

Conowingo Pay for Success

Susquehanna River Basin Commission



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Round 2 Request for Proposals

October 9th 2024



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Timeline:

Dissemination of RFP	9/17/2024
Informational Webinar with Q & A	10/9/2024
Proposals Submitted to SRBC via Application Website	12/16/2024 by 4 PM EST
Proposals Selected and Awardee Notified	2/5/2025
Anticipated Contract Start Date	No later than 3/31/2024

Background:

Maryland's load for CWIP allocates a reduction of 0.18 M lbs/year of nitrogen and .003 M lbs/year of phosphorus coming from the Conowingo Reservoir.

Pay for Success financing is authorized under MD's Conservation Finance Act and was piloted in MD's Clean Water Commerce Act. The process is a "reverse auction" where proposed restoration projects with measured and validated nitrogen reductions will propose a cost/lb reduction in the application process.

\$25 million was appropriated by the MD General Assembly to purchase "environmental outcomes" using the pay for performance/success procurement strategy

The Susquehanna River Basin Commission is administering the financing and related procurement process for MD's CWIP Implementation. SRBC awarded over \$11 million to 7 projects during the first round.



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Overview:

\$25 million total funding. We expect to distribute the remaining \$11-12 million to awardees in this round.

Purchase of verified nitrogen. Phosphorus reductions will be counted toward MD-CWIP as well, but not considered for project selection.

Bay Program Approved Best Management Practices are accepted.

Susquehanna Watershed. Projects located anywhere in the watershed are eligible. Certain locations will be given priority.



Proposal Requirements

Project Information

Project Description (including Cover Sheet)

Payment Schedule

Certifications

Submission



Project Description

- a. Upload Cover Sheet (Appendix B of RFP)
- b. Summary description of the Project.
- c. Location and Project Site Details (Upload)
- d. Load Reports from CAST (Upload)
- e. Proposed verification plan
- f. Implementation timeline and details



Payment Information and Schedule

Applicants will include a schedule describing how much funding they will request each year and the total amount of funding requested to cover all costs. These rates must be tied to **verified pounds of nitrogen** being prevented each year. No funds will be provided until outcomes have been produced, verified and reported. **Rates should be inclusive of all costs** including fringe benefits, overhead and profit. Payments are not to exceed 20 years. **Costs cannot be front loaded into payment schedule.**

For example: A project that prevents 10 pounds of nitrogen per year beginning in year 3 has a 10 year expected life, and is selling credits at \$10/pound would list \$100 for each of the years 2027 through 2036.



Certifications and Proposal Submission

The Application requires certification of four statements.

An electronic proposal, inclusive of all requested information and supporting documents, must be submitted via Amplifund:

<https://mdw.srbc.net//conowingo-watershed-implementation-plan/>



Proposal Evaluation

SRBC will screen proposals based on eligibility criteria, completeness, and project viability. The SRBC reserves the right to reject any proposal based on a nitrogen reduction at a cost deemed too high, where the verification of the reduction or nature of the project would be too uncertain, or the lack of available funding for the total project cost. All eligible and complete proposals will then be evaluated based on the following:

Application Success: Cost-Effectiveness

The most cost-effective proposals with the lowest cost per pound of nitrogen removed will be given the highest consideration.

Specifically, the proposals with the lowest cost per pound of nitrogen will receive the maximum points (50 pts) and the Commission will award points in this criterion to other proposals based on how their cost per pound of nitrogen compares to the lowest cost proposal.

SRBC may group proposals with similar costs for the purpose of awarding points in this category.



Application Success: Location

Projects located anywhere in the Susquehanna watershed are eligible.

However.....

Projects located in the Susquehanna Watershed **within the Maryland counties** of Harford and Cecil will be given additional consideration (20 pts).

~~Projects in the watersheds of **Deer Creek, Conowingo Creek, or Octoraro Creek in Pennsylvania** are given will receive additional points (10 pts)~~

Those in the **most effective basins** developed by the Conowingo Watershed Implementation Plan are given additional points as well (10 pts).

