

Guidelines for the  
**Utility Rebate Program**

Funded by  
**The American Recovery and Reinvestment Act ARRA**



Administered by the  
**North Dakota Department of Commerce**

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# Table of Contents

<b>Part I – Funding Opportunity Description.....</b>	<b>3</b>
Objective.....	3
Background.....	3
Description.....	4
<b>Part II – Implementation Elements .....</b>	<b>4</b>
Program Plan.....	4
Eligibility .....	4
Covered Products .....	4
Rebate Processing .....	5
Replacement.....	5
Marketing Plan.....	5
Budget.....	5
<b>Part III – Award Information.....</b>	<b>6</b>
Estimated Funding .....	6
Period of Performance .....	6
National Environmental Policy Act (NEPA) Requirements.....	6
Davis-Bacon Requirements .....	7
<b>Part IV – Application and Submission Information.....</b>	<b>8</b>
Required Information.....	8
Questions/Agency Contacts .....	8
<b>Part V – Reporting and Modifications .....</b>	<b>9</b>
General Reporting Requirements.....	9
Reporting/Registration Requirements under Section 1512 of the Recovery Act .....	9
Modifications .....	10
<b>Part VI – Appendices .....</b>	<b>11</b>
Appendix A: Utility Dedicated Funds .....	11
Appendix B: Allowed Products and Rebate Levels.....	12

## **Part I – Funding Opportunity Description**

Funds from the American Recovery and Reinvestment Act are available to promote energy efficiency and renewable energy. These grants will be available for the purchase of ENERGY STAR qualified products and other energy saving products.

### **Objective**

The objective of this initiative is to establish a cooperative product rebate program with the Investor Owned Utilities and Rural Electric Cooperatives. This rebate program will foster and promote energy efficiency and the adoption of renewable energy technology by utility customers.

The American Recovery and Reinvestment Act (ARRA) was developed to stimulate the economy and to create and retain jobs. This rebate program will help to stimulate the home product market with an emphasis on products that have the ENERGY STAR label.

The Utility Rebate Program objectives are:

- Save energy by encouraging prod replacement through consumer rebates.
- Make rebates available to consumers.
- Enhance existing rebate programs by leveraging of funds.
- Keep administrative costs low while affectively monitoring and evaluating the program.
- Promote state and national tracking and accountability.

### **Background**

Projects under this initiative will be funded, in whole or in part, with funds appropriated by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (Recovery Act or ARRA) through the North Dakota Recovery Act State Energy Program Plan.

Special terms and conditions may apply to projects funded by the Act relating to:

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Publication of information on the internet;
- Access to records by Inspectors General and the Government Accountability Office;
- Prohibition on use of funds for gambling establishments, aquariums, zoos, golf courses or swimming pools;
- Ensuring wage rates are comparable to those prevailing on projects of a similar character;
- Protecting whistleblowers and requiring prompt referral of evidence of a false claim to an appropriate inspector general; and
- Certification and registration.

These special terms and conditions will be based on provisions included in Titles XV and XVI of the Act. The exact terms and conditions will be provided as part of the resulting grant award document.

## **Description**

Utilities will receive funding based upon the percent of energy sales they have in North Dakota. These amounts were agreed upon by industry representatives during meeting held prior to this funding announcement release. These amounts can be seen in Appendix A.

## **Part II – Implementation Elements**

### **Program Plan**

Utilities can apply for rebate funds by submitting the Utility Rebate Program Application (SFN 59284). The Office of Renewable Energy & Energy Efficiency (OREEE) will provide assistance to the utilities to design a rebate program and a thorough application. The program plan submitted by the utilities must address each of the points listed below:

### **Eligibility**

Eligible rebate applicants for this program are residents of North Dakota, businesses, commercial, and nonprofits. Rebate applicants are limited to one rebate per product category (color coded) per utility customer up to \$15,000 for commercial and \$5,000 for residential. Customers should apply to the heating source utility when there are multiple utility providers, with the exception of when the heating source is propane. Excluded from this rebate program are schools, local and state government.

### **Covered Products**

Utilities must specify which qualified products will be included in their rebate program. The list of products and rebate levels is provided in Appendix B. Utilities are not required to adopt all products but rather are encouraged to assess and use the products that would best serve their customers. An estimate of the energy saved by product and a description of how actual energy savings will be calculated should be included.

Utilities are allowed to propose other products that are not on the list of qualified products, but must justify the addition of the products in the space provided.

Utilities must provide a summary of all existing utility incentives that will be available for each product, and explain how their proposed rebate levels will compliment these baseline efforts. ARRA rebate funds may not be used to supplant existing program funding.

