

Frequently Asked Questions

Program Updates

1. How will this solicitation be different from the last solicitation?

This solicitation period will cover 3 fiscal years (FY26, FY27, and FY28). Please see the <u>ESRP website</u> for each funding cycle's timeline and important dates.

2. Does the ESRP program still offer the same measures at the same incentive rate?

BPA periodically retires measures, updates measure requirements, and changes incentive rates. Current versions of the Measure Reference Guide and the ESRP Incentive Rate Reference Table are available by expanding the "FY26-28 Incentive Application and Support Materials" section under Resources and Tools on the ESRP website. These resources are intended to provide a short list of commonly installed measures and do not represent all of the program's offerings.

3. Can I use my application from last year?

No. Please complete the most current version of the application form for the new solicitation period which indicates the available funding cycles. This is located by expanding the "FY26-28 Incentive Application and Support Materials" section under Resources and Tools on the ESRP website.

4. If my project is selected for FY26 funding but the project isn't complete until FY27, will the agreement automatically carry over into the next fiscal year?

No. Funding is not automatically carried from one fiscal year to the next without a contract modification that includes extending the contract date period. Funding is subject to budget availability.

5. Can an application represent a multi-year project?

Yes. Multi-year projects can be submitted on one application. Multi-year projects are characterized as energy efficiency projects that have distinct and quantifiable energy savings in consecutive funding cycles. The application must indicate which portion of the project will be completed in which funding cycle and must estimate the energy savings and incentives for each funding cycle indicated.

General

6. What is the ESRP program?

Energy Smart Reserved Power (ESRP) program is an energy efficiency program that directly acquires energy savings from irrigation districts purchasing energy through Reserved Power and from federally-owned facilities consuming station service energy directly from the grid. In turn, qualified energy efficiency measures may be eligible for financial incentives to offset the cost to implement energy saving capital expenditure projects.

7. Which types of measures are eligible in this program?

Any measure which saves reserved or station service energy from the Federal Columbia River Power System (FCRPS) is eligible. Examples include—but are not limited to—upgrading to more efficient irrigation pumps, installing variable frequency drives, canal lining, HVAC improvements, and LED lighting upgrades and controls.

8. How much funding is available?

The ESRP budget is typically \$2M per year but is subject to change. Additionally, the amount is not finalized until the end of the Open Enrollment window.

9. Does BPA provide technical assistance for the ESRP program?

Yes. The Program provides turnkey technical assistance from project identification to application assistance and will perform measurement and verification analyses. BPA engineers can provide advice and assistance to help develop an application. Please email esrp@bpa.gov to request assistance.

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10. What is the difference between an Application, Award Letter, Letter of Intent, and Agreement?

An *Application* is submitted by the participant during the Open Enrollment window or Open Season. The application requires a full description of the project, including its location, energy-efficiency measures to be installed, energy and water savings estimates, other cost savings, project cost estimate, expected completion dates, and descriptions of the method(s) used to evaluate energy and water savings.

Applications received during the Open Enrollment window may receive an *Award Letter* issued by BPA once all projects have been evaluated, ranked, and prioritized. An Award Letter is an incentive offer that secures funds until an Agreement is executed. A *Letter of Intent* is available upon request before an *Award Letter* is issued. *Letters of Intent* are intended to provide documentation to third parties that the project is in the process of being evaluated and is under consideration for funding.

An *Agreement* is a legal document that is signed by both parties, which outlines the terms and conditions of the project's incentive. The agreement will specify the maximum amount of funding, deadlines for the milestone and final reports, and the measurement and verification plan.

11. What is a Measurement and Verification (M&V) Plan?

An M&V plan is a statement of how energy (and water) savings will be measured and verified by taking into account the project's baseline and proposed energy-efficient measures. Since a project may utilize multiple measures, the plan may have distinct components to calculate savings for each measure. This plan serves as the basis for BPA's incentive payment. BPA engineers can help you develop an M&V plan that works for your project. The final plan that is accepted by BPA will be outlined in the agreement and may be different from what was specified in the original application.

12. What are Milestone and Final Reports?

The *Milestone Report* indicates the status of the project and provides an estimated project completion date. Requirements for this report are outlined in the agreement. There is not a standardized template for Milestone Reports and the report may be prepared as an email.

The Final Report is submitted upon project completion. The report is a bundle of documents and typically includes copies of the final invoices, installation costs, equipment specifications, technical performance documentation, and photos. Requirements for this report are outlined in the agreement and must be received per the terms of the contract.

Application Process

13. How do I apply?

Follow the steps outlined in Getting Started, found on the <u>ESRP webpage</u>. Submit the Application Package to <u>esrp@bpa.gov</u> on or before the deadline. The Application Package includes a completed and signed <u>FY26-28</u> <u>ESRP Program Incentive Application</u> and, if applicable, a proposal/bid for the proposed project.

14. Can I submit an application without a proposal/bid?

Yes. A proposal/bid may be requested as part of the project selection process but is not required as part of the application process. Not all application submittals require a proposal/bid. If a proposal/bid was requested and documentation cannot be provided, priority may be given to projects with complete Application Packages.

15. When is the application deadline?

Application Packages must be received by the Open Season deadline. Projects submitted by federally-charted irrigation districts during the Open Enrollment window will be given priority for the available budget through a competitive evaluation-ranking process. BPA Transmission facilities and/or dams and hatcheries operated by the USACE and USBR are eligible to apply during the Open Enrollment window but will not be prioritized until awards are accepted.

