation Criteria | \$2,000,000 |
| Category 4: Manufacturer Growth Initiative | Up to 75% | \$100,000 |

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

Application and/or Proposal Submission

Categories 1, 2 and 4

Completed applications for Categories 1, 2 and 4 will be accepted via [SeamlessDocs](#) through November 17, 2025, or until funds are fully committed. Applicants will receive a confirmation email of application receipt.

Category 3

Completed proposals for Category 3 will be accepted via the “apply online” link on the [Heat Recovery Project Development Program - Category 3 Demonstration funding opportunity](#) listed on the [Current Funding Opportunities](#) page.

For detailed instructions on how to submit a proposal (online or paper submission), click the link [“Application Instructions and Portal Training Guide \[PDF\]”](#) located in the “Current Funding Opportunities” section of NYSERDA’s website (<https://www.nyserda.ny.gov/Funding-Opportunities/Current-Funding-Opportunities.aspx>).

Informational Webinar: NYSERDA will host an informational webinar on August 27, 2024 at 11:00 AM ET. [Register for the webinar here](#). Questions may be submitted until 5 PM ET the day before the webinar by emailing questions to HeatRecovery@nyserda.ny.gov.

Questions: No communication intended to influence this procurement is permitted except by email at HeatRecovery@nyserda.ny.gov for technical questions. If you have contractual questions concerning this solicitation, contact Lori Armstrong at Lori.Solicitations@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 offeror, and (2) may result in the proposer not being awarded a contract.

*** All applications must be received by 3 PM ET on the dates 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 3 PM ET. Attempted edits or submission after 3 PM ET on the date above, will not be accepted.

For ease of identification, all electronic files should be named using the Project name in the title of the document.

Online submission is preferable. 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.

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

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I. Program Definitions

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.

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 Program funding for 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.

Project – The set of proposed activities and tasks to be completed as described in the Scope of Work or Proposal 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, design services, and implementation to support the inclusion of heat recovery energy conservation measures within a wider existing building retrofit and decarbonization plan.
- 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 Program Categories 1, 2, and 3, 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 electric System Benefits Charges (SBC). An existing Property of any size that falls under the classification of commercial, industrial, institutional, manufacturing and/or multifamily is eligible. New construction projects and single-family buildings 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 the Project boundary encompasses a single building, any rejected energy should be reused within that building's boundaries. When the Project 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 eligible Customer. The Consultant must demonstrate experience and expertise in clean energy services delivery to commercial, industrial, institutional, manufacturing 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.

NYSERDA reserves the right to limit the number of active Projects a Consultant can have within the Program at any given time.

While it is not required for a Project to include a FlexTech Consultant, Customers in need of a Consultant may choose from NYSERDA's [FlexTech Consultant list](#).

Eligible Manufacturers

To be eligible for Category 4, the Applicant must be a qualified solution provider through [RFQL 5217 – Heat Recovery Solutions](#).

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 rejected heat from current operations (see examples of Energy Flow Diagrams on the [Heat Recovery webpage](#)), and explore the feasibility of potential cost-effective measures to recover and reuse heat to reduce total energy consumption and emissions. Rejected heat from existing building ventilation, cooling, wastewater and internal processes should be considered in the opportunity assessment, as well as the potential to incorporate thermal storage. The goal of the opportunity assessment is to provide the Customer with actionable information to inform their decision-making to move forward with a heat recovery project design.

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.

