Adopted August 11, 2020
Revised October 15, 2020

Ohio Air Quality Development Authority

Clean Air Improvement Program Guidelines

August 11, 2020

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APPENDICES

EXECUTIVE SUMMARY

Ohio Air Quality Development Authority ("OAQDA") supports the development of projects that provide beneficial air quality improvements. OAQDA welcomes the opportunity to work with applicants to qualify projects for financing. These Guidelines (the "Guidelines") provide a standardized methodology for project submission, review, and approval. The Clean Air Improvement Program ("CAIP" or "the Program") has been developed as a relaunch for the Program formerly known as the Project Development and Financing Program. With the assistance of our technical, legal, financial and communications advisors, OAQDA is pleased to offer these CAIP Guidelines as a "live" document that will incorporate periodic review and revision to remain relevant to the needs of our constituents statewide. For compliance with OAQDA's statutory authority, projects are required to meet Air Quality Facility project eligibility to qualify for tax exemption and bond issuance. To assist with the submission of projects, included herein are details for Program application, review, technical, financial, measurement and verification, and reporting requirements. These Guidelines provide a common framework; however, the OAQDA retains discretionary authority to make decisions based solely on the statutory purposes stated in Ohio Revised Code Chapter 3706.

I. PROGRAM OVERVIEW

Per Ohio Revised Code ("ORC") 3706.01, OAQDA maintains the authority to issue revenue bonds to fund "Air Quality Facilities" as defined in ORC 3706.01(G). The primary purpose of this Program is to support projects that contribute to cleaner air in Ohio by assisting business investment in air quality through the provision of tax exemption and conduit financing for the purchase, construction and/or installation of air quality facilities. It is important to note that while OAQDA will provide an Air Quality Project Certificate pursuant to its statute and these Guidelines, the determination of the amount of real property tax exemption for the Air Quality Facilities, while the Bonds are outstanding, is made by the appropriate county tax officials for the jurisdiction of the project location. OAQDA encourages borrowers to proactively communicate (see Stakeholder Engagement, Section VII.D.) with such tax officials to obtain a full understanding of the tax officials' application of the property tax exemption.

To apply for financing of eligible projects through OAQDA, developers, small and large businesses, utilities, governments, and institutions can submit an application for review by OAQDA staff for completeness and compliance with the air quality definition per ORC 3706.01 (G). If the application is deemed by OAQDA to be complete and consistent with the legal authority of OAQDA, then it will be evaluated based on the technical, financial, legal, and community economic impacts pursuant to submitted information. To qualify for tax exemption and financing, the submitted facilities must demonstrate the worthiness of the project for consideration by the OAQDA board members. After the presentation to OAQDA board, a decision is made as to whether a project can utilize bond financing through OAQDA and receive the related tax exemption benefits associated with such financings.

OAQDA's debt issuance process is governed by the Guidelines for Issuance of Bonds as amended and approved originally by the board on October 8, 2019. Subsequent amendments were approved on August 11, 2020. Within these guidelines are general rules and requirements for debt issuance that all debt issued with OAQDA support must adhere to in order to receive the tax and financing benefits associated with the Program's financings. Please see **Appendix B** for a copy of these **Guidelines** for Issuance of Bonds.

Bond Financing Process

II. ELIGIBLE PROJECTS AND TAX EXEMPTIONS

As a conduit bond issuer, OAQDA qualifies projects for tax exemptions if the projects contribute to better air quality, are deemed Air Quality Facilities by OAQDA, and meet the Program guidelines outlined herein. Property owners, developers, and their representatives may submit applications for projects that are eligible under existing law. Upon review, if the project is approved for financing through OAQDA, the qualifying project components determined to constitute an Air Quality Facility can receive exemption from the following taxes:

A. Sales and Use Tax

All tangible personal property, comprising an Air Quality Facility, that is purchased or acquired specifically for the approved project is exempt from the state and local sales and use tax levied on the transfer or sale of that tangible personal property. The bond must be issued prior to the date of purchase or when the property is acquired for the sales and use tax exemption to be effective. Sales tax rates vary by county as counties are authorized to levy additional, permissive sales taxes. The Air Quality Project Certificate is issued by OAQDA to the property owner and the Ohio tax commissioner for their use in applying the appropriate tax exemption. In most cases, the property owner can provide the Air Quality Project Certificate to their vendors for the eligible equipment and materials to apply the exemption. OAQDA staff and/or the assigned bond counsel can be a resource to address questions. Please also refer to the Ohio Department of Taxation[1] and local jurisdiction where purchases will be made for specifics on the sales and use taxes within that jurisdiction

B. Real Property Tax

Exemption applies to the value of real estate improvement, which is a result of the Air Quality Facility approved by OAQDA and applied to the related portion of property taxes. This exemption is available during a period equivalent to the term of financing for bonds approved by and issued through OAQDA, but only while the bonds are outstanding. OAQDA issues the Air Quality Project Certificate to the property owner, and local county auditor for their use in applying the appropriate tax exemptions. Pursuant to these Guidelines, OAQDA will provide an Air Quality Project Certificate, however, the real property tax exemption is subject to application by the appropriate county tax officials for the jurisdiction of the project location.

Agreements between the property owner and local entities for payment-in-lieu-of-taxes, if any, are developed and administered between these parties in mutual agreement, which can

[1] https://www.tax.ohio.gov/sales_and_use.aspx

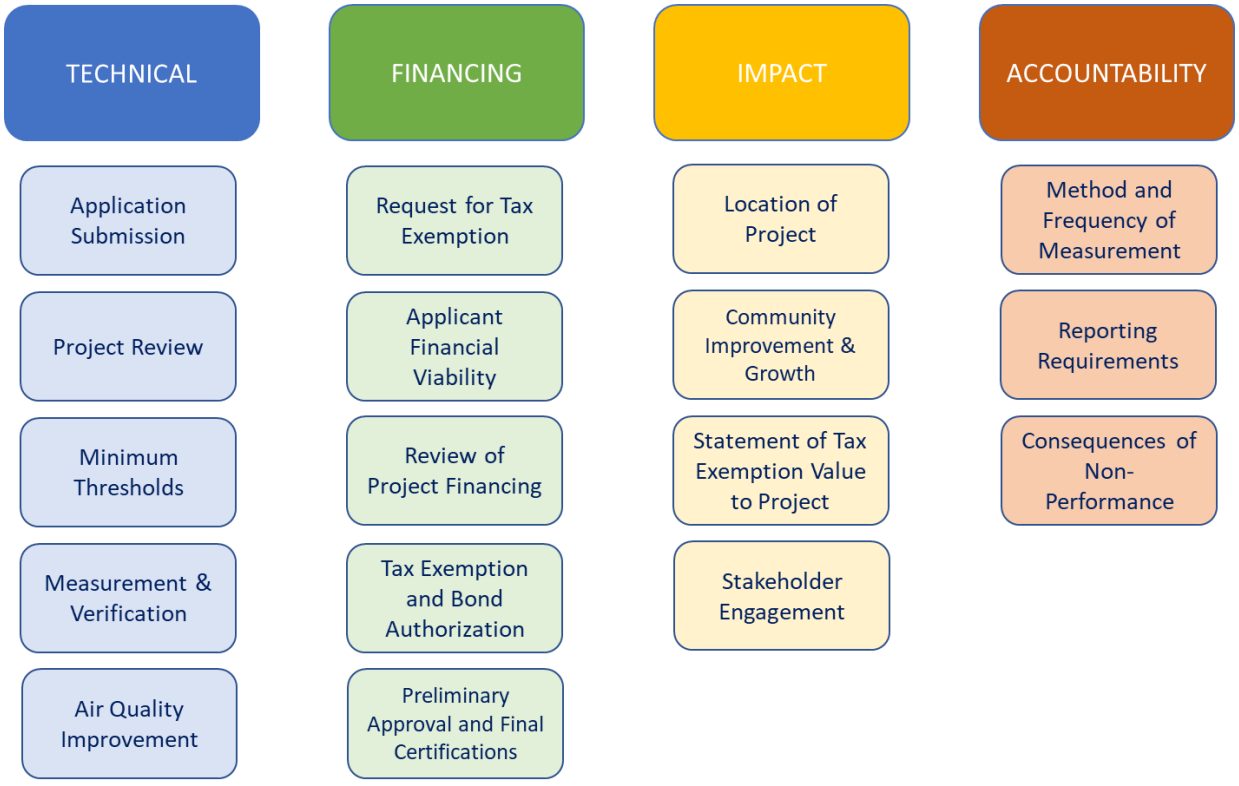
accompany the project application when submitted and evaluated by OAQDA. Local community impact is a key factor in the consideration of project applications. The term of financing, which establishes the project eligibility period for real property tax exemption, shall not exceed the useful life of the installed equipment. This is the term that will be provided in the Air Quality Project Certificate issued by OAQDA

C. Exemption on Interest Paid on Bonds

In addition, the interest paid on the bonds issued by OAQDA will be exempt from Ohio income and certain other taxes and may, under certain circumstances, be exempt from federal income taxes, but only as set forth in the opinion of bond counsel delivered on the date of issuance of the bonds.

III. PROGRAM APPLICATION AND REVIEW

OAQDA has developed a matrix which highlights the key areas of evaluation during the application review process. The matrix is meant to highlight the categories (Technical, Financing, Impact, and Accountability) that the OAQDA board has set as the main areas of focus for projects seeking tax exemption and financing assistance through OAQDA. The main categories have subcategories that are addressed in more detail throughout these Guidelines.



A two-step process has been established to facilitate the successful submission of complex projects. Applicants are encouraged to contact the OAQDA staff early in their development process to facilitate communication of project details. Please see **Appendix J** for the **Air Quality Facility Application**.

To address the variety of project types that may qualify as Air Quality Facilities, OAQDA has established the following categories to determine whether a project is simple or complex:

A. **Simple Project** generally means a project that has fewer improvement measures, has a willing lender ready to participate with the source of capital for the project and will purchase the OAQDA bond as a private placement, and has met other criteria described herein. If the applicant is able to complete the entire requirements sections of the application for its initial submission, then the project will typically be considered simple.

