RFP # NC001026 Addendum
Questions and answers must be posted by Monday November 16, 2026

NEW as of 11/16/2026
RFP Questions and Answers

Question: We lease our store under a five-year lease. Can our business apply for the SEP Energy Efficiency Subgrant to improve HVAC, insulation, and storefront windows in our leased space? If so, what landlord permission and minimum remaining lease term, if any, are required?

Answer: The Landlord must be the one to apply for the grant.

Question: Could you please advise whether your department maintains a bidder list, qualified vendor list, or contractor directory for energy efficiency and engineering services?

Answer: The North Carolina State Energy Office—part of the North Carolina Department of Environmental Quality (NC DEQ) and the Utility Savings Initiative—maintains and manages the North Carolina Qualified Provider List for Guaranteed Energy Savings Performance Contracts (GESCs).

Question: How can our company receive notifications about future energy efficiency RFPs and contracting opportunities.

Answer: Contact the SEO email SEO.team@deq.nc.gov to be added to the contact list for future award opportunities.

Question: Are airports or airport authorities eligible applicants if they are considered a local government?

Answer: An airport or Airport Authority would qualify regardless of if it is a local government.

Question: Are church-owned buildings eligible for this grant when they also provide community services?

Answer: Yes, church owned buildings qualify.

Question: Would replacing our aging HVAC systems qualify, potentially along with energy-efficient lighting upgrades?

Answer: Yes, improvements to HVAC and lighting are eligible building upgrades.

Question: Is a completed energy audit required before applying, or can one be conducted after an award?

Answer: An energy audit is not required to apply but it is recommended to identify potential upgrades.

Question: Does the proposed project need to total at least $50,000?

Answer: Priority will be given to projects between $50,000 and 200,000, however projects totaling less than $50,000 will be considered.

Question: Are contractor estimates required with the initial application?

Answer: A Vendor Quote is required in the application. If one is not available, provide an estimated time frame for the vendor quote submission.

Question: The University is an eligible entity. The Dining Hall is a receipt-supported (auxiliary) facility funded by dining revenue rather than state appropriations. Are receipt-supported buildings eligible for funding?

Answer: Yes.

Question: Our energy audit was prepared in-house by a Certified Energy Manager. Does it qualify for the priority given to entities with completed audits, or is a third-party preparer required?

Answer: Yes, in-house audits by a Certified Energy Manager are applicable.

Question: Are University employee labor costs allowable as direct costs, and is contingency allowable in the budget?

Answer: University Employee Labor Cost should not be included in direct cost, only labor for the project is allowable. Contingency is not allowable in the budget.

Question: Do Davis-Bacon prevailing wage requirements apply to construction work under this subgrant?

Answer: No.

Question: Can project work begin prior to grant agreement?

Answer: No.

Question: Can funds dispersed between grant application submission and grant agreement execution be reimbursed?

Answer: No.

Question: What does Applicant "Primary Place of Business" mean? Please provide a few examples.

Answer: The "Primary Place of Business" is the location where business operations take place. All project work must take place within North Carolina.

Question: Can you provide an example for the following? "Detailed description of how the proposed project aligns with the Energy Efficiency focus of this Program."

Answer: Please see the "Focus Areas: Building Upgrades" portion on page 2 of the RFP for examples of projects that align.

Question: Is there a template for the written assurances?

Answer: This can be a signed statement that the entity is not debarred or suspended entity and that all required award provisions will be flowed down in the resulting applicant agreement.

Question: Does the BABA Waiver Request need to be submitted with the application?

Answer: A Small Grants BABA Waiver is required, and the template is attached to the RFP.

Question: Can one application cover the same project scope at two locations?

Answer: Yes, as long as the projects at both locations total $200,000 or less.

Question: Does a retrofit of a currently vacant residential building qualify under the Building Upgrades focus area?

Answer: Residential buildings are not eligible regardless of occupancy.

Question: How should the energy-savings baseline be established for a vacant building with no current energy bills — for example, may we use modeled baseline consumption, or utility bills from when the building was last occupied?

Answer: Please note that residential buildings are not eligible regardless of occupancy. For non-residential buildings, utility bills from the last time the building was occupied is sufficient.

Question: **Applicant Eligibility and Industry Collaboration**
Are university faculty members eligible to submit a proposal as principal investigators, or is collaboration with industry partners required or strongly encouraged?

