

MULTIFAMILY SOLAR FUNDING PILOT INSTRUCTIONS

The New Jersey Housing and Mortgage Finance Agency (HMFA) welcomes your Solar Funding Pilot Loan application. All requirements listed in the Program Guidelines, Instructions, Application and Document Checklist must be complete in order to close on the Solar Loan. HMFA will work with applicants to ensure all documents and applications are complete and free of deficiencies. Applicants will be ranked based upon when HMFA receives their application and letter of intent **with their anticipated system kw size**. Funding of any application is subject to the availability of funds.

For a quick explanation of solar financing in New Jersey (e.g. SRECs, utilities, programs, federal incentives), please visit www.njgreen.gov select “Resources,” select “Renewable Energy,” and view “The Solar Financing Handbook.”

AMERICAN RECOVERY & REINVESTMENT ACT

The American Recovery and Reinvestment Act of 2009, Public Law 111-5, (ARRA) appropriates funding for the United States Department of Energy (USDOE) to issue and award formula-based grants under the State Energy Program (SEP) to stimulate the economy, create and retain jobs, while giving preference to activities that can be started and completed expeditiously. The NJ Board of Public Utilities and the NJ Clean Energy Program manage the NJ SEP and were awarded ARRA funds. HMFA is a sub-recipient of these ARRA funds and is implementing three programs: Multifamily Energy Efficiency Improvement Program (MEEIP), Solar Funding Pilot (Solar Loan) and the Home Energy Saver Program (HESP).

Solar Loan Applicants must participate in the SREC Registration Program. Available on the following website: www.njcleanenergy.com.

Davis-Bacon Wage Requirement: All contractors are subject to the Davis-Bacon Act. Further guidance can be found at the U.S. Department of Labor’s website on ARRA at <http://www.dol.gov/esa/whd/recovery/>.

ELIGIBLE AND INELIGIBLE USES OF SOLAR FUNDS

Eligible Expenses:

- Engineering costs including preparation of bid specifications and solar installation documents, and solar installation observation;
- Solar PV installation costs including all material, labor, permits, builder’s risk insurance, and surety bonds;
- Structural work needed to support a solar PV system;
- The cost of a maintenance contract for the (maximum) 15 year term of funding OR a set-aside of funds for annual maintenance and future inverter replacement;
- Monitoring system, which includes the interface (hardware) and data collection/connectivity (software). When the solar PV system is not functioning properly, notification must be provided.

Ineligible Expenses (Including, but not limited to):

- Roof replacement;
- Structural upgrades not associated specifically with solar PV installation;
- Enhancement to Building Insurance policy to cover solar array;
- Interest payments on other sources of financing;
- Developer and consultant fees (e.g. property management fees, property manager’s accountant fees, legal fees, etc.)

For questions, please contact:

Kwesi Daniels, Program Coordinator at kdaniels@njhmfa.state.nj.us or 609-278-7370.

DISCLAIMER

HMFA reserves the right to amend the Solar Funding Pilot Loan Program (Solar Loan) underwriting guidelines, policies, procedures, and forms, due to changes in market conditions and/or changes in the HMFA's housing policies or initiatives. Such amendments may occur without notice and are applicable to all pending and future applications. Applicants are responsible for contacting the HMFA to ascertain whether or not there have been any changes since the date of these guidelines and for complying with such changes. Unless otherwise noted, the Solar Loan Program is subject to standard HMFA Multifamily financing guidelines.

PROCESS

Applicant Responsibilities

1. Applicant reviews the eligibility criteria to determine the interest for participation in the program and submits the Application and Letter of Intent
The purpose of the Letter of Intent is to monitor remaining available funds for interested applicants. Funding is given to those applicants able to achieve an HMFA Board approved funding commitment on a first-come first-served basis. Those applications still in progress (who have submitted the Letter of Intent) will be alerted to available funding levels as monies are committed.
2. HMFA staff will review the application and determine if the project is an eligible recipient of the Solar Loan. HMFA will issue an eligibility letter and assign a Credit Officer – who will become the main point of contact and facilitate the project's progress through the program.
3. Applicant must hire a professional Engineer to provide solar photovoltaic systems specifications and bid documents. There is a requirement for at least one bid to select the Engineer. See Addendum I.
4. Applicant will submit a recommendation for a qualified Engineer based upon required credentials, pricing and Engineer's scope of services.
Note: HMFA can provide a list of Engineers that have performed similar work, if needed.
5. HMFA staff will review the Engineering proposal and approve.

