

Questions and Answers for Request for Applications #2016-1606-SWMD

Stormwater Retention Credit Purchase Agreement Program and
Program to Award Funds for Identification of Green Infrastructure Sites

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1. Does DOEE have an expectation as to the staging or timing of delivery for the two major activities? For example, does DOEE anticipate awarding of funds for outreach and technical work in advance of initial Purchase Agreement offerings (e.g. to build SRC generator capacity prior to offer of Purchase agreements)? Further, does DOEE have an anticipated or preferred timeframe by which initial Purchase Agreements would be issued by the grantee (e.g. within one year)?

Response: DOEE prefers that both program (awards for technical and outreach work to identify GI sites and SRC Purchase Agreement Program) be available as soon as reasonably possible while ensuring that the programs are well designed and implemented. DOEE anticipates that the Grantee would be able to launch both programs within six months of award, though this is flexible, and DOEE is interested in seeing the rationale that the Applicant provides for its proposed approach and an explanation of any variables that could affect the proposed timeline. Assuming the Applicant provides a thoughtful rationale for its proposed approach, DOEE is receptive to both programs being delivered simultaneously or either one before the other.

2. For funds disbursed to SRC sellers via Purchase Agreements, will funding flow directly from the Escrow Agent to the seller, or from the Escrow Agent through the grantee to the seller?

Response: Funding will flow from the Escrow Agent to the Grantee to the seller.

3. The NOFA/RFA cites “newly installed” green infrastructure as eligible for Purchase Agreements. For the purposes of this NOFA/RFP, is “newly installed” defined as GI installed after the grant agreement is executed?

Response: In this context, DOEE would generally define this as GI for which construction has not begun at the time that the SRC Purchase Agreement is entered into by the SRC generator. However, in the interim period after the grant is awarded and before the SRC Purchase Agreement is available, DOEE anticipates that it may work with the Grantee to establish conditions under which an SRC-generating GI project may proceed to construction and still be eligible to participate in an SRC Purchase Agreement. Factors that could affect this include the length of the interim period between grant award and availability of the SRC Purchase Agreement.

4. The NOFA/RFP indicates that “DOEE staff will work with the grantee to evaluate market conditions and periodically modify ... price and years of purchase offered in purchase

agreements.” Does DOEE anticipate that price-setting can be appropriately addressed via DOEE staff expertise in coordination with the grantee, or is the use of outside experts in stormwater finance and economics appropriate for the application?

Response: Though DOEE is receptive to input from outside experts, stakeholders, and potential participants, DOEE anticipates that itself and the Grantee can appropriately set prices and years of purchase agreements. Applicants can propose to use outside experts; however, they should keep in mind that the cost-effective administration of the program is a factor considered in scoring applications, as indicated in Section 4.2 of the RFA.

5. Does DOEE anticipate any significant changes to the pricing of its In-Lieu Fee program to facilitate greater SRC trading activity?

Response: DOEE does not currently anticipate significant changes to the pricing of In-Lieu Fee (ILF), though DOEE may re-evaluate the costs underlying the ILF and re-base it, as allowed in Section 530 of Chapter 5 of Title 21 of the District of Columbia Municipal Regulations. DOEE conducts an annual inflation adjustment for the ILF based on the Urban Consumer Price Index issued by the US Bureau of Labor Statistics.

6. Does the Escrow Agent have to be independent from the grantee? That is, can the grantee also serve as the Escrow Agent (e.g. if the grantee can demonstrated experience managing escrow accounts for the purposes of environmental conservation and restoration projects)?

Response: The Escrow Agent must be independent from the Grantee. This helps to ensure that the Escrow Agent makes independent and unbiased determinations to release funds, free of any potential for conflict of interest. DOEE will select the Escrow Agent.

7. Assuming the grantee may serve as the escrow agent, is there any opportunity for the grantee to retain interest accrued from the escrow account to cover SRC purchase guarantee program management and administration costs? [If so, this would allow the grantee to minimize program management and administration costs under the reimbursable agreement, thereby increasing available resources for SRC technical assistance and outreach grants.]

Response: Given the response to question number 6, this question is not applicable.