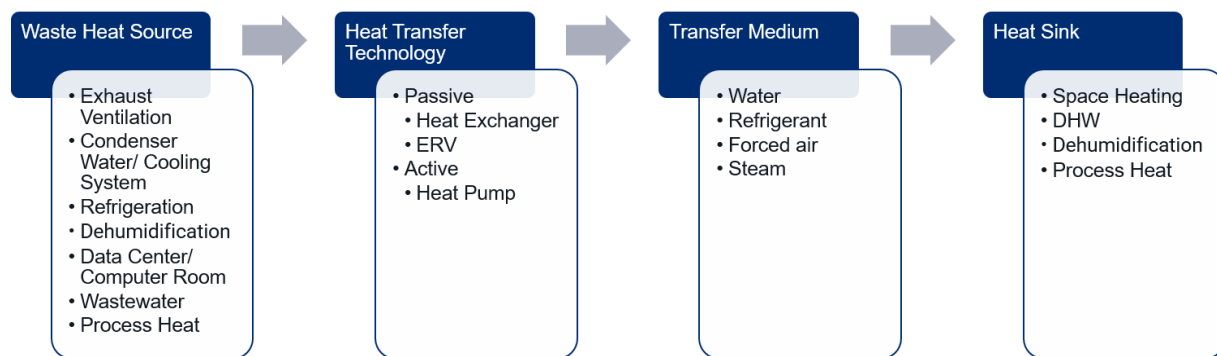
Category 2 Eligible Projects

Eligible Project designs must improve the 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 Category 2, Project Teams must have identified a waste heat source and propose a heat recovery design concept consisting of 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 an energy recovery ventilator (ERV) into existing or modified building ventilation systems
 - Installing “run around coils” 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 the 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 variable refrigerant flow (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.

Category 3: Heat Recovery Demonstration Requirements

In line with the Program’s goal to jumpstart the nascent market for heat recovery solutions, Category 3 introduces funding for the implementation of heat recovery Projects (see Category 3 Eligible Projects). Category 3 emphasizes four distinct heat recovery solutions with the greatest potential for impact and replicability in existing buildings in NYS. By supporting the deployment of the four solutions locally, the Program will demonstrate the efficacy and performance of each solution in the specific context of existing buildings in NYS.

Through Category 3, NYSERDA seeks projects that demonstrate the impact, scalability and economic viability of at least one of the four heat recovery solutions. The Program will accept three rounds of proposals, with the first due on November 7, 2024, and the following two rounds in 2025, subject to funding availability. Proposals will be evaluated based on the Proposal Evaluation Criteria outlined below. Proposers should take care to address all the evaluation criteria described in the Proposal Evaluation Criteria.

Proposals may receive up to \$2,000,000 to implement eligible heat recovery Projects.

Category 3 Eligible Projects

A proposed Project must incorporate at least one of the following heat recovery solutions:

| | |
|--------------------------------|--|
| Data Center Heat Recovery | A solution that recovers and reuses waste heat from data center operations, resulting in lower utility energy demands, such as using heat exchange systems or novel waste heat-to-power conversion methods. |
| High Temperature Heat Pumps | A solution that leverages waste heat recovery with commercially available high-temperature heat pumps to meet process heating requirements of up to 150°C/302°F, which results in improved process energy efficiency. |
| Packaged Exhaust Heat Recovery | A high-efficacy packaged wastewater or ventilation heat recovery solution without the complexity and costs of onsite stick-built heat exchangers. |
| Thermal Storage | A solution that allows heat to be recovered at one point in time and used at another, helping to downsize heating and cooling load and provide grid services. Targeted solutions, such as phase change material (PCM) will provide a higher energy density than water and ice. Water and ice storage systems will be considered where the system is planned for small commercial buildings, hospitals, and industrial facilities or to lower overall energy costs for tenants in Affordable Multifamily Housing. |

The proposal must include a Basis of Design (BOD) narrative and/or one-line concept diagrams with essential details to reasonably validate feasibility, procurement budgeting and construction timeline.

Proposers must have completed due diligence, such as an opportunity assessment or equivalent study, prior to submitting a proposal.

Projects must begin construction within 1 year of the contract execution date. Exceptions may be made on a case-by-case basis. Projects that have already begun construction prior to NYSERDA’s award announcement are ineligible.

Selected proposals will work with the NYSERDA team to qualify their proposed solutions through [RFQL 5217 - Heat Recovery Solutions](#).

Proposal Evaluation Criteria

Proposals that meet solicitation requirements, as outlined in IV. Application Requirements, will be reviewed by a Scoring Committee using the Proposal Evaluation Criteria below **listed in order of importance**.