Answer: A university faculty member is allowed to submit proposals with or without an industry partner.

Question: **Project Duration**
Does the RFP permit a project period longer than the specified timeframe, or is an extension beyond the June 30, 2027, completion deadline possible?

Answer: Projects must be completed by June 2027; no extensions will be granted.

Question: **Indirect Costs**
North Carolina A&T State University has a federally negotiated indirect cost rate of 45%. Is the full negotiated rate allowable under this funding opportunity, or does NCDEQ impose a maximum rate or a modified calculation base?

Answer: The full negotiated rate is not allowable. Per Section 8.3 of the Master Agreement between NCDEQ and the University of North Carolina System, there is a 15% cap imposed on indirect costs.

Question: **Faculty and Student Participation**
Can faculty effort, graduate and undergraduate student participation, and educational activities be included in the project scope and budget?

Answer: Yes, participation can be included in the project scope of work and budget. However, these funds are designated for the installment of energy efficiency measures and efforts should be made to minimize administrative costs such as faculty effort, student participation, and educational activities.

Question: **Allowable Budget Expenses and Equipment Purchases**
Are faculty salaries and fringe benefits, student support, measurement equipment, sensors, energy meters, data acquisition systems, supplementary monitoring equipment, materials, installation labor, travel, and project-related supplies allowable expenses, particularly those needed for building energy audits, performance assessment, continuous monitoring, and implementation of energy-efficiency improvements?
Are there any specific restrictions on purchasing equipment or implementing energy-efficiency improvements within an existing university-owned building?

Answer: There are no restrictions on purchasing equipment or implementing energy-efficiency improvements within an existing university-owned building. Faculty salaries, fringe, student support, and other project specific administrative cost are allowable. However, the funds are designated for the installment of energy efficiency measures and efforts should be made to minimize administrative costs such as faculty effort, student participation, and educational activities.

Question: **Budget Allocation Restrictions**
Are there restrictions on the percentage of the grant allocated to personnel, equipment, building improvements, or other budget categories?

Answer: There is no restriction on the percentage, however, please see the scoring rubric to determine how this may impact the score of your application.

Question: **Project Scope and Living Laboratory Concept**
Is a project that combines building energy auditing, system assessment, maintenance, and energy-efficiency improvements with transforming the building into a living laboratory for engineering education and research eligible under this program?

Answer: A project combining building energy auditing, system assessment, and energy-efficiency improvements are eligible. However, maintenance is not eligible.

Question: **Eligibility of University-Owned Buildings**
Are university-owned academic buildings, such as the McNair Engineering Building at North Carolina A&T State University, eligible for energy-efficiency improvements under this program?

Answer: Yes**.**

Question: **Eligible Building Improvements**
Are improvements to existing HVAC systems, lighting, electrical systems, building envelopes, and building automation systems (BAS) eligible expenses?

Answer: Yes**.**

Question: **Integration with Engineering Education and Research**
Is integrating energy-efficiency improvements with engineering education, student training, and research activities permitted under this grant?

Answer: Yes, integrating these activities is allowable under this grant. However, the funds are designated for the installment of energy efficiency measures and efforts should be made to minimize administrative costs such associated with engineering education, and student training. Research activities are not allowed.

Question: **Matching Funds and Cost Sharing**
Are matching funds or cost-sharing contributions required under this funding opportunity? If not required, are applicants encouraged to provide matching funds or institutional contributions, and would these strengthen the proposal during the evaluation process?

Answer: Cost matching is not required but is allowed as long as the total cost of the project with match does not exceed $200,000.

Question: **Existing Equipment and Institutional Contributions**
Can existing university equipment and resources, including a blower door, duct blaster, energy meters, illuminance meters, integrating sphere, embedded computing boards, and building automation system, be considered institutional contributions to the project?

Answer: Yes, as long as the total project cost with these contributions does not exceed $200,000**.**

Question: **University–Facilities–Industry Collaboration**
Can a university faculty member serve as the Principal Investigator (PI) of a project that integrates university researchers, campus facilities and maintenance personnel, and industrial partners? Would this collaborative approach, in which university researchers lead the technical assessment and research activities, facilities personnel support building operations and implementation, and industry partners provide technical expertise and services, be eligible and encouraged under this funding opportunity?

Answer: Yes, a university faculty member can serve as the PI. However, **t**hese funds are designated for the installation of energy efficiency measures and efforts should be made to minimize administrative costs associated with facilities personnel support. Maintenance fees and research activities are not allowed.