B. **Complex Project** refers to a project that has a greater number of improvement measures, is working on securing financing or interested in a public offering and needs additional time to meet the criteria described herein before final approval. In addition, applications that require additional engineering and scoping to meet the necessary technical requirements, after their initial submission, will be treated as complex projects for the purpose of OAQDA evaluation.

Complex project applications will be considered through a two-step process:

1) Pre-Application submission will provide information on the basic facility, owner, and project parameters in order to initiate a conversation with OAQDA staff. This step will determine a working understanding between the applicant and OAQDA of the qualifying project components based on generally expected outcomes, prior to a fully scoped engineering of the project. With this understanding, the applicant will have identified the eligible improvements needed to continue with a full engineering analysis AND understanding of a tax impact analysis necessary for engagement with local taxing entities (see Stakeholder Engagement, Section VII.D.). A successful pre-application may facilitate the consideration of an Inducement Resolution by OAQDA to confirm the preliminary approval and agreed upon expectations and terms for the project components, borrower, level of local impact, and other parameters for the Air Quality Facility to be successful. Additionally, information required for full application approval will be identified in this step.

The Pre-Application will be comprised of partial information necessary for a full application. Please see Appendix J, Application for identification of items required for Pre-Application submission.

2) Full Application submission will include the fully engineered project scope to prepare the technical details necessary for identification of all expected air quality improvements in compliance with the technical guidelines as discussed herein. In many cases, the pre-application submission can be amended with the outstanding supplemental details in order to reach a complete application for final approval. For example, information on the discussions with impacted local government and identification of the lender(s) shall be submitted at this time. Upon final approval of the full application, OAQDA's bond counsel will prepare the bond resolution for board consideration to authorize the conduit debt issuance.

OAQDA staff will assess and guide applicants on navigating the steps either through the simple or complex process. Based on the status and level of information gathered in the application process, the Executive Director will make the determination for a project's application to appear on the agenda at an OAQDA Board Meeting for consideration of approval.

Air Quality Facility projects will be considered on a case-by-case basis for the improvements that have not yet been installed. Projects shall receive approval by the OAQDA Board before construction is initiated or completed. However, the Program may allow a "look-back" period of up to 60 days from the date of the OAQDA approval of an inducement resolution. The "look-back" may allow for inclusion of eligible pre-construction expenses consistent with the approved project(s) definition.

IV. BOND TRANSACTION FINANCING TEAM

The issuance of OAQDA bonds involves a variety of participants to ensure the validity of the bonds issued based on the performance of the project to serve as an air quality facility per Chapter 3706 and as determined by the approval of the OAQDA board members. Having a clear understanding of the role of each person, including advisors and attorneys, is essential to the process and will help make it easier to document and close each bond issue. Please refer to Appendix I, Bond Transaction Financing Team, for an identification of the roles of each participant in the process.

Note: As authorized by the OAQDA board members, the Executive Director serves as the primary and first point of contact for each OAQDA bond issue. The Executive Director may delegate duties to certain participants involved in the process, but is expected to be involved in communications throughout the process and should also be informed as to the progress of the transaction and any issues or problems that may arise. The Executive Director oversees the Financing Team and is its point person.

V. TECHNICAL GUIDELINES

The Technical Guidelines for the Program are meant to provide a framework that will be used for the technical review and evaluation of applications, including any technical requirements that need to be met by the applicant during the process. The process involves several stages that are aligned with the typical development of projects and are intended to leverage existing information that may be produced for the successful design, construction, commissioning, and operation of projects. All interested parties are encouraged to contact OAQDA regarding their project to identify the best course of action for application submission. **Appendices D through H** provide detailed **Program Technical Requirements** that should be consulted to complete project submission requirements.

A. Application Submission

In general, the application submission must provide sufficient information for OAQDA to determine if the project qualifies for financing under these Guidelines. The ultimate decision of whether a project qualifies is the OAQDA Board. To accomplish this, the project must contribute to improved air quality to be deemed an Air Quality Facility by OAQDA. Applications meeting the Program Guidelines are subject to OAQDA review and final approval. Currently, these Guidelines include the following project types:

Appendix D: Whole Building Projects Technical Requirements

Appendix E: New Construction Component Isolation Projects Technical Requirements

Appendix F: Retrofit Component Isolation Projects Technical Requirements

Appendix G: Renewable Energy Generation Projects Technical Requirements

Appendix H: Criteria Pollutant / Greenhouse Gas Reduction / Solid Waste Disposal Projects Technical Requirements: criteria pollutant/greenhouse gas reduction/environmental benefits

B. Project Review

The project review process for a project begins with a code-compliance review of the proposed project to ensure that the project meets the minimum thresholds as described in **Section V, C**.

Once a project successfully completes this stage of the review there is a review of the monitoring plan and other applicable project plans, such as construction and commissioning. Successful completion of all these plans is then followed by reports submitted regarding the construction,

commissioning, and occupancy permit. Then, the monitoring plan will commence regarding the project's performance.

C. Minimum Thresholds

All project applications should address the following minimum thresholds as it relates to the type of project being submitted for consideration, including:

1) *Minimum Building Energy Codes.* All whole-building projects and component isolation projects (new or retrofit) shall be designed and constructed to exceed the energy efficiency standards adopted by the Ohio Board of Building Standards in rules 4101:1-13-01 and 4101:1-35-01 of the Ohio Administrative Code according to the following standards:

    a. *Whole Buildings* – must achieve a combined 50% energy savings above baseline

    b. *Component Isolation* – must achieve a combined 15% energy savings above baseline (as measured in new or retrofit types) across all individual energy measures. However, each individual energy measure shall exceed existing building energy codes to qualify.

2) *Federal Energy Efficiency Standards.* New equipment installed in whole-building energy efficiency and component isolation projects (new or retrofit) shall be selected, designed, and constructed in accordance with Federal Energy Efficiency Standards 10 CFR 433.100 and any subsequent amendments.

3) *Ohio's Technical Resource Manual.* For all projects, except criteria pollutant reduction projects, applicants should compare estimated energy savings to those published in the 2020 State of Ohio Technical Reference Manuals where appropriate (Ohio 2020a, b, c, d).

4) *Criteria Pollutant / Greenhouse Gas / Solid Waste Disposal Cost Savings.* All projects that provide criteria pollutant and/or greenhouse gas (GHG) and/or environmental benefit savings are eligible if they meet any applicable federal or state air pollution rule or regulation. Projects are encouraged to exceed these regulations when possible. Because these rules can be complex, it is recommended the applicant verify which rules are applicable by contacting either the Ohio EPA (OEPA) or by utilizing an experienced air pollution consultant.

OAQDA will routinely research and evaluate the effectiveness of projects to reduce harmful air pollutants and greenhouse gases in Ohio. As part of this effort, OAQDA may track the level of tax exemption incentive amounts identified for each project application and benchmark it with available industry data as well as the total performance of projects previously approved by OAQDA. This information will be developed by OAQDA as part of the application process and presented to the OAQDA Board as part of their decision.

D. Measurement & Verification (M&V)

Under these guidelines, all projects approved for and receiving OAQDA bond financing must report the performance of their project in serving as an air quality facility until the OAQDA bonds are no longer outstanding; or until they have otherwise fulfilled their performance requirements in compliance with their Accountability as described in their project specific Bond Purchase Agreement. Details will be described in a monitoring plan agreed upon between the borrower and OAQDA at closing of the financing and included in the bond documentation.

Generally, the project's performance will be evaluated based on reporting by the applicant through an industry-standard, measurement and verification (M&V) process, as described herein, and may involve multiple steps as the project is developed, constructed and operational. Additional

information is provided in **Appendices D through H, Technical Requirements**.

1) *Application Submittal and Review*. The M&V Plan will be identified as part of the application process in consultation with OAQDA's technical reviewer. In general, the application and review process for a project begins with a code-compliance review of the proposed project to ensure that the project adheres to the minimum threshold standards described in **Section V, C**.

2) *M&V Plan Submittal and Review*. The review of the M&V Plan by OAQDA precedes the construction of the project because it is necessary to ascertain if and where meters are to be placed in the building (or project), or if whole-building gas and/or electric meters are appropriate for measuring savings, and what energy end-use quantities are to be measured before construction begins. OAQDA will discuss appropriate level of monitoring with the applicant to reach an agreement on the type of reporting required to evaluate the project's ongoing performance. Generally, energy end-use measurements must align with the simulated energy end-use quantities so the simulation can be used to assist in the project verification process. In addition, adherence to the recommendations in ASHRAE Guideline 14-2014 (ASHRAE 2014) or the Uniform Performance Measurement (UMP) guidelines (UMP 2020) is important to ensure accurate measurement and reporting.

   For the criteria pollutant and greenhouse gas savings projects, OAQDA will work with the applicants on appropriate M&V plans based on the type of pollutant, technology, applicable rules or regulations and any involvement of state or local air pollution control agencies. In most cases, OAQDA will coordinate with the OEPA on their similar monitoring efforts as it relates to projects involving air permits or other requirements under their purview. For the solid waste disposal projects, OAQDA will work with the applicant based on evaluation of ongoing environmental benefits and impact.

3) *Project M&V Process*. This process determines that the data collection efforts are complying with the M&V Plan approved by OAQDA. The review begins before the retrofit or after the new construction or installation is complete and proceeds throughout the project eligibility period. Reported measurements are necessary to ascertain that energy end-use quantities agree with design estimates to assist in the project verification process. In addition, adherence to the recommendations in ASHRAE Guideline 14-2014 (ASHRAE 2014) in the References section and/or the Uniform Performance Measurement (UMP) guidelines (UMP 2020) is important to ensure accurate measurement and reporting.

4) For the criteria pollutant, greenhouse gas savings and solid waste disposal projects if applicable OAQDA will coordinate with the OEPA and local air pollution control agencies to utilize existing methods for monitoring and compliance related to permits for the same project as the method for the verification of project performance. If there is not an ability or necessity to coordinate with OEPA, then OAQDA will review the M&V process and reporting based on details described in the M&V plan for the specific pollutant, technology, and adherence to applicable rules or regulations.

E. Level of Improvement to Air Quality

The level of improvement to air quality depends on the assessment by OAQDA, which is described in the following table.