1. Impact

| Description | Metrics |
|--|---|
| <p>The proposal demonstrates impact in the form of energy savings, emissions reductions and reuse of waste heat.</p> <p>The Project Team has the capacity and expertise needed to implement the proposal.</p> <p>The Project design is well defined and comprehensive.</p> | <ul style="list-style-type: none"> • Modeled impact versus baseline year: <ul style="list-style-type: none"> • Total and percent reduction of on-site energy use for all fuel sources • Total emissions reduction • Total and percent of rejected heat utilized • The extent to which Project Team includes relevant parties with the necessary background and experience to ensure Project success and likelihood of installation of Project as proposed • The clarity and completeness of the design documents |

2. Scalability

| Description | Metrics |
|---|---|
| <p>The proposal demonstrates that the heat recovery solution has a strong potential for widespread adoption within the proposer’s portfolio or by the broader market.</p> | <ul style="list-style-type: none"> • Square footage or count of existing buildings within the proposer’s portfolio, or in NYS, that are similar to the proposed building and have potential to replicate the proposal’s approach • Lead time of equipment and its impact on adoption • Commercial readiness of proposed solution to be available for replication |

3. Cost Effectiveness

| Description | Metrics |
|-------------|---------|
|-------------|---------|

| | |
|--|--|
| <p>The proposal examines the costs and benefits of the Project in terms of total investment relative to the energy and carbon intensity improvements.</p> <p>The Project Team demonstrates commitment by providing private investment.</p> | <ul style="list-style-type: none"> • Cost per MMBtu reduction • Cost per ton of CO2e reduction • Costs and hourly rates of the proposal • Total and % cost-share requested from NYSERDA • Total and % cost-share provided by the Customer • % of total project cost that requires subsidy • Well-defined funding sources or financing strategy for implementation |
|--|--|

Program Policy Factors

A Scoring Committee will review and rank all Category 3 proposals. NYSERDA will review this evaluation and ranking and may consider the following program policy factors in making award selections.

- Benefits of Project funding to [disadvantaged communities as defined by the Climate Justice Working Group](#), particularly Projects involving affordable housing, industrial, institutional, manufacturing facilities or P-12 schools.
- Diversity of awards by solution, geography, building typology, or market sectors – including affordable housing, commercial, industrial, institutional, manufacturing and/or multifamily.

At NYSERDA’s discretion, proposers may be requested to interview with all or part of the Scoring Committee to address any potential questions or clarifications outlined in the proposals. Proposers will be notified if they are requested to attend an interview.

Category 4: Manufacturer Growth Initiative Requirements

Through [RFQL 5217 - Heat Recovery Solutions](#), NYSERDA promotes innovative, scalable, and cost-effective heat recovery products to make them more attractive for New York Property owners and design and consulting engineers to implement in their projects. Recognizing that many of these products may be developed and more commonly used outside of New York State, NYSERDA offers RFQL 5217 to qualify manufacturers to bring their heat recovery knowledge and products to New York State and implement them in NYS buildings and processes.

Qualified [Heat Recovery Solutions](#) manufacturers of novel and effective heat recovery products may face several risky and expensive work items when bringing their offerings to New York State. NYSERDA has identified five (5) categories of growth initiatives that qualified manufacturers can submit a proposal to seek direct funding for up to 75% of associated costs with a maximum total incentive of \$100,000. No more than \$1.5 Million of Program funds will be made available for Category 4 awards.

These focused growth initiatives will help qualified manufacturers access the New York market, receive support for knowledge, technology transfer and participate in exchanges with key market stakeholders.

Growth Initiative Tasks [1 - 5]:

1. **Market Research and Adaptation** — Reimbursement of up to 75% of the costs up to \$20,000 of conducting market research or developing a product adaptation and localization plan specific to the New York market. For instance, to develop and test heat recovery products in actual buildings and processes in New York, where manufacturers can assess their suitability for integration with existing building equipment and automation systems. This could allow manufacturers to demonstrate the effectiveness of their product during day-to-day operations and overcome any challenges that may arise.