## **Rebate Processing**

Utilities must specify how rebate payments will be processed (e.g., mail-in application forms, instant rebates at point of sale). Utilities must also describe who will be responsible for managing the program delivery (e.g., utility, a contracted third party, other organizations, or a combination). Utilities are encouraged to pursue program delivery models that require low administrative costs. In addition, program plans should explain the steps Utilities will take to manage consumer expectations regarding the availability and status of rebate funds.

## **Replacement**

Utilities should specify how they are including replacements in their programs. Product recycling is encouraged and utilities are encouraged to work with retailers, steel recyclers, and others to develop appropriate, low-cost systems.

## **Marketing Plan**

A marketing and advertising plan must also be included in the application. Utilities must outline how the rebate will be marketed to consumers. In addition plans should include, methods to manage consumer expectations regarding the availability of rebates funds.

## **Budget**

Utilities must complete the budget portion in the ND Utility Rebate Program Application. The budget must include the disbursement of consumer rebates and administrative costs. Examples of administrative costs include those for designing programs, disbursing funds, conducting outreach, and monitoring. Direct recycling costs shall not be included as part of administrative costs. Up to 10 percent of funds can be used towards administrative cost.

## **Part III – Award Information**

### **Estimated Funding**

Approximately \$8.3 million is available to the utilities throughout the state. The funds to each utility have been appropriated by percentage of North Dakota market share, which has been agreed upon by utility representatives. The utility breakdown can be seen in Appendix A.

### **Period of Performance**

OREEE anticipates making awards that commence at the time of award and continue through 07/31/12. Applicants must ensure that all funds are exhausted for authorized activities by this date.

### **National Environmental Policy Act (NEPA) Requirements**

NEPA prohibits using federal funds for alternative energy projects that have an adverse effect on the environment. The following are considered categorically excluded (CX) projects and therefore, do not require NEPA review:

- Solar Electricity: appropriately-sized units on existing rooftops and parking shade structures; or system must be 60 KW or smaller units and installed on the ground.
- Wind Energy: system must be 20KW or smaller.
- Solar Thermal: system must be 20 KW or smaller.
- Solar Thermal Hot Water: appropriately-sized units for residences or small commercial buildings.
- Geothermal Heat Pumps: 5.5-ton capacity or smaller horizontal and vertical closed loop.
- Combined Heat and Power Systems: boilers appropriate to the existing buildings in which they are located.
- Biomass Thermal: 3 MMBTUs or smaller with appropriate Best Available Control Technologies (BACT) installed and operated.
- Solar Thermal (no pools): sized appropriately for existing facilities.

An environmental questionnaire (EF1) must be submitted to the North Dakota Dept. of Commerce for each alternative energy project activity not identified above to allow DOE to conduct an individual NEPA review and determination.

Activities that start that are not authorized for federal funding by DOE, in advance of the final NEPA determination, risk not receiving federal funding and such costs may not be recognized as allowable cost share.

**If DOE determines that NEPA requires the preparation of an environmental assessment (EA) or environmental impact statement (EIS) for a project, the grant/rebate recipient will**

**be responsible for paying the cost of preparing an EA or EIS. Preparation of these types of NEPA documents can require 6-24 months. Accordingly, you should carefully consider whether such projects are consistent with the objectives of the ARRA and will allow the expenditure of funds within the time periods allowed for by that statute.**

This restriction does not preclude the following: *performing information gathering, analysis, documentation, dissemination and training and providing technical advice and planning assistance for the activities listed above.*

Nor does this restriction preclude conducting the following project activities:

Policy, Planning & Energy Security  
Energy Education Transportation (Alternative Fuel Support)  
Buildings (Building Management, Improvement, and Furnace Rebates)  
Industry (Industrial Energy Efficiency)

### **Davis-Bacon Requirements**

ARRA section 1606 requires payment of federal prevailing wages to recipients or subrecipients of ARRA funds. Specifically, Davis-Bacon Act wage rules apply to all assistance agreements made in whole or in part with ARRA funds. Rebates made to commercial customers must adhere to Davis-Bacon Act wage rules. However it has been determined that individuals are not considered recipients or subrecipients. Thus, Davis Bacon wage rules do not pertain to rebates to individual residents.

Information on the current wages for North Dakota can be found on the Davis-Bacon Wage Determinations website at <http://www.gpo.gov/davisbacon/>. Grantees will be required to maintain weekly certified payroll forms for all laborers, and submit the forms with monthly reimbursement requests.

## **Part IV – Application and Submission Information**

### **Required Information**

Utilities requesting funding under this initiative must submit the ND Utility Rebate Program Application (SFN 59284).

A hard copy of the ND Utility Rebate Program Application (SFN 59284) must be submitted to:  
North Dakota Department of Commerce  
Office of Energy Efficiency & Renewable Energy  
1600 E. Century Avenue, Suite 2  
Bismarck, ND 58502

The due date for submission is March 8, 2010.