TYPE OF PROJECT	MEASUREMENT/ QUANTIFICATION	IMPROVEMENT TO AIR QUALITY	ENTITY PERFORMING CALCULATION
Whole building	Energy Units: kWh, MCF, MMBtu	Calculated using standard conversions	Energy units calculated by applicant. Air Quality calculated by OAQDA
New Construction Component Isolation	Energy Units: kWh, MCF, MMBtu	Calculated using standard conversions	Energy units calculated by applicant. Air Quality calculated by OAQDA
Retrofit Component Isolation	Energy Units: kWh, MCF, MMBtu	Calculated using standard conversions	Energy units calculated by applicant. Air Quality calculated by OAQDA
Renewable Energy Generation	Energy Units: kWh, MCF, MMBtu	Calculated using standard conversions	Energy units calculated by applicant. Air Quality calculated by OAQDA
Criteria Pollutant or Greenhouse Gas Reduction or Solid Waste Disposal	Pollution Units: lbs-NOx, lbs-SOx, lbs-CO2, lbs-PM, Environmental benefits	Measured continuously over project period.	Pollution units measured on-site.

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VI. FINANCING GUIDELINES

The Financing Guidelines for the Program provide a framework of available incentives and requirements that will be used to review and evaluate applications. Financial considerations that need to be disclosed by the applicant are:

A. Request for Tax Exemption

As part of the application, projects are required to indicate the dollar amount requested for financing through the Program. As part of the evaluation process, the projected value of tax exemption will be compared with the project components, useful life, costs, and other technical factors identified through the Program Guidelines. Qualified project component costs will determine the amount of financing and Air Quality Project Certificate.

Under this Program, only the costs associated with the Air Quality Facility (purchase of equipment, specific materials, etc.), plus a reasonable portion of the soft costs associated with the Air Quality Facility are eligible for OAQDA bond financing. Aesthetic improvements, beautification, tenant allowances, marketing, parking and driveway areas, and other non-functioning elements of the property may not be considered in the definition of the Air Quality Facility. The final determination of any and all components comprising the Air Quality Facility is made by OAQDA, pursuant to its statutory discretion.

After closing on financing, OAQDA will issue the Air Quality Project Certificates for the final approved Air Quality Facility project as it relates to the tax exemption. The final determination of the property value and attribution of property tax exemption will be made by the local county officials within the county where the project is located.

B. Applicant Financial Viability

The responsibility for determining financial viability of the applicant will reside with the bond investors or direct placement capital provider. OAQDA's role in the issuance of an Air Quality Project Certificate, and any debt obligation, is not an indication of the underlying applicant's financial viability. Investors and independent capital providers have their own underwriting criteria, and, other than the terms described in its Guidelines for Issuance of Bonds, OAQDA is not involved in the determination of the creditworthiness of the applicant. Project applicants need to have an underwriter, for bond issuance, or a direct placement capital provider secured prior to submission of their final application. Final applications shall include a financing term sheet or preliminary Bond Purchase Agreement from an underwriter or committed direct placement capital provider. Sources for debt issuance or project finance capital are available through multiple local, regional, and national resources and their identification is outside the scope of OAQDA responsibility.

Political subdivision applicants may be able to submit final applications without a defined underwriter or capital provider as described below, see section "Political Subdivision Exemption."

C. Review of Project Financing

During the application review process, OAQDA will determine whether they and/or a third-party financial consultant will review sources of capital for overall project (not just portion of project seeking financing through the Program). Applicants will be asked to include their evaluation of benefits received through Program participation relative to tax exemptions derived from (i) sales and use tax exemption, (ii) property tax exemption, and (iii) bond interest tax exemption.

D. Tax Exemption Value

The Air Quality Project Certificate will be issued by OAQDA based upon review and acceptance of

applicant's submitted and approved project components. Completed projects will comprise an eligible Air Quality Facility. The final determination of the property value and attribution of property tax exemption will be made by the local tax officials within the jurisdiction where the project is located.

E. Bond Authorization Value

The maximum principal amount of securities to be authorized will be determined by OAQDA during the review of project costs as they are specifically aligned under current Program Guidelines and approved by bond counsel. Such costs may include eligible costs of issuance of the OAQDA and other service providers. The Ohio Development Services Agency is responsible for allocating tax-exempt volume cap for projects that need it.

F. Political Subdivision Exemption

For political subdivision applicants that wish to utilize a competitive bond approach, an underwriter or direct placement capital provider does not need to be secured prior to submitting the final application. Consequently, political subdivision applicants do not need to include a term sheet or preliminary Bond Purchase Agreement with their final applications. OAQDA and its consultants will assist, at a cost to the applicant, with the competitive bond process including the preparation of bid and legal documents, structuring of the bonds and marketing to potential bidders, among other duties associated with a competitive bond sale.

G. Program Approval and Final Certifications

Any preliminary approvals, feedback, and final certifications will be managed by OAQDA. All applicants will be kept abreast of status and updates communicated within a reasonable time frame.

Any specific or additional authorization requirements will be determined by OAQDA and made known to the applicant as soon as possible.

VII. PROJECT IMPACT GUIDELINES

Given the mission of OAQDA and this specific Program, as well as the benefits provided to borrowers, the review process is meant to understand fully the impact(s) that projects have from both an air quality and local economic perspective. As such, the Guidelines for project selection touch upon specific impacts that OAQDA will prioritize when reviewing applications.

A. Location of Project

OAQDA recognizes that Air Quality needs are varied throughout the State. Further, each region and community in Ohio may have different economic priorities to which projects should be aligned. OAQDA encourages applicants statewide to submit proposed projects that exemplify this diversity of air quality needs, as well as representing the broader economic needs within the specific jurisdiction.

B. Potential Role of Air Quality Facility in Community Improvement and Growth

OAQDA will evaluate Air Quality Facility projects based on their role to have a meaningful impact on the community. Local community priorities, planning initiatives, goals or other factors identified and supported by local and/or regional leaders as part of the application are strongly encouraged. Factors may include, but are not limited to, the following:

1) Economic Development initiatives that improve the conditions for businesses to thrive and individuals to enjoy a higher standard of living. The project should complement local, regional, and state economic development incentives and priorities.

2) Community Development aimed at improving quality of life, livability and functionality of distressed areas and neighborhoods, creating private-sector job opportunities, serving unique characteristics and needs of communities where projects will be located.

3) Infill Development of vacant or under-used parcels in areas that are already largely developed or served by existing utility infrastructure.

4) Redevelopment that involves replacing existing development, sometimes with a more intense use and pattern of buildings and infrastructure on sites that are underutilized or not reaching their highest and best use. Redevelopment sites are served by existing infrastructure which may be upgraded as part of new development.

5) State and Community Health Improvement Plans that identify the goals and strategies to address public health priorities, based on assessments of the well-being and health of the community.

C. Statement of Tax Exemption Value

Applicants' valuation of the tax exemptions available through the Program, and their importance to the overall financing, shall be provided for final approval fulfillment. As stated in Section V.C. above, the applicant shall include their analysis of the tax benefits sought. Additionally, any federal, state, or local incentives applied for and their status of receipt or denial shall be identified as available project resources, to the extent known.

D. Stakeholder Engagement

Since funding through the Program comes with tax benefits to the borrower and foregone additional revenue to local jurisdictions, for a period of time, OAQDA requires notification to affected taxing entities of a pending application. The Application submission and corresponding discussion between the applicant and OAQDA will provide an understanding of the preliminary tax exemption details and identification of impacted local taxing entities. In some cases, there will already have been local agency interaction due to the nature of the project, e.g. PACE. For those that have not already had this interaction, the Stakeholder Engagement Template, in Appendix C should be used for information submission to local taxing entities. OAQDA will determine Air Quality Project Certificate values, however, the local county auditor sets the values for determination of applicable property tax rates. Please see **Appendix C** for a **Stakeholder Engagement Template**.

VIII. ACCOUNTABILITY GUIDELINES

The purpose of Accountability Guidelines is two-fold: (1) Provide transparency to our constituent stakeholders, local and state governments, and market participants; (2) Increase project outcome details that provide additional data for future programs and guideline updates.

A. Method and Frequency of Measurement

The project's performance is based on the technical review of project and project types. The method and frequency of measuring the project benefits will be aligned with the results of the review conducted on the application and all plans submitted during the evaluation process,

including ongoing measurement and verification. Before construction begins, OAQDA will work with the applicant to ascertain if and where meters are to be placed in the building (or project), or if whole-building gas and/or electric meters are appropriate for measuring savings, and what end-use energy use quantities are to be measured. OAQDA may also request the use of ENERGY STAR Portfolio Manager as a free industry-standard tool to assist in benchmarking the project's impact on the building's performance.

The expectations and terms for each project will be determined based on the outcome of the overall review process, unique characteristics of the project, level of local impact and other applicable factors to be included in the final agreement between project owner, OAQDA and other parties.

B. Reporting Requirements

OAQDA will require at least annual reporting of project performance with specific metrics for evaluating project benefits determined through the review process and defined within the agreement with OAQDA on forms prescribed by OAQDA at closing.

C. Consequences of Non-Performance

Given the benefits associated with the Program, OAQDA is mindful of the need for projects to be accountable for providing the air quality performance benefits outlined in the approved applications. These Guidelines along with the Appendices attached hereto provide a detailed review, and evaluation process prior to approval, along with required M&V for confirmation of ongoing project performance. It is anticipated that projects will perform within a margin of 10% of the originally developed project performance metrics. For projects falling outside of this margin, OAQDA staff and/or authorized consultants will reach out to the Air Quality Facility owner for determination of operational experiences that may be causing the performance disparity. Curing performance shortfalls will be the objective of these discussions; however, OAQDA will have final discretion on the use of non-performance fees charged for project performance that remains unresolved.

Approved applications will provide details for the Bond Purchase Agreement that include performance expectations and M&V metrics used to determine compliance. A project specific schedule of fees will be included in the final transaction documentation, which may include the following: Bond issuance fee, ongoing administrative fee, ongoing M&V fee, and waivable non-performance fees. Non-performance fees will be waived for projects performing within 10% of expectation. However, to the extent that a project is exceeding its 10% non-performance threshold, non-performance fees may be charged based on a scaled schedule, at the discretion of OAQDA. See **Appendix A, Fee Schedule.**

IX. BOND ISSUANCE

Bond issuance through this Program will be authorized according to these Guidelines and the OAQDA **Guidelines for Issuance of Bonds**, as shown in **Appendix B**. All bonds issued through OAQDA will have ongoing reporting requirements for air quality outcomes, as well as project use of proceeds spend-down reporting.