Eligible activities include but are not limited to:

- Conducting thorough market research to understand the New York market, consumer preferences, and competitive landscape.
- Adapting product features and installations to meet local regulations, standards, and building needs.
- Investing in localization efforts, such as translating user interfaces, packaging, instructions, and marketing materials.
- Converting the Product to be compatible with North American electrical systems and codes.
- Establishing local product installation, testing, maintenance, repair, and customer support resources.

2. **Regulatory Compliance** — Reimbursement of up to 75% of the costs up to \$30,000 of hiring consultants to help manufacturers navigate the landscape in New York, obtain necessary certifications, licenses, and permits, and assist the manufacturers through the compliance process. Engaging Nationally Recognized Testing Laboratories (NRTL) to ensure that the product conforms to North American or New York State's safety, quality, and environmental standards, such as UL (Underwriters Laboratories) and CSA (Canadian Standards Association) certifications.

Eligible activities include but are not limited to:

- Navigating federal, state, and local regulations, which may differ from the company's home country.
- Obtaining necessary certifications, licenses, and permits to sell products in New York.
- Ensuring products meet North American and New York State market's safety, quality, and environmental standards.
- Registering trademarks, patents, and copyrights in the United States to protect intellectual property.

3. **Supply Chain and Logistics** — Reimbursement of up to 75% of the costs up to \$20,000 to establish or optimize the local supply chain and logistics networks to be compatible with New York deployments (e.g., operable by the U.S. electrical power grid) and to secure product warehousing, distribution, and transportation and connect with reliable New York State partners and service providers.

Eligible activities include but are not limited to:

- Establishing reliable local supply chain networks to localize products for the United States and distribute them within New York State.
- Dealing with import regulations to New York State. Securing warehousing and distribution facilities in New York.
- Securing partners in New York for product testing, assembly, or manufacturing.

4. **Sales and Marketing**— Up to 75% of the costs up to \$10,000 for targeted customer engagement and promotional activities in New York and securing New York-based sales channels, distributors, and partners. This is often a critical requirement for many New York owners and engineers before considering a foreign product that is new to the NYS market.

Eligible activities include but are not limited to:

- Building brand awareness and credibility in a new market.
- Developing effective marketing strategies tailored to New York consumers.
- Establishing sales channels, partnerships, representatives, and distribution networks.

5. **Business Development Assistance** — Reimbursement of up to 75% of the costs or \$20,000 of recruiting and hiring key New York-based employees and to support existing employee relocation to New York.

Eligible activities include but are not limited to:

- Hiring costs for local staff or relocating key personnel to manage New York operations (staff salaries are not eligible).
- Ensuring compliance with U.S. and New York labor laws and regulations.
- Adapting to cultural differences in business practices, communication styles, and consumer expectations.
- Building training opportunities in specific trades, technology, methods.
- Building relationships with local partners, suppliers, and customers.

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, proposal 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 all invoice(s) indicating the total billed cost of cost-shared activities or items. 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

Categories 1, 2, and 4

The Program will fund Category 1, Category 2, and Category 4 activities at a cost-share for up to 75% of eligible costs, with funding for Category 1 capped at \$40,000, for Category 2 at \$80,000, and Category 4 at \$100,000. Projects must include cost-sharing in the form of matching cash support from the Customer.

Category 3

The Program will allocate up to \$2,000,000 in total funding for the implementation of approved Projects. Cost-share is included as a part of Proposal Evaluation Criteria.

Additional Considerations

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.

Projects that include 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. The Property must meet affordability criteria detailed in [Affordable Multifamily Building Guidelines](#) available on the [Heat Recovery webpage](#) to be eligible for the additional cost-share.

Eligible Expenses

Projects that have received or plan to receive incentives from other programs in the [Clean Energy Fund](#) or utility administered incentives are not eligible to receive funding for the same measures and activities within the Heat Recovery Program. For example, Projects receiving installation funding to install an exhaust heat recovery solution through the [Clean Heat Program](#) will not be eligible for an award for a Category 3 Demonstration through the Heat Recovery Program. Receipt of funding from federally funded programs will not impact eligibility for Heat Recovery Program funding, but all planned incentives and grants should be documented within the Project proposal.