Question: We understand that the energy upgrades we propose should be identified through an energy audit. Would a recent assessment of rooftop solar potential and professional cost estimation qualify as an energy audit?

Answer: Yes, a recent assessment of rooftop solar potential and professional cost estimation would qualify as an energy audit as long as it was provided by or certified by a licensed engineer/ architect or certified energy manager.

Question: Given the short implementation timeline, would it be allowable to begin a bid process for the project that we are proposing before we receive notice of award? (If we are not selected for an award, we would still be able to select none of the vendors who apply.)

Answer: It is allowable to begin the bid process; however, this does not guarantee funding under this RFP and our office is not liable for any associated cost.

Question: Are improvements to existing HVAC systems, lighting, electrical systems, building envelopes, and building automation systems (BAS) eligible expenses?

Answer: Yes, these are eligible expenses.

Question: Would you please let me know if a Resolution adopted by the Town Council would serve as the written assurances listed on page 5 of the RFP? If not, would the letter containing the assurances need to be signed by the Mayor or the Town Manager or both?

Answer: The resolution would serve as the written assurance. Also, a signed letter by the authorized official containing these assurances is allowable. Whether the authorized official is the mayor or town manager is at the discretion of the applicant.

Question: Our proposed project involves improving the energy efficiency of two facilities: one home that serves as a homeless shelter for men, and another that functions as an incubator for small businesses. Could you please clarify if a project involving these types of properties is eligible under this RFP?

Answer: Residential buildings are not eligible for funding under this RFP.

Question: Page 1 of RFP: Potential projects are specified as "Comprehensive upgrades – typically involving efficiency measures in two or more building systems…with one building-wide energy savings goal." Does this mean I can submit one application for an energy efficiency upgrade at two separate buildings and have one collective estimated energy savings goal?

Answer: Yes, as the total cost of the combined projects does not exceed $200,000.

Question: Page 9: Can you provide a copy of the Small Grants Waiver, De Minimis Waiver and Minor Components Waiver also including instructions on how you determine which would be used? Some of the materials procured may not be made in America but I am not sure which waiver I would fill out since there isn't a copy of those other three waivers referenced.

Answer: The BABA waiver is attached to the RFP, all projects funded under this RFP should check the box for Small Grants on the BABA Waiver.

Question: For a non-availability waiver, would I just need to submit that after/if I receive the grant award? Do I need to specify that a non-availability waiver will be needed with my grant submission?

Answer: A non-availability waiver is not applicable. All projects under this RFP should check the box for Small Grants on the BABA Waiver when the project proposal is submitted.

Question: Page 5: "Vendor quote for parts and labor (Strongly recommended but not required with initial application but will be required prior to funding award and agreement)" - I will have a quote however I would still need to go through our internal competitive procurement process and receive 3 bids. The vendor quote referenced being needed prior to funding award, is that the final awarded quote/contractor the applicant is going with or can that just be one of the quotes being considered among other quotes? If it needs to be the final awarded quote, how much time roughly would I have from when I am notified of being awarded the grant to the formal funding award?

Answer: Due to the quick turnaround of this award from application to completion, final awarded quotes should be submitted as soon as possible. Due to our procurement process, our office cannot guarantee how much time you would have before the formal funding award.

Question: Are any pre-award costs allowed (whether included in grant award or not) like design?

Answer: No.

Question: If a total project is more than $200,000 can the remainder of the project be paid for with 1292 funds? Or would the grant project need to be capped at the $200,000 limit?

Answer: No, the total project cost paid with these funds or other funds cannot exceed $200,000.

Question*: Would projects with a scope limited to electrifying diesel irrigation pumps for farms qualify?*

Answer: No, an irrigation pump would not qualify under this RFP. This RFP is intended for building upgrades only. Please see the "Focus Ares: Building Upgrades" portion of the RFP for the scope of projects that qualify.

Question: Is the title page included within the page count, or is the page count 5 pages of narrative + a title page + other attachments?

Answer: The title page and attachments are not included in the 5-page narrative limit.

Question: As funding will most likely be provided within the first quarter of 2027, and must be concluded by June 2027, will upgrades performed prior to the award letter be considered? For example, if an immediate fix for an HVAC system is needed before March 2027, could we include this in our grant narrative as a reimbursement request?

Answer: No.