X. REFERENCES

ASHRAE 2014. Guideline 14-2014 (ASHRAE 14, including 2019 errata) Measurement of Energy, Demand, and Water Savings, ASHRAE, Atlanta, GA. https://webstore.ansi.org/standards/ashrae/ashraeguideline142014

Federal Energy Efficiency Standards (2017) Certified Federal Register, 10 CFR 433.100 – https://www.govinfo.gov/app/details/CFR-2017-title10-vol3/CFR-2017-title10-vol3-sec433-100

Green Globes 2020. Green Globes Certification Program, https://thegbi.org/

NACP 2009. National Action Climate Plan – Energy Efficiency as a Low-Cost Resource for Reducing Carbon, USEPA.

Ohio Administrative Code: http://codes.ohio.gov/oac/4101%3A1-1

Ohio Building Code: https://com.ohio.gov/documents/4101$1-13-01_(Amend).pdf

Ohio 2020a. State of Ohio Energy Efficiency Technical Reference Manual – Volume I, Public Utilities Commission of Ohio, (September).

Ohio 2020b. State of Ohio Energy Efficiency Technical Reference Manual – Volume II Residential Market Sector, Public Utilities Commission of Ohio, (September).

Ohio 2020c. State of Ohio Energy Efficiency Technical Reference Manual – Volume III: Commercial/Industrial Market Sector, Public Utilities Commission of Ohio, (September).

Ohio 2020d. State of Ohio Energy Efficiency Technical Reference Manual – Volume IVI: Transmission and Distribution, Public Utilities Commission of Ohio, (September).

Ohio Sales and Use Tax: https://www.tax.ohio.gov/sales_and_use.aspx

P2 2020. USEPA Pollution Prevention Program (P2), United States Environmental Protection Program https://www.epa.gov/p2

RECLAIM 2020. South Coast Air Quality Management District, Diamond Bar, California 91765 http://www.aqmd.gov/home/programs/business/about-reclaim/reclaim-trading-credits

RESET 2020. Reset Standard and Certification Program, https://www.reset.build/

TCEQ 2019. Texas Commission on Environmental Quality, 2019. Emissions Reduction Incentive Grant (ERIG) Applications Submitted for 2019 https://www.tceq.texas.gov/airquality/terp/erig.html

UMP 2020. Uniform Methods Project, U.S.D.O.E., https://www.energy.gov/eere/about-us/ump-home

USGBC 2020. USGBC LEED Rating System, https://www.usgbc.org/leed/v41?creative=339974679789&keyword=leed&matchtype=b&network=g&device=c&gclid=EAIaIQobChMIwL2c9enH6QIVGP_jBx11_At5EAAYAiAAEgKgyvD_BwE

XI. GLOSSARY

Air Quality Facility

Pursuant to Ohio Revised Code 3706.01, Air Quality Facility means any of the following: (1) Any method, modification or replacement of property, process, device, structure, or equipment that removes, reduces, prevents, contains, alters, conveys, stores, disperses, or disposes of air contaminants or substances containing air contaminants, or that renders less noxious or reduces the concentration of air contaminants in the ambient air, including, without limitation, facilities and expenditures that qualify as air pollution control facilities under section 103 (C)(4)(F) of the Internal Revenue Code of 1954, as amended, and regulations adopted thereunder; (2) Motor vehicle inspection stations operated in accordance with, and any equipment used for motor vehicle inspections conducted under, section 3704.14 of the Revised Code and rules adopted under it; (3) Ethanol or other biofuel facilities, including any equipment used at the ethanol or other biofuel facility for the production of ethanol or other biofuels; (4) Any property or portion thereof used for the collection, storage, treatment, utilization, processing, or final disposal of a by-product or solid waste resulting from any method, process, device, structure, or equipment that removes, reduces, prevents, contains, alters, conveys, stores, disperses, or disposes of air contaminants, or that renders less noxious or reduces the concentration of air contaminants in the ambient air; (5) Any property, device, or equipment that promotes the reduction of emissions of air contaminants into the ambient air through improvements in the efficiency of energy utilization or energy conservation; (6) Any coal research and development project conducted under Chapter 1555. of the Revised Code; (7) As determined by the director of the Ohio coal development office, any property or portion thereof that is used for the collection, storage, treatment, utilization, processing, or final disposal of a by-product resulting from a coal research and development project as defined in section 1555.01 of the Revised Code or from the use of clean coal technology, excluding any property or portion thereof that is used primarily for other subsequent commercial purposes; (8) Any property or portion thereof that is part of the FutureGen project of the United States department of energy or related to the siting of the FutureGen project; (9) Any property, device, or equipment that promotes the reduction of emissions of air contaminants into the ambient air through the generation of clean, renewable energy with renewable energy resources or advanced energy resources as defined in section 3706.25 of the Revised Code; (10) Any property, device, structure or equipment necessary for the manufacture and production of equipment described as an Air Quality Facility under this chapter; (11) Any property, device, or equipment related to the recharging or refueling of vehicles that promotes the reduction of emissions of air contaminants into the ambient air through the use of an alternative fuel as defined in section 125.831 of the Revised Code or the use of a renewable energy resource as defined in section 3706.25 of the Revised Code. "Air Quality Facility" further includes any property or system to be used in whole or in part for any of the purposes in divisions (G)(1) to (11) of this section, whether another purpose is also served, and any property or system incidental to or that has to do with, or the end purpose of which is, any of the foregoing. Air quality facilities that are defined in this division for industry, commerce, distribution, or research, including public utility companies, are hereby determined to be those that qualify as facilities for the control of air pollution and thermal pollution related to air under Section 13 of Article VIII, Ohio Constitution.

Air Quality Project Certificate

Pursuant to Ohio Revised Code Section 3706.041(B), the property comprising a project shall not be subject to taxes or assessments and so long as the bonds or notes issued to finance the costs of such project are outstanding, and the transfer of title or possession of such property to the person to whom a loan or installment sale or conditional sales with respect to such project is made shall not be subject to the taxes levied pursuant to Chapters 5739. and 5741. of the Revised Code.

	OAQDA shall certify the property comprising a project which is exempt from taxes and assessments pursuant to this section, and shall send, by certified mail, copies of such certification to the owner of such exempt property, to the tax commissioner, and to the county auditor of the county or counties in which any such exempt property is located. Each county auditor shall maintain a separate list of all property exempt pursuant to this section and sections 6121,004 and 6123.041 of the Revised Code, in addition to the list of exempt property required to be maintained pursuant to section 5713.07 of the Revised Code.
Application (Pre & Full)	See Appendix J for the Complete Application. Interested applicants with simple projects may submit a completed application for OAQDA evaluation. Applicants with complex projects, new construction, major rehab or repurposing are encouraged to submit a Pre-Application with the preliminary project scope, prior to full engineering or costing. This Pre-Application will be used to initiate a dialogue with OAQDA staff for the preliminary approval of qualified components, in order to provide applicants with an understanding of additional information that will be required for a Full Application approval.
ASHRAE	American Society of Heating, Refrigeration and Air-Conditioning Engineers, Atlanta, GA.
Bond Purchase Agreement	This is the Agreement between the applicant, OAQDA and the bond purchaser that defines the terms and conditions of the bond issuance, including, but not limited to the details of the bond sale and other conditions such as performance requirements, measurement and verification plan, reporting requirements, and fees.
CO2	Carbon dioxide (chemical formula CO2) is a colorless gas with a density about 60% higher than that of dry air. Carbon dioxide consists of a carbon atom covalently double bonded to two oxygen atoms. It occurs naturally in Earth's atmosphere as a trace gas. The current concentration is about 0.04% (412 ppm) by volume, having risen from pre-industrial levels of 280 ppm.
Component Isolation	Savings measurement approach defined by ASHRAE Guideline 14 that determines energy savings for a specific building system. Component isolation is performed using energy measurements to isolate the energy flows for the specific system(s) under consideration.
Conduit Bond Issuer	OAQDA is authorized to issue bonds in order to provide funds to approved applicants, subject to these Guidelines. Bond repayment is the responsibility of the underlying applicant, with no recourse to OAQDA. OAQDA provides access to the bond market in this "conduit" role, in addition to the potential tax exemptions as described herein.
Energy Conservation Design Measure (ECDM)	Savings measurement approach defined by ASHRAE Guideline 14 that determines energy savings for a specific building system. Component isolation is performed using energy measurements to isolate the energy flows for the specific system(s) under consideration.
Measurement & Verification (M&V)	Measurement & Verification (M&V) is the determination of actual energy savings achieved by one or more energy conservation measure(s). Savings cannot be directly measured because they represent the absence of energy use. Instead, actual savings are determined by comparing measured use before and after implementation of a project

and making appropriate adjustments for changes in conditions.

NOx	In atmospheric chemistry, NOx is a generic term for the nitrogen oxides that are most relevant for air pollution, namely nitric oxide (NO) and nitrogen dioxide (NO2). These gases contribute to the formation of smog and acid rain, as well as affecting tropospheric ozone.
Particulate Matter (PM)	Particulate Matter (PM) describes solids and/or liquid particles suspended in the atmosphere.
Project Eligibility Period	The project eligibility period shall be determined through the application review and evaluation. This period is the term of financing that corresponds to the period of property tax exemption eligibility.
Real Property Tax	Property taxes on real property. This includes taxes for land, improvements, and, depending on location, other specifically authorized charges of the local taxing authorities.
Sales and Use Tax	Taxes associated with the purchase and use of materials and equipment for construction, retrofitting, rehabilitation, and repurposing of a building.
Solid waste disposal	Any property or portion thereof used for the collection, storage, treatment, utilization, processing, or final disposal of a by-product or solid waste resulting from any method, process, device, structure, or equipment that removes, reduces, prevents, contains, alters, conveys, stores, disperses, or disposes of air contaminants, or that renders less noxious or reduces the concentration of air contaminants in the ambient air. See Ohio Revised Code 3706.01
SOx	Sulfur oxide (SOx) refers to one or more of the following: Lower sulfur oxides, Sulfur monoxide (SO), Disulfur dioxide (S2O2), Sulfur dioxide (SO2), Sulfur trioxide (SO3), Higher sulfur oxides (SO3 and SO4), and Disulfur monoxide (S2O)
Tax Exemption	Ohio Air Quality Development Authority has the statutory authorization to grant two types of tax exemption for projects that meet the requirements to be designated “Air Quality Facility.” These tax exemptions are: Sales and Use Tax Exemption, and Property Tax Exemption. In addition, interest paid on bonds issued for an Air Quality Facility will be exempt from Ohio, and may be exempt from federal income taxation, but only as set forth in the opinion of bond counsel delivered upon the issuance of the bonds. See Ohio Revised Code 3706.01 and 3706.041(B).
Whole Building	Energy savings measurement approach defined in ASHRAE Guideline 14 that determines energy and demand savings through the use of whole-facility energy (end-use) data, which may be measured by utility meters or data loggers.