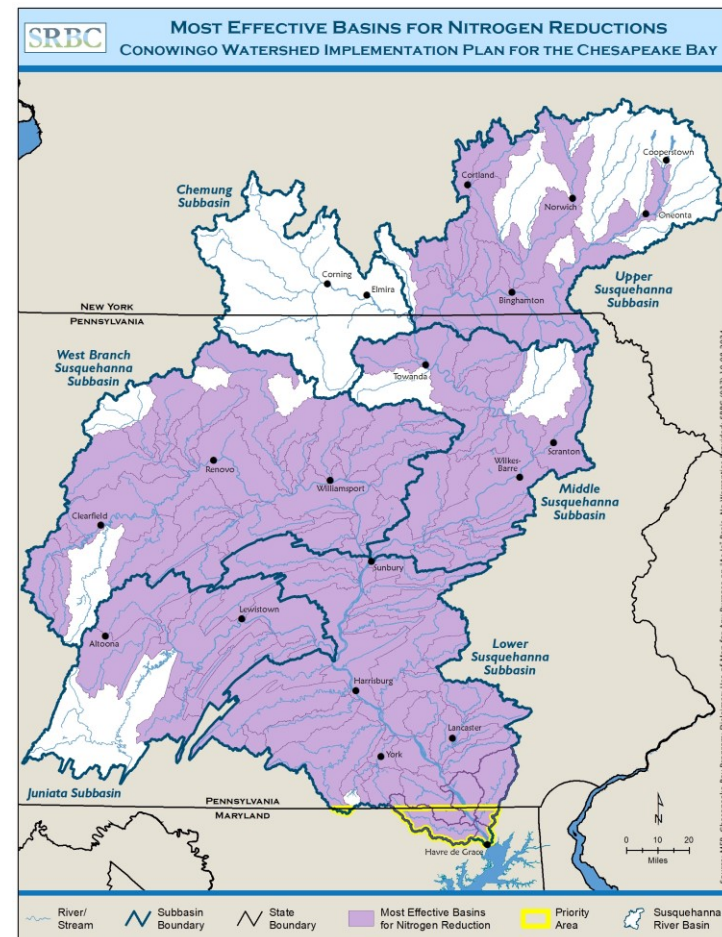


Application Success: Location

Clarification of the RFP for assignment of points for location:

Projects located in Maryland portion of the Susquehanna watershed are also eligible to receive the points for being located in a most effective basin developed by the CWIP planning committee and as shown on the attached map.

Application Success: Location



Application Success: Other factors

Proposals involving **dredging** will be given additional consideration (**10 pts.**)

Any project that produces the overwhelming majority of its nitrogen reductions by directly removing sediment and debris from the Conowingo Reservoir would receive these points.



Application Success: Bay Program Approved BMPs

Load reductions will be **quantified** using the Chesapeake Assessment Scenario Tool (CAST) and **verified** using the Chesapeake Bay Program's Best Management Verification Guidance and **reported** to the appropriate State jurisdiction.

CAST:

<https://cast.chesapeakebay.net/>

BMP Verification Guidance:

<https://www.chesapeakebay.net/what/programs/bmp-verification/sector-verification-guidance>



Process if Selected

Successful projects will enter into a **Pay For Success Contract** with the SRBC, which is available on the SRBC CWIP web landing page.

After the Contract is fully executed, the SRBC will present the Contract and an invoice to MDE for the full Award Amount of the Contract. Once MDE distributes the total funds to SRBC to pay for the **verifiable environmental outcomes** associated with the Contract, the SRBC will issue a **Notice to Proceed** authorizing work to begin.

No work or activity may be undertaken until the Notice to Proceed is issued and the Contractor will be proceeding at their own risk prior to receiving the Notice to Proceed.



Application



Open Now:

<https://mdw.srbc.net/conowingo-watershed-implementation-plan/>



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C-WIP Verified Nutrient Reductions Application - Round 2

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Opportunity Information

Title C-WIP Verified Nutrient Reductions Application - Round 2

Description The State of Maryland will implement the Conowingo Watershed Implementation Plan (CWIP) by using \$25 million appropriated by the Maryland General Assembly to purchase "environmental outcomes," reductions in nitrogen loading quantified by the Chesapeake Assessment Scenario Tool (CAST) and verified using Chesapeake Bay Program BMP verification guidance. This procurement will follow a Pay for Success financing strategy, a cost-effective and risk-averse approach to reducing nutrients that flow into the Chesapeake Bay. The nutrient reductions realized by the effort will be courted towards Maryland's Conowingo nitrogen load allocation of 0.18 million lbs/year and Maryland's Conowingo phosphorus load allocation of 0.003 million lbs/year.

The Susquehanna River Basin Commission is administering the financing and related procurement processes for CWIP implementation. This procurement is for the second round of applications.

Awarding Agency Name Susquehanna River Basin Commission

Agency Contact Name Jason O'Yler, Esq.

Agency Contact Phone 17172380423

Agency Contact Email joyler@srbc.gov

Fund Activity Categories Environment

Announcement Type Initial Announcement

Public Link <https://www.gocomygrants.com/PublicOpportunities/Details/54561fb-fcc6-48f1-975f-94a20eaf5936>

Funding Information

Opportunity Funding \$12,000,000.00

Funding Sources State

Request For Proposal

mdw.srbc.net/conowingo-watershed-implementation-plan

Deadline: 12/16/24 4:00pm
EST



Questions?

Additional questions may be submitted to: ConowingoWIP@srbc.gov
A written response to all questions will be distributed by 11/6/23



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