### **Questions/Agency Contacts**

If you have any questions concerning the application process or if you are having trouble with the application form, please contact us:

North Dakota Department of Commerce  
Office of Energy Efficiency & Renewable Energy  
1600 E. Century Avenue, Suite 2  
Bismarck, ND 58502

Zachary Weis  
Phone: 701-328-1022  
Email: [zweis@nd.gov](mailto:zweis@nd.gov)  
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Joseph Murphy  
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## **Part V – Reporting and Modifications**

### **General Reporting Requirements**

Recipients must maintain current registrations in the Central Contractor Registration (<http://www.ccr.gov>) at all times during which they have active federal awards funded with Recovery Act funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (<http://www.dnb.com>) is one of the requirements for registration in the Central Contractor Registration.

Quarterly financial statements (SF 425) and program narrative reports must be submitted no later than the first day of the month after each calendar quarter in which the recipient receives the assistance under this award. Quarterly financial statements shall be by budget category of the costs incurred. A copy of the Recipient's annual or regular audit shall be supplied to Grantor upon request.

### **Reporting/Registration Requirements under Section 1512 of the Recovery Act**

The recipient is required to report to the grantor, information described in section 1512(c) of the Recovery Act. The reports are due no later than the first day of the month after each calendar quarter in which the recipient receives the assistance under this award. The following information will be required:

1. Job creation/retention

- Full-time.
- Part-time.

2. Energy Savings (kWh equivalents)

- Annual reduction in natural gas consumption (mmcf), by sector.
- Annual reduction in electricity consumption (kWh), by sector.
- Annual reduction in electricity demand (kW), by sector.
- Annual reduction in fuel oil consumption (gallons), by sector.
- Annual reduction in propane consumption (gallons), by sector.
- Annual reduction in gasoline and diesel fuel consumption (gallons), by sector.

3. Energy Cost Savings

- Dollars saved.

#### 4. Renewable Energy Capacity and Generation

- Amount of wind-powered electric generating capacity installed (kW).
- Amount of electricity generated from wind systems (kWh).
- Amount of photovoltaic generating capacity installed (kW).
- Amount of electricity generated from photovoltaic systems (kWh).
- Amount of electric generating capacity from other renewable sources installed (kW).
- Amount of electricity generated from other renewable sources (kWh).

#### 5. Emissions Reductions

- Amount of green house gases reduced (CO2 equivalents).
- Amount of criteria air pollutants reduced (tons).

#### 6. Building Retrofits

- Number of buildings retrofitted, by sector.

#### 7. Building Energy Audits

- Number of audits performed, by sector.
- Floor space audited, by sector.
- Auditor's projection of energy savings, by sector.

#### 8. Small-scale Renewable Energy Applications Installed

- Number and size of solar energy applications installed.
- Number and size of wind energy applications installed.
- Number and size of other renewable energy applications installed.

### **Modifications**

Utilities are allowed to move allocated funds from the energy efficiency side to the renewable energy side or from the renewable energy side to the energy efficiency side. Requests to do so must be provided to the OREEE.

## Part VI – Appendices

### Appendix A: Utility Dedicated Funds

Company	Pct. MWH Sales	Efficiency Rebate Funds	Utility Freedom Funds	Renewable Energy Funds	Total
REC's	30.4%	\$557,323.20	\$912,000	\$912,000	\$2,533,323.20
OTP	8.9%	\$163,163.70	267,000	267,000	\$741,663.70
Xcel Elec.	12.2%	\$223,662.60	366,000	366,000	\$1,016,662.60
Xcel Gas	14.9%	\$273,161.70	447,000	447,000	\$1,241,661.70
MDU Elec.	8.6%	\$157,663.80	258,000	258,000	\$716,663.80
MDU Gas	24.3%	\$445,491.90	729,000	729,000	\$2,024,991.90
Great Plains	0.7%	\$12,833.10	21,000	21,000	\$58,333.10
ND Propane Association		\$500,000			
Total	100.0%	\$2,333,300	\$3,000,000	\$3,000,000	\$8,333,300