Applicant/Engineer Responsibilities

6. The Engineer will prepare bid documents and submit to HMFA, which HMFA will review and approve
7. The Engineer must assist the Applicant in seeking three (3) bids from solar contractors listed on the NJ Clean Energy Program website: www.njcleanenergy.com select "Renewable Energy," Select "Tools and Resources," Select "Find a Trade Ally," Select the applicable "Category." Please note: the Solar Installer must have a NJ licensed electrician on staff.
Note: HMFA has a list of Solar Installers that have expressed an interest in bidding on projects participating in this program.
8. The Applicant and Engineer will select and recommend the most qualified bid for a Solar Installer.
9. HMFA will review bids and approve the selected Solar Installer.
10. The Applicant is responsible for registering the property to generate SRECS through the SREC Registration Program. Available on the following website: www.njcleanenergy.com.

Commitment/Closing

11. Applicant is responsible to submit the documents included in the "Document Checklist"
12. HMFA staff will make a recommendation to the HMFA Board for consideration for commitment
13. Once commitment is issued by the HMFA Board, the Applicant will work with HMFA staff to put together items required for Agency Closing.
14. The Applicant has 60 days from Board commitment to close on the Solar Loan.

Installation

15. Projects must commence installation within 30 days after Agency Closing.
16. HMFA Technical Services staff will monitor installation and approve requisitions and draw requests for payment.
17. When installation is complete, HMFA will release the final payment after the NJ Clean Energy Program and municipality has conducted a satisfactory inspection and the system is registered with PJM-GATS. For questions contact: GATSAdmin@pjm-eis.com.
18. Once the SRECs are assigned to HMFA and utility interconnection agreement is received and confirmed, the repayment of solar loan will begin through capturing of SRECS by HMFA.

ADDENDUM I: REQUIREMENTS FOR ENGINEER AND SOLAR INSTALLER

Engineer Required Credentials

- NJ Licensed Professional Engineer;
- Must have experience designing and sizing solar photovoltaic (PV) renewable energy systems;
- Engineer's Bid shall include a 'not to exceed' bid amount

Engineer Scope of Services

- Design a solar photovoltaic (PV) system;
- Required to obtain a minimum of three (3) bids for solar installation;
- Select solar installer, with final approval by HMFA;
- Provide installation oversight at critical points during installation;

Solar Installer Required Credentials

- Must be listed on the NJ Clean Energy Program website: www.njcleanenergy.com select "Renewable Energy," select "Tools & Resources," select "Find a Trade Ally," and select a "Category;"
- Must have a NJ licensed electrician on staff;
- Must be capable of obtaining a surety bond or 10% letter of credit;

Bid Document Scope of Work

- Prepare bid with performance specification;
- Provide system specifications;
- Provide three (3) references of similar jobs performed;
- Indicate the size of system, minimum 20 kW requirement;
- Any change in the size of the system must be coordinated with the owner, Engineer, and HMFA;
- Coordinate with existing roofing manufacturer;
- Obtain all necessary permits and approvals;
- Bid proposal must include costs for necessary activities including roof warrantee, system, materials, labor permit fees;
- Must attend mandatory pre-bid meeting and walk-through;
- Apply for the NJ Clean Energy SREC Registration Program and obtain New Jersey Certification Number;
- Provide all necessary equipment to allow for installation of a data acquisition system (monitoring system) and configuring of that system;
- The cost of a maintenance contract for the (maximum) 15 year term of funding
- Contractor must provide a 15-year service contract , which includes routine maintenance and replacements on solar panels, inverters, conduit, wiring, and monitoring system; OR applicant can specify a set-aside of funds for annual maintenance and future inverter replacement;
- System must be net-metered;
- Be eligible for the NJ SREC market and trading;
- Adhere to the federal wage-rate requirements per Davis-Bacon, visit www.wdol.gov for reference;
- Davis Bacon requirement to be included in the solar contract.

Other Items

- Determine suitability of existing roof and roof structure for installation of solar photovoltaic (PV) renewable energy system;
- Maintain the roof warrantee.