APPENDICES

APPENDIX A: FEE SCHEDULE

OHIO AIR QUALITY DEVELOPMENT AUTHORITY
Clean Air Improvement Program

In addition to fees duly posted by OAQDA in effect at the time of the approved bond resolution, this Program will have a waivable non-performance fee. Projects that are within 10% of their performance goals, on an annual basis, will have this fee waived. Projects that are outside of the 10% performance window may be assessed fees as follow:

Non-Performance Fee:

- Subject to OAQDA discretion
- Waived for projects in compliance with approved performance
- When not in compliance with approved performance, the project fees will be assessed as follows after a period of due diligence to ascertain any circumstances that may impede the performance as approved:

Project Performance off approved metrics by	**Fee**
Greater that 10%, less than 15%	.10% of outstanding par
15% or greater, less than 25%	.25% of outstanding par
25% or greater	.50% of outstanding par

Simple projects, initially defined as those below $2M or as determined by OAQDA, will have their non-performance fee established at a flat rate for the first three years, as defined in the Bond Purchase Agreement. Simple project performance meeting defined targets for approved metrics for three consecutive years may have subsequent years' reporting requirements modified or released. The determination of project specific fees is subject to OAQDA discretion in conformance with final bond financing documents.

APPENDIX B: GUIDELINES FOR ISSUANCE OF BONDS (As amended, August 11, 2020)

Bonds (both tax-exempt and taxable) shall be subject to the following guidelines, provided that the Executive Director shall be authorized to waive or amend such guidelines with the advice of bond counsel, issuer's counsel and its financial advisor, as applicable, with respect to any series of bonds.

1. All documents to which OAQDA is a party, and all documents which provide security for the holders of the bonds, shall be governed by Ohio law.
2. All documents executed by the borrower and any other document which provides security to the holders of the bonds must be the subject of an opinion addressed to OAQDA by borrower's counsel, and such opinion must address matters of Ohio law and be given by an attorney admitted to practice law in Ohio.
3. The Inducement Resolution authorized thereunder, shall be effective for a period of no longer than one year from the date of the adoption of the Inducement Resolution.
4. For all bond issues in which the bonds are either unrated or have a rating below investment grade, as determined at the time by the Executive Director, shall be required to issue the bonds in minimum denominations of $100,000, and shall be sold only to Qualified Institutional Buyers ("QIBs") or Accredited Investors, and all subsequent transfers of the bonds shall be made only to QIBs or Accredited Investors. A letter from the Original Purchaser (an "Investor Letter") shall be delivered at closing in which the Original Purchaser acknowledges compliance with such requirements.
5. It is the policy of OAQDA to NOT be a party to any swap, hedge or other derivative agreement or arrangement. In the event that the transaction utilizes such arrangement between the borrower and the lender, the bond documents may provide, subject to approval of bond counsel, that such payments may be accepted as Loan Payments, but OAQDA will have no other responsibilities with respect to such arrangement.
6. In the event the borrower, following issuance of the bonds, requests OAQDA to amend the terms of the bonds or the terms of the bond documents, OAQDA reserves the right to charge a reasonable fee in connection therewith.
7. In all tax-exempt transactions, the borrower shall enter into an Arbitrage Rebate Calculation Agreement with the Arbitrage Calculating Agent chosen by the Executive Director. Such agreement shall provide that the borrower will cooperate with such Agent in connection with the calculation of rebate payments, and shall make all payments determined by the Agent to be due to the IRS in connection with such rebate calculation in order to maintain the tax-exempt status of the bonds. It shall be the responsibility of the borrower to pay the fee of the Arbitrage Calculating Agent, generally at the five-year anniversary of the issuance of the bonds.
8. OAQDA will require the borrower:
    a) to establish a separate fund or sub-account, or similar segregation of funds, for proceeds deposited as the project fund,
    b) to track proceeds disbursements with an alignment to approved project components,
    c) to monitor the Project for a period during the outstanding term of the bond in order to measure performance against projections,
    d) to measure performance of certain quantitative metrics set forth in the resolution approving the Project, and

e) to report such measures, as identified in 8.a), 8.b), 8.c), and 8.d) above. Such reports shall be made to OAQDA, annually, on June 30 of each year during which the bonds remain outstanding.

f) OAQDA reserves the right to include accountability provisions to ensure the Project meets the intended results as described in the application and approved with the bond resolution.

9. If applicable, the borrower and the underwriter shall comply with the Continuing Disclosure requirements of SEC Rule 15c2-12, either by the necessary updates and filings to EMMA and the Bond Trustee, or via the retention of a nationally recognized Dissemination Agent, and shall, at least annually, demonstrate such compliance to OAQDA with a copy of required annual filings and any material event notices.

10. On the later of the principal payment date each year while any bonds are outstanding, the borrower shall file or cause to be filed with OAQDA a confirmation of all payments of principal and interest which have been made, and the amount of all bonds then outstanding.

11. In the event that OAQDA adopts an inducement resolution and the bonds are not issued within one year, the borrower shall pay all professional fees of bond counsel, issuer's counsel, and technical consultants incurred in connection with the Project, as well as a reasonable fee to OAQDA to reimburse OAQDA for its time and costs expended, up to 25% of the OAQDA fee which would have been due had the bonds been issued.

Except for refundings, refinancings or other forms of restructuring of debt that place a borrower in a better financial position, OAQDA will not consider any applications for financing that do not include construction of Air Quality Facilities.

APPENDIX C: STAKEHOLDER ENGAGEMENT TEMPLATE

[Project Owner's Letterhead]

[Date]

[name]
[title]
[taxing authority]
[address]
[city], OH [zip]

Re: [Applicant project facility name, address]

Dear [greeting]:

I am writing to provide you with information on the above-referenced project, which has gone through an initial review phase with the Ohio Air Quality Development Authority (OAQDA) resulting in the preliminary approval of eligible improvements as described in Attachment A. OAQDA is a non-partisan, independent public partner for local businesses that is committed to serving the economic and environmental needs of Ohio businesses and communities as they strive to reduce air emissions and achieve greater sustainability goals.

As part of its evaluation process for final approval, OAQDA assesses a variety of factors – technical, financial, environmental, and economic impact and accountability – to determine if a project is eligible for financing. In addition to the benefit of tax-exempt bond issuance, projects that meet the requirements are eligible for sales and use tax exemption, and real property taxes, as applicable. The final valuation and application of the tax exemption for each project is made by the local county auditor or fiscal officer along with the State Tax Commissioner.
It is important to note that OAQDA's authorized tax exemptions are applicable only for the eligible improvements.

The attached project detail provides basic information about our project, and the local benefits anticipated with relation to air quality, community improvement, economic incentives, and other priorities. Additionally, this attachment identifies the preliminary tax impact that may result from the project's participation in the program.

We welcome an opportunity to discuss our project with you. Please contact me at [contact information]. OAQDA has also indicated their willingness to address any questions you may have related to this project and the benefits of its participation in the program. Please contact [OAQDA name] by email at [email] or phone at [phone number].

Sincerely,
[project owner]
[title]
cc: Christina O'Keeffe, Executive Director, Ohio Air Quality Development Authority

ATTACHMENT A
[project facility name / address]

Confirmed certified receipt of this information is required as a part of the OAQDA approval process. This project is subject to final approval by OAQDA which includes agreement by the applicant to provide ongoing project Measurement & Verification (M&V), approval of all financing terms, and determination of final air quality benefits based upon final project scoping and engineering.

FROM APPLICATION SECTION I

Applicant – legal business or individual name, include business name, trade name or DBA, if different from legal name:

Type of Business:

Business Address:

Contact information including telephone, email, relationship to applicant (if different):

Length of time in Ohio:

Number of employees:

Brief description of business:

FROM APPLICATION SECTION VI

Type of Project:

Type of Improvements that qualified as Air Quality Facility:

Project Start Date:

Project Completion Date:

Present number of employees at site of improvements: Full time / Part time

Expected additional employees after completion: Full time / Part time

Construction personnel: Full time / Part time

Brief description of project:

FROM APPLICATION SECTION VII

Total project budget:

Value of improvements eligible for Program:

FROM APPLICATION SECTION VIII

Identify community impact with respect to local benefits related to air quality, economic and community development.

FROM APPLICATION SECTION X

Provide evaluation of tax benefits expected pursuant to Program tax exemptions available from (i) sales and use taxes, (ii) property tax exemption, and (iii) bond interest tax exemption. For simple projects, there may not be the need for all categories to be defined, please coordinate any questions through OAQDA.

PLEASE NOTE, THIS SECTION OF STAKEHOLDER ENGAGEMENT SHOULD BE CONFIRMED BY OAQDA PRIOR TO STAKEHOLDER DISTRIBUTION.

FROM APPLICATION PROJECT DETAIL SUPPLEMENT

Identification of Air Quality Facility anticipated criteria pollutant and/or greenhouse gas emission reductions and/or energy conservation and/or environmental benefits derived from eligible improvements, described in metrics specific to project, i.e. GHG, CO2, kWh, Therms, NOX, SOX or other applicable metrics as determined qualified with OAQDA.

In addition to air quality metrics, identification of expected monetary savings from reduced energy consumption, operating efficiencies, or other measurable financial savings.