The Open Season period ends no later than March 31of the funding cycle year*. Incentive application packages received during the open season will be awarded on a first-come, first-served basis. Open season



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will close once all funds have been exhausted.

*BPA's fiscal year is October 1 through September 30.

16. How do I submit multiple projects?

Applicants are encouraged to bundle related measures into one incentive application. As such, applications with multiple measures will be evaluated as a single project. For example, an irrigation system improvement project that changes the water source may have a measure to reduce system lift in addition to energy efficient pumps and/or VFD measures. Each *Application* is evaluated as a total project and subject to the \$500,000 annual cap. The total cost-effectiveness (\$/kWh saved) for each application is critical; projects with a higher cost per kWh (energy and water savings) achieved may make your application less competitive.

17. How much funding can I receive?

Funding values vary on the energy efficiency measure type(s) and the total project cost. The Project Financials section of the application assists with determining how much funding is available for your project. This section is broken out into two parts. The first part estimates the incentive based on savings; whereas the second part factors in project costs and additional funding. ESRP incentives are capped at the *lesser of*:

- o The total calculated incentive using incentive rates from the Incentive Rate Reference Table (Estimated Incentive Calculator Sum of Column G)
- o The total of all project costs (Estimated Incentive Calculator Sum of Column J)

Additionally, ESRP incentives are capped at \$500,000 annually per project (application) for each participant. Agreements may represent multiple energy efficiency projects (applications); therefore, an agreement may request more funds than the \$500,000 project cap.

18. Can other incentives, rebates, or grants be used in addition to ESRP funding?

Yes. Projects may receive outside funding from both federal and non-federal entities. These outside funds, plus BPA ESRP funding, must be less than or equal to the total incremental or net project cost. The Project Financials section of the application provides guidance on how to report other funding sources. Column I (Part 2) requires applicants to report outside funding for each measure.

Applications received prior to application deadlines for other programs may be eligible to receive *Letters of Intent* to award funding, which can be used for matching other programs. If funds from other sources are awarded in addition to the ESRP program after an agreement is signed, a modification to the ESRP agreement may occur when it impacts the estimated incentive value.

19. What are allowable project costs?

Examples of project costs that are permitted on the application include any required engineering and environmental studies, in-house labor, materials, equipment, contracted work, and other charges associated with the project. These costs are identified for each measure in Column H of Part 2 of the Project Financials section. If you are uncertain about what costs to include, please email esrp@bpa.gov to request assistance.

Award to Project Closeout

20. How will my project be evaluated?

Upon completion of the Open Enrollment Window, applications* will be evaluated, ranked and selected for award based on the best incentive/kWh and cost-benefit ratio. This competitive application period will be followed by an Open Season provided there are remaining funds. Open Season projects* will be reviewed on a first-come first-served basis once priority awards have been announced. Once funds have been depleted, the Open Season will close.

*Multiple measures may be submitted on one application. Each application will be evaluated as a single

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project and subject to a \$500,000 project cap. Projects with distinct components or timelines may be submitted on multiple applications.

21. When will I know if my application has been approved and awarded funds?

Successful applicants will receive an Award Letter or email outlining the eligible incentive amount within 4 to 6 weeks after the Open Enrollment window closes.

22. What is the term of an Agreement?

The term of the ESRP Incentive Agreement is typically one year but may be up to three years for some multi-year projects. Agreements are aligned with BPA's fiscal year (October 1 through September 30 of the following year). All projects are expected to be completed and the Final Report submitted by the end of the fiscal year as per the incentive agreement.

23. When can projects be started?

Projects can begin at any time without prior BPA approval, but BPA strongly recommends engagement with ESRP staff before project kickoff of any projects that may qualify for a program incentive. Early engagement will ensure the project meets the criteria for program participation and includes a successful savings M&V plan that can be implemented.

24. When do projects need to be completed?

Due dates for the final reports are detailed in the incentive contract. Through special approval, projects may be extended beyond the fiscal year in which the Agreement is executed; however, the incentive funding is subject to availability and program requirements at the time of completion and verification.

25. When will I be paid?

In most cases, payment will be made after the project is completed, BPA receives the final report and verifies the savings, and any other requirements listed in the executed Incentive Agreement are satisfied. If completion of the project is in phases, it must be pre-approved by BPA. Subsequently, payments would occur in phases after the energy savings for each phase have been verified. Incentive payments take 30 days to process from the invoice date.

26. How will I be paid?

Payments will be made via electronic fund transfer (EFT). Participants must be registered in BPA's financial system. If needed, staff will contact you to set up the payment process.

27. What about multi-year projects?

BPA will accept applications for projects with completion dates in future fiscal years; however, incentive payments will be subject to future budget availability. BPA will apply applicable program requirements at the time of

completion. With program approval, partial payments may be available for projects that have clearly defined components or phases written within your Agreement.

28. What if my project changes after we have an executed agreement?

The maximum funding your project may receive is specified in the agreement. BPA appreciates advance notification of all significant changes to your project. If the changes substantially increase or decrease the funding eligibility of the project, contact BPA as soon as possible to request consideration of a modification to your Agreement. Modifications to increase the incentive associated with your Agreement must occur prior to project completion.

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