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.
- Expenses related to implementation for Category 3, including construction labor and material costs.

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

IV. Application Requirements

NYSERDA evaluates Projects based on the below submitted information.

Categories 1 and 2

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.

Following submission, NYSERDA will review and may suggest edits to finalize Scope of Work before approval and contract award.

Applicants may submit complete Category 1 and Category 2 application packages via [SeamlessDocs](#). A complete application package shall include the following:

- 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.

Category 3

Proposals will be submitted electronically via the “apply online” link on the [Heat Recovery Project Development Program - Category 3 Demonstration funding opportunity](#) listed on the [Current Funding Opportunities](#) page. Proposals will be submitted by 3:00 PM ET on the applicable Round due date. Applicants must not have started construction on a Category 3 Project prior to contract execution.

A complete proposal consists of the following:

- 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.
- Category 3 Proposal (Attachment C-1)
 - Executive Summary
 - Project Objectives
 - Proposed Measures Description
 - Project Impact and Benefits
 - Qualifications
 - Timeline for Implementation
 - Cost Share Table
- Either a Basis of Design (BOD) narrative, one-line concept diagrams and/or schematic design drawings, if available
- Completed Heat Recovery Opportunity Assessment or equivalent study

Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not influence the evaluation of the proposal. Proposals that fail to meet all requirements and format guidelines may be rejected as non-responsive.

Category 4

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.

Following submission, NYSERDA will review and may suggest edits to finalize Scope of Work before approval and contract award.

Applicants may submit complete Category 4 application packages via [SeamlessDocs](#). A complete application package shall include the following:

- Application (via [SeamlessDocs](#))
- Scope of Work (Attachment G) – Complete a detailed Scope of Work based on the template provided in Attachment G, specifying the Growth Initiative Tasks being pursued, along with an itemized list of eligible activities. This Scope must include an explanation of why the work performed was necessary and eligible under Category 4.
- 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.

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.nyserda.ny.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 - NYSERDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSERDA 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 NYSERDA, the prospective contractor must also certify to NYSERDA 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 NYSERDA. 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 - NYSERDA anticipates making multiple awards under this solicitation. NYSERDA anticipates a contract duration of two years, unless NYSERDA 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. NYSERDA may request additional data or material to support applications. NYSERDA will use the Sample Agreement to contract successful proposals. NYSERDA may at its discretion elect to extend and/or add funds to any project funded through this solicitation. NYSERDA 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. NYSERDA expects to notify Applicants in approximately 6 weeks from the receipt of an application whether your application has been selected to receive an award. NYSERDA may decline to contract with awardees that are delinquent with respect to any obligation under any previous or active NYSERDA agreement.

Limitation - This solicitation does not commit NYSERDA to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSERDA 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 NYSERDA's best interest. NYSERDA 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. NYSERDA 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 NYSERDA after the award of a contract, NYSERDA 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.

Vendor Assurance of No Conflict of Interest or Detrimental Effect - The proposer shall disclose any existing or contemplated relationship with any other person or entity, including any known relationships with any member, shareholders of 5% or more, parent, subsidiary, or affiliated firm, which would constitute an actual or potential conflict of interest or appearance of impropriety, relating to other clients/customers of the proposer or former officers and employees of NYSERDA, in connection with proposer's rendering services as proposed. If a conflict does or might exist, please describe how your company would eliminate or prevent it. Indicate what procedures will be followed to detect, notify NYSERDA of, and resolve any such conflicts.

The proposer must disclose whether it, or any of its members, or, to the best of its knowledge, shareholders of 5% or more, parents, affiliates, or subsidiaries, have been the subject of any investigation or disciplinary action by the New York State Commission on Public Integrity or its predecessor State entities (collectively, "Commission"), and if so, a brief description must be included indicating how any matter before the Commission was resolved or whether it remains unresolved.