APPENDIX D: WHOLE BUILDING PROJECT TECHNICAL REQUIREMENTS

I. Application Submission

Whole-building projects include significant renovation or new construction projects that deliver significant air quality benefits to Ohio through the design, construction, commissioning and operation of a high performing building that encompasses highly energy-efficient equipment and measures, onsite clean energy generation and/or improvement to occupant's health through reduction of harmful air contaminants. ***These projects should achieve a combined 50% energy savings above the current energy efficiency standards*** adopted by the Ohio Board of Building Standards in rules 4101:1-13-01 and 4101:1-35-01 of the Ohio Administrative Code***.***

In addition, and if applicable, projects should provide information in their application on the interest or pursuit of certifications for building rating standards, such as Leadership in Energy and Environmental Design (LEED), Green Globes, Net Zero Energy Building (NZEB), RESET air quality standard or other industry standard program.

Applications must include:

A. a whole-building simulation of the base-case project that complies with the current Energy Code for the state;
B. a separate simulation for each ECDM in isolation such that for each isolation simulation, all building systems and components are kept constant except for the ECDM equipment or component being analyzed;
C. a comprehensive whole building energy simulation which represents the final as-built project including all ECDMs; and
D. a Monitoring and Verification (M&V) plan that describes how the project will be inspected and commissioned, and how the energy savings from the project will be measured and reported once the project is built.

The application must identify and justify the equipment, materials, and other applicable components of the facility, along with the proposed costs, that contribute to the functionality and performance of the project to serve as an Air Quality Facility. Aesthetic, beautification, tenant allowances, marketing, parking and driveway areas for vehicles, and other non-functioning elements of the property may not be considered in the definition of the Air Quality Facility. The final determination of any and all components comprised in the definition of the Air Quality Facility is made by OAQDA, pursuant to its statutory discretion.

II. Project Review

The project review process for whole-building projects begins with a code-compliance review of the proposed project to ensure that the project meets the minimum threshold standards in **Section V, C**. Once a project successfully completes this stage of the review there is a review and verification of the measurement and verification plan for whole-building projects to comply with ASHRAE Guideline 14-2014 (ASHRAE 2014, including July 2019 errata) and/or the Uniform Methods Project (UMP 2020) to ensure that the measurement and verification of the project complies with industry standards. In addition, there will be a review of the construction plan and commissioning plan. Successful completion of all these plans is then followed by the project construction and project commissioning report. Satisfactory review of the construction and commissioning reports is then followed by an occupancy permit. Once the occupancy permit is issued, then the monitoring or metered data collection begins.

III. Measurement & Verification (M&V)

In general, the measurement and verification process for projects consists of three stages: (1) the Application Submittal and Review stage as described in Section I, A; (2) the M&V Plan Submittal and Review stage as described in Section I, B; and (3) the Project M&V Process stage as described below. All projects need to comply with each stage in sequence to qualify as an Air Quality Facility and OAQDA will work with the applicant to ascertain if and where meters are to be placed in the building (or project), or if whole-building gas and/or electric meters are appropriate for measuring savings, and what end-use energy use quantities are to be measured before construction begins. OAQDA may also request the use of ENERGY STAR Portfolio Manager as a free industry-standard tool to assist in benchmarking the project's impact on the building's performance.

Project M&V Process. Data collection efforts and required information is submitted by the applicant annually and must comply with the M&V Plan initially submitted and reviewed by OAQDA. The review begins before the retrofit or after the new construction is complete and proceeds throughout the project period. After a sufficient period of data is collected, a calibrated whole-building model is developed by the applicant and shared with a third-party reviewer selected by OAQDA to compare with the measured data from the project. The calibrated whole-building model is then used to determine whether the measure savings agree with the estimated savings predictions.

In addition, adherence to the recommendations in ASHRAE Guideline 14 (ASHRAE 2015) and/or the Uniform Performance Measurement (UMP) guidelines (UMP 2020) is important to ensure accurate measurement and reporting.

APPENDIX E: NEW CONSTRUCTION COMPONENT ISOLATION PROJECT TECHNICAL REQUIREMENTS

I. Application Submission

Component isolation projects that are new construction projects must ***achieve a 15% energy savings above the current energy efficiency standards*** adopted by the Ohio Board of Building Standards in rules 4101:1-13-01 and 4101:1-35-01 of the Ohio Administrative Code***.*** The process includes: (1) an analysis of the base-case component that complies with the current energy efficiency standards for the state and federal equipment standards; (2) an analysis of the proposed energy efficient component (i.e., above-code component) that exceeds the current energy efficiency standards; and a Monitoring and Verification (M&V) plan describing how the project will be inspected and commissioned, and how the energy savings from the project will be measured and reported once the project is built.

II. Project Review

The project review process for component-isolation – new construction projects also begins with a code compliance review of the proposed project, to ensure that each new component(s) is more stringent than the current building code and the federal equipment standards and the existing component is more stringent than the current building code and the federal equipment standards. In the case that there is no existing component, then the model parameters for the existing component must be more stringent than the current building code and the federal equipment standards. The total combined energy savings for all energy components must exceed 15% above baseline, or current energy efficiency standards in the State of Ohio.

Once a project successfully completes this stage of the review an agreement of a metering or monitoring plan will be reached and a review of other applicable plans such as construction and commissioning plans may be conducted. Successful completion of all these plans is then followed by the project construction and project commissioning report. Satisfactory review of the commissioning report is then followed by an occupancy permit. Once the occupancy permit is issued the metered data collection begins or annual monitoring plan is initiated for review of monthly utility usage/bills.

III. Measurement & Verification

In general, the measurement and verification process for projects consists of three stages: (1) the Application Submittal and Review stage as described in Section II, A; (2) the M&V Plan Submittal and Review stage as described in Section II, B; and (3) the Project M&V Process stage as described below.

All projects need to comply with each stage in sequence to qualify as an Air Quality Facility and OAQDA will work with the applicant to ascertain if and where meters are to be placed in the building (or project), or if whole-building gas and/or electric meters are appropriate for measuring savings, and what end-use energy use quantities are to be measured before construction begins. OAQDA may also request the use of ENERGY STAR Portfolio Manager as a free industry-standard tool to assist in benchmarking the project's impact on the building's performance.

Project M&V Process. Data collection efforts and required information is submitted by the applicant and must comply with the agreed upon M&V Plan reviewed by OAQDA. The review begins before the new construction is complete and proceeds throughout the project period. At the discretion of OAQDA and after a sufficient period of data is collected, a calibrated component isolation model, which may be a building simulation or detailed data calculation/analysis, may be developed and compared to data from the existing component, or the simulated, code-compliant component. The model is a useful tool

to determine whether the measured savings agree with the estimated savings predictions.

In addition, adherence to the recommendations in ASHRAE Guideline 14-2014 (ASHRAE 2014, including July 2019 errata) and/or the Uniform Performance Measurement (UMP) guidelines (UMP 2020) is important to ensure accurate measurement and reporting.

APPENDIX F: RETROFIT COMPONENT ISOLATION PROJECT TECHNICAL REQUIREMENTS

I. Application Submission

Component isolation projects that involve retrofit of existing conditions must ***achieve a 15% energy savings above the current energy efficiency standards*** adopted by the Ohio Board of Building Standards in rules 4101:1-13-01 and 4101:1-35-01 of the Ohio Administrative Code***.*** The process includes: (1) a complete description of the existing component and either the measured energy use of the existing, base-case component, or an analysis of the existing, base-case component; (2) an analysis of the proposed, new component that exceeds the current energy efficiency standards in the State of Ohio and federal equipment; and (3) a Monitoring and Verification (M&V) plan for how the project will be inspected and commissioned, and how the energy savings from the project will be measured and reported once the project is built.

II. Project Review

The project review process for component isolation – retrofit projects also begins with a code compliance review of the proposed project. The purpose is aimed at ensuring the new component(s) is/are more stringent than the current building code and the federal equipment standards and the existing component that will be replaced. Where no existing component exists, the model parameters for the 'hypothetical' existing component must be no less stringent than the current building code and federal equipment standards."

Once a project successfully completes this stage of the review, then there is a review of the metering or monitoring plan to determine compliance with ASHRAE Guideline 14-2014 (ASHRAE 2014) and/or the Uniform Methods Project (UMP 2020) to ensure that the measurement and verification of the project complies with industry standards. Then there will be a review of the construction plan and commissioning plan. Successful completion of all these plans is then followed by the project construction and project commissioning report. After satisfactory review of the commissioning report, the metered data collection begins, or an annual monitoring plan is initiated for review of monthly utility usage/bills.

III. Measurement & Verification

In general, the measurement and verification process for projects consists of three stages: (1) the Application Submittal and Review stage as described in Section III, A; (2) the M&V Plan Submittal and Review stage as described in Section III, B; and (3) the Project M&V Process stage as described below.

All projects need to comply with each stage in sequence to qualify as an Air Quality Facility and OAQDA will work with the applicant to ascertain if and where meters are to be placed in the building (or project), or if whole-building gas and/or electric meters are appropriate for measuring savings, and what end-use energy use quantities are to be measured before construction begins. OAQDA may also request the use of ENERGY STAR Portfolio Manager as a free industry-standard tool to assist in benchmarking the project’s impact on the building’s performance.

Project M&V Process. Data collection efforts and required information is submitted by the applicant and must comply with the agreed upon M&V Plan reviewed by OAQDA. The review begins before the retrofit is complete and proceeds throughout the project period. At the discretion of OAQDA and after a sufficient period of data is collected, a calibrated component isolation model, which may be a building simulation or detailed data calculation/analysis, may be developed and compared to data from the existing component, or the simulated, code-compliant component. The model is a useful tool to determine whether the measured savings agree with the estimated savings predictions.

In addition, adherence to the recommendations in ASHRAE Guideline 14 (ASHRAE 2015) and/or the Uniform Performance Measurement (UMP) guidelines (UMP 2020) is important to ensure accurate measurement and reporting.

APPENDIX G: RENEWABLE ENERGY GENERATION PROJECT TECHNICAL REQUIREMENTS

I. Application Submission

On-site, renewable energy generation project must include: (1) a complete description of the renewable energy project and an analysis of the proposed renewable energy project; and (2) a Monitoring and Verification (M&V) plan for how the project will be inspected and commissioned, along with how the renewable energy production from the project will be measured and reported once the project is built.