Question: Are indirect and/or administrative costs (e.g. NICRA) allowable under this subgrant program?

Answer: Yes, indirect and administrative costs are allowable. However, these funds are designated for the installation of energy efficiency measures and efforts should be made to minimize indirect and administrative costs.

Question: Audubon North Carolina recently completed upgrading the HVAC system at the *Donal C. O'Brien Jr. Audubon Sanctuary and Center at Pine Island* ("Pine Island Center"). Would it be possible for applicants to submit funding requests to reimburse recently completed energy efficiency upgrades?

Answer: No.

Question: More generally, are any pre-award costs eligible for reimbursement?

Answer: No.

Question: The Pine Island Center is an historic structure (1913) so some projects, like window replacement, are likely not preferred. Would other retrofits revealed by an energy audit (e.g. attic insulation, floor insulation, etc.) be eligible for funding?

Answer: Yes.

Question: The Pine Island Center also has multiple buildings on its campus (a lodge and three cottages) that could use energy efficiency upgrades. Is a campus approach permissible to include multiple buildings' upgrades in this funding request?

Answer: Yes, as long as the combined project costs does not exceed $200,000**.**

Question: Are training costs (e.g. on system usage) allowable under this program?

Answer: Yes. However, these funds are designated for the installment of energy efficiency measures and efforts should be made to minimize training costs.

Question: Under "Focus Area: Building Upgrades" - Is there a #2 option for funding possibilities? It appears that it was either left out or not numbered sequentially.

Answer: No.

Question: What are the requirements for the energy audit? Does it need to be a level 3? What is required within the audit to meet the grant specifications?

Answer: It does not have to be a level 3 energy audit. To meet the requirements the energy audit must be provided by or certified by a licensed engineer/ architect or certified energy manager.

Question: Is there zero possibility of extensions being granted to allow for additional time if project installation has not been completed by June 30, 2027?

Answer: Yes, there is no possibility of an extension beyond the completion deadline.

Question: When is the latest that awards could be made?

Answer: Due to our procurement process, our office cannot guarantee the latest date the awards will be made. However, we anticipate all awards being made prior to the end of January 2027.

Question: Is it an issue if materials for a project have already been purchased?

Answer: Yes, these funds cannot cover previously purchased materials.

Question: The RFP states: "Potential projects that may be funded include but are not limited to: 1) Comprehensive upgrades – typically involving efficiency measures in two or more building systems (e.g., lighting, building envelope, HVAC) with one building-wide energy savings goal..." May a project consist of just one efficiency measure in just one building system?

Answer: Yes.

Question: In the RFP, the notice notes that "Eligible entities include North Carolina towns, cities, counties, state agencies, universities, community colleges, K-12 schools, nonprofits, businesses, and industrial entities." Our non-profit is based in an adjoining state, but the project would be conducted with local partners on locations in NC. Would we be eligible to serve as the primary recipient for the award?

Answer: No.

Question: We are planning to have an energy/electrification audit completed of a facility in calendar year Q1 2027. Would this audit be included for consideration of a proposed project?

Answer: Yes.

Question: Can a nonprofit apply on behalf of, or pass funds through to, other eligible entities?

Answer: Yes, as long as the nonprofit is located within North Carolina.

Question: Can technical-assistance partner costs be included in a school's budget?

Answer: Yes.

Question: Are award payments made in advance or on reimbursement?

Answer: Reimbursement basis.

Question: Will SEO extend the June 30, 2027, deadline if DOE approval slips?

Answer: No.

Question: Are there specific instances where they anticipate NEPA will be applicable?

Answer: No. Going beyond the "Focus Area: Building Upgrades" may trigger additional reviews for NEPA but this is outside the scope of this funding.

Question: Is there a list of six potential project examples or are there only five examples? The RFP states that there is a list of six potential project examples but only lists five.

Answer: The list of potential projects shows examples of the types of projects that will be funded. Projects are not limited to the list of potential projects in the RFP but should address the points listed in the evaluation criteria to ensure a strong proposal for funding.

Question: The RFP states that audits are required for the application and that funding includes audits, but it is not listed in the required documentation. Please explain.

Answer: Audits are strongly recommended for this RFP. Due to the limited timeline for project completion an existing audit would leave more time to implement projects. However, funding may be used to conduct an audit if a prior audit does not exist. The audit must be provided by or certified by a licensed engineer/ architect or certified energy manager.