Public Officers Law – For any resulting awards, the Contractor and its subcontractors shall not engage any person who is, or has been at any time, in the employ of the State to perform services in violation of the provisions of the New York Public Officers Law, other laws applicable to the service of State employees, and the rules, regulations, opinions, guidelines or policies promulgated or issued by the New York State Commission on Ethics and Lobbying in Government, or its predecessors (collectively, the "Ethics Requirements"). Proposers are reminded of the following Public Officers Law provision: contractors, consultants, vendors, and subcontractors may hire former NYSERDA employees. However, as a general rule and in accordance with New York Public Officers Law, former employees of NYSERDA may neither appear nor practice before NYSERDA, nor receive compensation for services rendered on a matter before NYSERDA, for a period of two years following their separation from NYSERDA service. In addition, former NYSERDA employees are subject to a "lifetime bar" from appearing before any state agency or authority or receiving compensation for services regarding any transaction in which they

personally participated, or which was under their active consideration during their tenure with NYSERDA.

Any awardee will be required to certify that all of its employees, as well as employees of any subcontractor, whose subcontract is valued at \$100,000 or more who are former employees of the State and who are assigned to perform services under the resulting contract, shall be assigned in accordance with all Ethics Requirements. During the term of any agreement, no person who is employed by the contractor or its subcontractors and who is disqualified from providing services under the contract pursuant to any Ethics Requirements may share in any net revenues of the contractor or its subcontractors derived from the contract. NYSERDA may request that contractors provide it with whatever information the State deems appropriate about each such person's engagement, work cooperatively with the State to solicit advice from the New York State Commission on Ethics and Lobbying in Government, and, if deemed appropriate by the State, instruct any such person to seek the opinion of the New York State Commission on Ethics and Lobbying in Government. NYSERDA shall have the right to withdraw or withhold approval of any subcontractor if utilizing such subcontractor for any work performed would be in conflict with any of the Ethics Requirements. NYSERDA shall have the right to terminate any contract at any time if any work performed is in conflict with any of the Ethics Requirements.

Due Diligence – NYSERDA, at its discretion, may conduct broad due diligence to validate any or all elements of an application and to assess Applicants' prospects of success, including gathering information to assess a proposal relative to any of the topics listed in evaluation criteria, whether or not such topic is explicitly addressed in a proposal. NYSERDA may conduct due diligence on some or all proposals based on NYSERDA's current guidelines at the time of a review. NYSERDA staff may follow up with proposers to request additional information or clarification regarding Applicant's proposal, including questions regarding Applicant's business prospects and resources, whether or not those questions are specifically related to the elements of the proposal. Additionally, customized due diligence may be conducted by internal or external staff or contractors based on questions on any proposal raised by NYSERDA staff and/or the Scoring Committee. Due diligence may include (but is not limited to): interviews of independent references and background checks of team members; assessment of prior business experience of any team member associated with a proposal; research on intellectual property claims; customer and partner reference checks; market research on the Applicants' target market and any other related or possibly competitive technology or market area; research to validate any assumptions on current or future revenues, costs, capital needs, and financing prospects for proposers' business, including similar (or unrelated) technologies, processes, or competitive solutions; or any other research that could reasonably inform the evaluation of a proposal, or the prospects for commercial success of the proposers' business (whether directly related to, or unrelated to the specific elements in a proposal). Due diligence may include discussions with proposers' former and current business partners, employees, investors, customers, and competitors. Due diligence may be conducted by NYSERDA personnel or contractors including members of the scoring committee, before, during, or after a scoring process, and prior to finalization of a contract award, any information gleaned in diligence may be used to score or re-score a proposal or apply a program policy factor.

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:

Categories 1, 2, 4:

Attachment A – Sample Agreement

Attachment B – Budget Template

Attachment C – Category 1 Scope of Work Template

Attachment D – Category 2 Scope of Work Template

Attachment E – Project Design Narrative Template

Attachment F – Data Collection Form

Attachment G – Category 4 Scope of Work Template

Category 3:

Attachment A – Sample Agreement

Attachment B – Budget Template

Attachment C-1 – Category 3 Proposal Template