II. Project Review

The review process for this type of project begins with a review to verify that the proposed renewable energy production can be achieved with the specified equipment along with other siting specific factors. Once a project successfully completes this stage of the review there is a review of the metering or monitoring plan that may adhere to the recommendations in ASHRAE Guideline 14-2014 (ASHRAE 2014) and/or the Uniform Methods Project (UMP 2020). Then a review of the construction plan and commissioning plan will also occur. Successful completion of all these plans is then followed by the project construction and project commissioning report. Satisfactory review of the construction and commissioning report is then followed by permit to allow the system to begin producing energy. Once the generation permit is issued, then the data collection begins, or annual monitoring plan is initiated.

After a sufficient period of data collection, then the project is reviewed to determine if the measured renewable energy production is equal to or greater than the estimated renewable energy production. At the discretion of OAQDA, a calibrated model may be developed that represents the renewable energy production as estimated by the project design. This calibrated model of the renewable energy production can then be used to determine whether the system is performing adequately in the future, if significant degradation has occurred, and any remedial measures that need to be taken to ensure the projects meets the renewable energy production estimated during the system design.

III. Measurement & Verification

In general, the measurement and verification process for projects consists of three stages: (1) the Application Submittal and Review stage as described in Section IV, A; (2) the M&V Plan Submittal and Review stage as described in Section IV, B; and (3) the Project M&V Process stage as described below during the term of the bond financing. All projects need to comply with each stage in sequence to qualify as an Air Quality Facility. OAQDA may also request the use of ENERGY STAR Portfolio Manager as a free industry-standard tool to assist in benchmarking the project's impact on the building's performance.

ASHRAE Guideline 14-2014 (ASHRAE 2014) *Project M&V Process.* Data collection efforts and required information is submitted to the OAQDA at least annually and must comply with the M&V Plan submitted by the applicant and reviewed by OAQDA. The review begins before the installation and proceeds throughout the project period. These measurements are necessary to ascertain that end-use energy use quantities agree with design estimates to assist in the project verification process. In addition, adherence to the recommendations in ASHRAE Guideline 14-2014 (ASHRAE 2014) and/or the Uniform Performance Measurement (UMP) guidelines (UMP 2020) is important to ensure accurate measurement and reporting.

APPENDIX H: CRITERIA POLLUTANT / GREENHOUSE GAS REDUCTION / SOLID WASTE DISPOSAL PROJECT TECHNICAL REQUIREMENTS

I. Application Submission

Project that provides similar services while significantly reducing one or more of the USEPA Criteria Pollutants and/or Greenhouse Gases (GHGs) and/or provides Environmental Benefits must include: a complete description of the existing (base-case) equipment or process, calculations showing the existing equipment or process criteria/GHG pollutant emission rate and any energy use while it is operating at its maximum rate, a description of the revisions to the equipment or process (revised case), calculations showing the revised equipment or process criteria/GHG pollutant emission rate and any energy use while it is operating at its maximum rate and information on the applicable rule or regulation governing the project's performance. The applicant will acknowledge the M&V plan to include the ability for OAQDA to coordinate with the OEPA on information submitted as part of the monitoring and compliance for the applicable air permit required for the project. Thereby, a separate M&V plan does not need to be submitted to OAQDA. If not, then the applicant should describe a M&V plan for how the equipment or process will be evaluated to verify how the air pollution and any energy savings from the project will be measured and reported once the project is built.

II. Project Review

In general, the project review process for a project begins with a review of the proposed project to ensure that the project adheres to or exceeds the applicable rules or regulations. Once a project successfully completes this stage of the review there is a review of the construction plan and commissioning plan. Successful completion of all these plans is then followed by the project construction and project commissioning report. Satisfactory review of the construction and commissioning reports is then followed by the applicable permits.

III. Measurement & Verification

Project owners that acknowledge the coordination between OAQDA and OEPA will report and comply with the existing requirements of the rules or regulations governing the performance and any specific information submitted to OEPA on the criteria pollutant or greenhouse gas. Certain information will be shared by the OEPA to allow OAQDA to ensure compliance with the terms of the bond financing, specifically the performance of the Air Quality Facility. Any follow-up related to the project's performance will be coordinated between OAQDA and OEPA.

In select cases where the coordination between state agencies is not feasible or permissible, then a measurement and verification process is established for projects to consist of three stages: (1) the Application Submittal and Review stage; (2) the M&V Plan Submittal and Review stage; and (3) the Project M&V Process stage. All projects need to comply with each stage in sequence to qualify as an Air Quality Facility.

A. *Application Submittal and Review. Component isolation - criteria pollutant or greenhouse gas reduction – or solid waste disposal.* The application and review process for a component isolation – criteria pollutant reduction or greenhouse gas reduction or solid waste disposal project also begins with a review of the proposed project to ensure the proposed criteria pollutant or greenhouse gas reduction or environmental benefits has been estimated correctly. Once a project successfully completes this stage of the review it is followed by a review of the metering plan, construction plan, and commissioning plan.

B. *M&V Plan Submittal and Review.* In this section of the process the M&V Plan is submitted by the applicant and reviewed by OAQDA. The review of the M&V Plan

precedes the construction of the project because it is necessary to ascertain if and where meters can be used to measure reduction of pollutants or if other protocols can be utilized before construction begins.

The M&V Plan and Submittal process for criteria pollutant or greenhouse gas or solid waste disposal, verifies that the M&V plan complies with industry standards. Once a project successfully completes this stage of the review it is followed by a review of the construction plan, and commissioning plan.

C. Project M&V Process. In this section of the process the Project M&V Process is monitored to determine that the data collection efforts are complying with the M&V Plan submitted by the applicant and reviewed by OAQDA. The review of the Project M&V Process begins before the project is complete and proceeds throughout the project period.

APPENDIX I: BOND TRANSACTION FINANCING TEAM

Bond issuance by OAQDA is coordinated by the Executive Director and may include a variety of staff and outside consultants to fulfill Program and statutory requirements. The financing team members and their respective roles in the transaction are detailed as follows.

A. Issuer

1) OAQDA issues conduit[2] bonds to assist in financing of Air Quality Facilities.
2) Operates under Article VIII, Section 13 of Ohio Constitution and Chapter 3706 of Ohio Revised Code.
3) Not financial liable for payments of debt service on bonds.
4) Is charged with duty to review the projects being financed and to assure that procedures are in place to comply with federal and State laws, including tax and securities laws.
5) Executive Director is official representative of OAQDA with respect to bond issues and projects.

B. General Counsel

1) Fiduciary duty runs to OAQDA; appointed by OAQDA.
2) Represents Issuer in all matters not involving actual bond transactions.
3) Assists OAQDA in appointment of Issuer's Counsel and Bond Counsel.
4) Reviews specific legal or policy issues that may arise in bond transactions.
5) Reviews resolutions as requested for form and helps assure compliance by OAQDA with open meeting requirements and general requirements of Chapter 3706 of Ohio Revised Code.
6) Communicates directly with Executive Director of OAQDA about bond issues and projects.

C. Issuer's Counsel

1) Fiduciary duty runs to OAQDA; appointed by OAQDA.
2) Protects the interests of OAQDA in bond transactions.
3) Reviews on behalf of OAQDA the proceedings and bond/loan documents prepared by Bond Counsel.
4) Requires legal knowledge and skills different from that of General Counsel, similar knowledge to that of Bond Counsel.
5) Fee is paid by the conduit Borrower as a cost of issuance of the bonds.
6) Communicates directly with Executive Director of OAQDA about bond issues and projects.

D. Bond Counsel

1) Fiduciary duty typically runs to OAQDA; appointed by OAQDA.
2) The Borrower, who has the obligation to pay the bonds, may either recommend or approve the recommendation of Bond Counsel.
3) Bond Counsel drafts all bond proceedings (resolutions), bond/loan documents and most security documents; as well as closing and tax documents to assure compliance with State and federal law (including tax-exempt bond and tax credit provisions).
4) Requires knowledge of Ohio Constitution and State law regarding OAQDA and other types of issuers, security provisions like mortgages and security agreements, federal and State securities laws, and federal and State tax law.
5) Usually, Bond Counsel is the "quarterback" for the negotiation, drafting and closing process.
6) Provides its legal opinion that the bonds are valid, binding, and enforceable and if appropriate, tax-exempt.

[2] Conduit Bonds are issued by a qualified entity, OAQDA. See "Borrower," for applicant benefits and responsibilities.

7) Fee is paid by the conduit Borrower as cost of issuance of the bonds.
8) Communicates directly with Executive Director of OAQDA about bond issues and projects.

E. Borrower

1) Makes application to OAQDA for financing.
2) Provides documentation to show project qualifies for OAQDA bonds.
3) Works with staff, Borrower's Counsel, Financial Advisor to OAQDA and the Underwriter to establish that is can provide adequate security and revenue to repay bonds.
4) Executes documents at bond closing.
5) Completes project in accordance with statutory and document requirements.
6) Pays debt service on bonds and any applicable ongoing OAQDA fees.
7) Provides reports as required to document project performance and conformity with M&V.
8) May communicate directly with Executive Director of OAQDA.

F. Borrower's Counsel

1) Fiduciary duty runs to Borrower.
2) Appointed by OAG if a state agency or subdivision; or hired by Borrower directly.
3) Reviews on behalf of Borrower the proceedings and bond/loan documents prepared by Bond Counsel.
4) May draft security documents (mortgage, etc.).
5) Requires legal knowledge and skill similar to that of Bond Counsel, as well as familiarity with the business and organizational structure of Borrower.
6) Fee is paid by the conduit Borrower as a cost of issuance of the bonds.
7) May communicate directly with Executive Director of OAQDA.

G. Financial Advisor to OAQDA

1) Fiduciary duty of Financial Advisor runs to OAQDA; not to Borrower, nor the purchaser (Lender /Investor) of the bonds.
2) Appointed by OAQDA.
3) Reviews on behalf of OAQDA the bond/loan documents prepared by Bond Counsel.
4) Recommends how to structure the bond issue if it is an OAQDA program bond and may assist in the offering of the bonds.
5) Reviews the structure of the bond issue if it is a non-program bond (like a utility solid waste disposal bond) as recommended by the Borrower or the Financial Advisor to the Borrower. [Note: There may not be a Financial Advisor to the Borrower, but an underwriter may make similar recommendations.]
6) Ultimately, assists OAQDA in providing the best financing structure to the Borrower.
7) Fee is paid as a cost of issuance of the bonds.
8) Communicates directly with Executive Director of OAQDA about bond issues and projects.

