Michigan Energy Efficient Appliance Rebate Program:

Frequently Asked Questions (F.A.Q.)

As of: November 30, 2009

Appliance Rebate FAQ

1. I understand that the State of Michigan is requesting matching funds to be identified and provided by organizations administering the program. I understand the State's desire to minimize any of its costs to support the Program. However, if matching funds are not identified to defray program costs, can the state provide any funding for rebate administration?
    - ***The State of Michigan does not have funding for the 1 for 1 match required for administrative expenses. Applicants must provide the match requirement with cash, in-kind services, or contributions from partners, e.g. a retailer or consumer organization could contribute in-kind services in the form of marketing or promotion. There must be a letter of commitment from the applicant and/or partner describing the match that will be provided for rebate administration.***

2. The RFP states rebate award payment is to be made by check. Would Michigan consider the use of an alternative, a prepaid card (Visa or Mastercard), if it offered economic benefits to the State?
    - ***The state plan indicates a rebate will be in the form of a check to the residential consumer purchasing an eligible appliance. Alternatives can be proposed but benefits of the alternative must be persuasive.***

3. How much does specific experience with energy-efficient and/or renewable energy products weigh into the proposal scoring? Is it a significant factor?
    - ***30 points out of 100 are for Experience of Organization/Project Team. More weight will be given to "experience with administering rebate programs" than "experience with energy efficient and/or renewable energy products."***

4. Regarding Attachment A-1, how much do previous federal awards weigh into the proposal scoring? Is this a significant factor?
    - ***Experience is a scoring criterion. Previous federal awards is not a scoring criterion.***

5. Does Attachment A-2 Internal Controls Questionnaire need to be filled out and submitted with our response?
    - ***Yes.***

6. Would a proposal to administer only the fulfillment piece (excluding the marketing aspects) be considered, i.e., Web application, data management, business process design/implementation, validation, QC, check processing, customer service call center, etc.?
    - ***Applicants have to be able and willing to perform all tasks described in III-D on page 18.***

7. Would a deadline extension be considered due to the short turnaround and upcoming Thanksgiving holiday?
    - ***No.***

8. What is the sharing percentage for all revenue earned from manufacturers, utilities and retailers over the $892,700?
    - ***Applicants must provide $892,700 in matching contributions. Matching contributions can come from applicants or trade allies working with applicants. Matching dollars can be cash or in-kind. Commitment letters should be provided for all matching contributions.***

9. If any of the targeted quantities (table 1-Rebate Budgets) are not achieved, do the matching dollars for the program options (table 2-Administrative Budgets) get negatively impacted?
    - ***As indicated in the Request for Proposal on page 18, "The grant may end earlier than December 31, 2010 or be extended beyond December 31, 2010." This depends on how long rebate dollars last. Administrative expenses are only permitted during the grant period. Some administrative expenses may not depend on rebate activity and these expenses will be allowable.***

10. Wasn't there a similar rebate program that was conducted at the state level for energy efficient appliances including dryers, natural gas furnaces?
    - ***No.***

11. Is it intended that all third-party costs (newspaper, radio, billboard, etc.) are part of the administrative budget?
    - ***Matching contributions can come from applicants or trade allies working with applicants. Matching dollars can be cash or in-kind.***

12. Is there penetration by metropolitan markets within the state data that was done to segment the targeted quantities for each rebate product? For example, of the 770 oil furnaces listed, did that number come from the Detroit and Grand Rapids areas, or from the Upper Peninsula?
    - ***Rebate estimates for specific appliances were done on a statewide basis.***

13. Is it the intent of the state that the marketing strategy for the entire 11-month period is mapped out for the request for proposal, since there has been no information shared about what happens if eight months have gone by and the targeted quantities are not hit? For example, what recourse does the supplier have if certain rebate products targets are not met by various dates in the program?
    - ***The marketing strategy should be for the entire 11 months of the grant.***

14. Does data exist at the state level as to when purchases are typically made for the product rebate items, and what created the targeted quantities as they relate to buying patterns? For example: the 2010 heating season will be well underway before this program launches, so people looking to buy furnaces will have purchased them by the first part of February unless they encounter a product failure of their existing unit during from February to April.
    - ***It was assumed that 11 months will be sufficient to use the estimated number of rebates. If not, rebates may be extended or rebate dollars may be reallocated to other types of appliances.***

15. Is there any incentive to promote the oil furnaces and solar water heaters with the low numbers associated with the administrative budgets being less than $100,000? It seems like the numbers are inversely proportional to the return given the much larger numbers of washers, refrigerators, and dishwashers sold.
    - ***As a % of rebate dollars, administrative dollars are higher for oil furnaces and solar water heaters. This was done in recognition that some costs exist regardless of the size of the program.***

16. It states in the document that a web page must be available for consumers to download a rebate certificate. Would you like the customer to have more than one method to request a certificate?
    - ***Alternatives in addition to a web page can be proposed.***

17. Does all of the work have to be performed in the United States? What if a portion of the customer care is handled in Canada?
    - ***No, but this is an economic stimulus program.***

18. Do checks have to be the only rebate option? Would you consider prepaid Visa cards?
    - ***Alternatives to checks can be proposed, but the benefits of the alternative have to be persuasive.***