## Appendix B: Allowed Products and Rebate Levels

	Appliance	Requirement	Rebate Level	
<b>Residential</b>	<b>Air Conditioner – Central</b>			
	Tier 1	>=14.5 SEER/ >=12 EER	\$100 per Ton - 5.5 Ton cap	
	Tier 2	>=16 SEER/ >=13 EER	\$200 per Ton - 5.5 Ton cap	
	<b>Heat Pump - Air Source</b>			
	Tier 1	8.2 HSPF/ >=14.5 SEER/ >=12 EER	\$200 per Ton - 5.5 Ton cap	
	Tier 2	8.5 HSPF/ >=15 SEER/ >=12.5 EER	\$400 per Ton - 5.5 Ton cap	
	<b>Water Heater</b>			
	Heat Pump	EF>= 2.0	\$250	
	Gas/LP – Storage	EF>= .62 until 2011	\$50	
		EF>= .67	\$100	
	Gas/LP – Tankless	EF>= .82	\$250	
	<b>Boiler - Natural Gas/LP</b>			
	Tier 1	AFUE >= 85	\$200	Plus \$300 for FEMA Documented flood Victim
	Tier 2	AFUE >= 90	\$400	
	<b>Furnace - Natural Gas/LP</b>			
	Tier 1	AFUE 90-94 Only Retrofit	\$200	Plus \$300 for FEMA Documented flood Victim
	Tier 2	AFUE >=95	\$400	
	<b>Energy Audit</b>	Carl Pedersen will help coordinate training for energy inspections	Up to \$125 customer must pay minimum of \$35	
	<b>Insulation</b>			
	<b>Attic</b>	Require energy audit for self install	\$200 self installed	
R-20 or less and installing R-49		\$400 contractor installed		
<b>Walls</b>	Require energy audit for self install	\$200 self installed		
	R-0 in wall and installing R-10 and air seal rim joists	\$400 contractor installed		
<b>Renewable Energy - Commercial</b>	<b>Photovoltaics</b>		10% of installed cost up to \$5000; 60 KW or smaller	
	<b>Wind turbines</b>		10% of installed cost up to \$5000; 20 KW or smaller	
	<b>Heat Pump - Geothermal</b>			
	Closed Horizontal or Vertical Loop	EER >= 14.1 COP >= 3.3	\$600 per Ton - 5.5 Ton cap	

## Appendix B: Allowed Products and Rebate Levels

		Appliance	Requirement	Rebate Level	
<b>Commercial</b>	<b>Lighting</b>		Replacement only No screw in CFL's	\$0.4 per watt saved rounded to the nearest dollar - \$15,000 cap	
	<b>Motor</b>		NEMA premium new motor IEMA premium replacement motor	\$4 per HP - \$15,000 cap \$15 per HP - \$15,000 cap	
	<b>Variable Speed Drives</b>			\$30 per HP - \$15,000 cap	
	<b>Air Conditioner - Central Split</b>				
		Tier 1		$\geq 14.5$ SEER/ $\geq 12$ EER	\$100 per Ton - \$15,000 cap
		Tier 2		$\geq 16$ SEER/ $\geq 13$ EER	\$200 per Ton - \$15,000 cap
	<b>Package</b>				
		Tier 1		$\geq 14$ SEER/ $\geq 11$ EER	\$100 per Ton - \$15,000 cap
		Tier 2		$\geq 14$ SEER/ $\geq 12$ EER	\$200 per Ton - \$15,000 cap
	<b>Heat Pump – Air Source Split</b>				
		Tier 1		8.2 HSPF/ $\geq 14.5$ SEER/ $\geq 12$ EER	\$200 per Ton - \$15,000 cap
		Tier 2		8.5 HSPF/ $\geq 15$ SEER/ $\geq 12.5$ EER	\$400 per Ton - \$15,000 cap
	<b>Package</b>				
		Tier 1		8 HSPF/ $\geq 14$ SEER/ $\geq 11$ EER	\$200 per Ton - \$15,000 cap
		Tier 2		8 HSPF/ $\geq 14$ SEER/ $\geq 12$ EER	\$400 per Ton - \$15,000 cap
	<b>Commercial Heating</b>				
		Non-condensing hot-water boiler		minimum 85% efficient	\$800 per mmBtuh – 1,600 cap
		Condensing hot-water boiler		minimum 92% efficient	\$2,500 per mmBtuh - \$5,000 cap
		High pressure steam boiler		minimum 81% efficient	\$500 per mmBtuh - \$5,000 cap
		Low pressure steam boiler		minimum 81% efficient	\$500 per mmBtuh -\$5,000 cap
		<b>Recommissioning</b>	Up to individual utility to decide what incentive to offer		50% of cost up to \$15,000
		<b>Custom Design</b>	Up to individual utility to decide what incentive to offer		50% of cost up to \$15,000
		<b>Energy Audit</b>	Up to individual utility to decide what incentive to offer		50% of cost up to \$15,000
<b>Renewable Energy - Commercial</b>	<b>Photovoltaics</b>			10% of installed cost up to \$5000; 60 KW or smaller	
	<b>Wind turbines</b>			10% of installed cost up to \$5000; 20 KW or smaller	
	<b>Heat Pump - Geothermal</b>				
		Closed Horizontal or Vertical Loop		EER $\geq 14.1$ COP $\geq 3.3$	\$600 per Ton - 5.5 Ton cap