H. Financial Advisor to Borrower

1) Fiduciary duty runs to Borrower; not the OAQDA or to the purchasers of the bonds. [Contrast this to the duty of an underwriter/placement agent; it runs to the bond purchasers.]
2) Hired by Borrower.
3) Reviews on behalf of the Borrower the bond/loan documents prepared by Bond Counsel; and any documents prepared by other counsel.
4) Recommends how to structure the bond issue if it is a non-program bond (like a utility solid waste disposal bond) and may assist in the sale of the bonds.
5) Reviews the structure of the bond issue if it is an OAQDA program bond.

6) Ultimately, assists Borrower in getting the best financing structure for its deal.
7) Fee is usually paid as a cost of issuance of the bonds.
8) May communicate directly with Executive Director of OAQDA.

I. Underwriter (or Placement Agent)

1) Underwriter or Placement Agent is not required on every transaction, speak to OAQDA to determine.
2) Help Issuer and Borrower structure the borrowing, security structure and bond terms.
3) Work with Financial Advisor to OAQDA, Borrower and Financial Advisor to Borrower, if any, as well as various legal counsel, to accomplish that goal.
4) Hired by Borrower; may be retained by OAQDA in extraordinary circumstances on the advice of Borrower.
5) Fee is paid as a cost of issuance of the bonds.
6) May communicate directly with Executive Director of OAQDA.

J. Underwriter's Counsel

1) Fiduciary duty runs to Underwriter; hired by Underwriter.
2) Protects the interests of the Underwriter in the transaction.
3) Reviews on behalf of the Underwriter the proceedings and documents prepared by Bond Counsel.
4) Usually prepares the Official Statement, Bond Purchase Agreement, and Continuing Disclosure Agreement. [Bond counsel may do these documents for certain issues like OAQDA program bonds.]
5) Fee is paid by Underwriter, or by conduit Borrower, as a cost of issuance of the bonds.
6) May communicate directly with Executive Director of OAQDA.

K. Lender / Investor

1) Purchaser of bonds issued through OAQDA for benefit of Borrower.
2) Selected by Borrower, unless bonds sold through public offering.
3) Not fiduciary to any of the other transaction parties.
4) May be paid upfront fee through cost of issuance, in addition to receiving debt service from the Borrower.
5) May communicate directly with Executive Director of OAQDA.

L. Lender's/ Investor's Counsel

1) Similar to role of Underwriter's Counsel; but works in a private placement of bonds to a single Lender (or group of Lenders).
2) Fiduciary duty runs to Lender(s); hired by Lender(s).
3) Protects the interests of the Lender in the transaction.
4) Reviews on behalf of the Lender the proceedings and documents prepared by Bond Counsel.
5) Fee is paid by Lender, or by conduit Borrower, as a cost of issuance of the bonds.
6) May communicate directly with Executive Director of OAQDA.

APPENDIX J: AIR QUALITY FACILITY APPLICATION

OHIO AIR QUALITY DEVELOPMENT AUTHORITY
Clean Air Improvement Program Application

Prior to application submission, please review complete Program Guidelines and the Air Quality Facility definition to ensure that project submitted are eligible for consideration.

I. Applicant Information

Legal Business or Individual Name: (Must Match W9)

_____

Business Name, Trade name, Doing Business as: (If different than above)

_____

Type of Business (Check the box that applies):

☐ Sole Proprietor ☐ Individual ☐ Partnership ☐ Corporation ☐ Public Entity

☐ Limited Liability Company ☐ Association ☐ Not-for-Profit ☐ Other _____

Is this business owned by a woman? ☐ Yes ☐ No

Is this a minority-owned business? ☐ Yes ☐ No

Is this business owned by a veteran or individual on active service? ☐ Yes ☐ No

Ohio Secretary of State Registration number: _____

Tax Identification Number/Social Security Number: _____

NAICS Code: _____

Address: _____

City, State, Zip: _____County: _____

Email: _____

Length of time operating in Ohio: _____ Number of employees: _____

Include a brief description of your business (This description may be shared for public use):

_____

_____

_____

_____

_____

II. Owner or Authorized Person/Signatory Information

Name: _____ Title: _____

Address: _____

City, State, Zip: _____County: _____

Phone: _____ Fax: _____

Email: _____

III. Project Representative Information (if different than owner who manages the project):

Name: _____

Company: _____Title: _____

Address: _____

City, State, Zip: _____County: _____

Phone: _____ Fax: _____

Email: _____

IV. Technical Contact (Technical contact should be able to respond to technical questions concerning this application)

Name: _____

Company: _____Title: _____

Address: _____

City, State, Zip: _____County: _____

Phone: _____ Fax: _____

Email: _____

V. Financing Information

Include project term sheet and/or disclosure statements on financing

Check the box which identifies the intended placement of the OAQDA bonds:

☐ Direct Placement ☐ Public Offering

Proposed Lender/Underwriter: _____

Lender/Underwriter Contact: _____ Title: _____

Address: _____

City, State, Zip: _____County: _____

Phone: _____ Fax: _____

Email: _____

Loan Amount: _____ Target Closing Date: _____

Additional Consultants or Professionals Involved (*please attach document on all contacts if necessary*):

Name: _____

Company: _____Title: _____

Address: _____

City, State, Zip: _____County: _____

Phone: _____ Fax: _____

Email: _____

VI. Project Information

Project Address: _____

City, State, Zip: _____County: _____

Beginning date: _____ Projected completion date: _____

Present number of employees: Permanent full-time: _____ Part-time: _____

Expected Job Creation: Permanent full-time: _____ Part-time: _____

Construction Personnel: Full-time: _____ Part-time: _____

Include a brief description of project (This project description may be shared for public use):

_____

_____

_____

_____

_____

Type of Project (Check the box that applies):

☐ Whole Building, INCLUDE SUPPLEMENT A and as applicable SUPPLEMENT D and E	☐ Renewable Generation, INCLUDE SUPPLEMENT D
☐ Component Isolation ☐ New Construction, INCLUDE SUPPLEMENT B ☐ Retrofit, INCLUDE SUPPLEMENT C	☐ USEPA Criteria Pollutant Reduction, INCLUDE SUPPLEMENT E ☐ Solid Waste Disposal, INCLUDE SUPPLEMENT E

This application will be reviewed for completeness and compliance with the definition of an air quality facility per Ohio Revised Code 3706.01 (G). (Check the box that applies):

☐ ORC 3706.01 (G) 1 - Any method, modification or replacement of property, process, device, structure, or equipment that removes, reduces, prevents, contains, alters, conveys, stores, disperses, or disposes of air contaminants or substances containing air contaminants, or that renders less noxious or reduces the concentration of air contaminants in the ambient air, including, without limitation, facilities and expenditures that qualify as air pollution control facilities under section 103 (C)(4)(F) of the Internal Revenue Code of 1954, as amended, and regulations adopted thereunder

☐ ORC 3706.01 (G) 4 - Any property or portion thereof used for the collection, storage, treatment, utilization, processing, or final disposal of a by-product or solid waste resulting from any method, process, device, structure, or equipment that removes, reduces, prevents, contains, alters, conveys, stores, disperses, or disposes of air contaminants, or that renders less noxious or reduces the

concentration of air contaminants in the ambient air

☐ ORC 3706.01 (G) 5 - A property, device, or equipment that promotes the reduction of emissions of air contaminants into the ambient air through improvements in the efficiency of energy utilization or energy conservation

☐ ORC 3706.01 (G) 9 - A property, device, or equipment that promotes the reduction of emissions of air contaminants into the ambient air through the generation of clean, renewable energy with renewable energy resources or advanced energy resources as defined in section 3706.25 of the Revised Code

☐ ORC 3706.01 (G) 11 - A property, device, or equipment related to the recharging or refueling of vehicles that promotes the reduction of emissions of air contaminants into the ambient air through the use of an alternative fuel as defined in section 125.831 of the Revised Code or the use of a renewable energy resource as defined in section 3706.25 of the Revised Code

☐ Other _____

VII. Project Budget

The budget should be presented as a breakdown of each component of the project that improves air quality. The budget total should equal the loan amount requested. Include a sources and uses statement which specifies the plan for OAQDA funds.

Air Quality Improvement Measure	Equipment	Inclusion Rationale (A)	Equipment Material Costs(B)	Equipment Ancillary Costs(C)	REQUESTED FUNDING TOTAL (B+C)
Brief Description	**(Make/Model)**		**$**	**$**	**$**
TOTAL			**$**	**$**	**$**

(A) Identify the type of air quality improvement project type (energy efficiency (EE), thermal performance (TP), renewable energy generation (RE), criteria pollutant (CP), Other (Please specify)

(B) Include all costs specific to the equipment or project

(C) Include all anticipated miscellaneous or soft costs related to each measure or equipment (project management, consulting and professional service fees)

VIII. Community Impact

As it relates to your project as described in Section VI of the Program Guidelines, please attach information to your application that describes the role of your project in improving the community and other local impacts, including but not limited to:

- Describe local impact benefits to air quality, economics and community development and growth as a result of the project.
- Identify the specific jurisdictions impacted by or encompassing the project site (i.e. municipalities or townships, county, school district or other local entities) and reference any local officials involved as part of your project discussions.
- Include copies of the Stakeholder Engagement Template, Appendix D, and any other agreements or letters of support. Describe the viability of project with or without OAQDA financing and the role of potential tax exemptions.

IX. Applicant Financial Liability / Prior Legal Action

Identify if the applicant, owner, related companies, or any of their respective officers:

Owe any delinquent taxes to the State, any state agency, or a political subdivision of the State?
☐ Yes ☐ No

Owe any monies to the State or to a state agency for the administration or enforcement of the environmental laws of the State? ☐ Yes ☐ No

Owe any past-due monies to the State, a state agency, or a political subdivision of the State?
☐ Yes ☐ No

Have any existing tax liens by the state of or a political subdivision of the State? ☐ Yes ☐ No

Have a state loan on which it has defaulted? ☐ Yes ☐ No

Have been convicted of a felony? ☐ Yes ☐ No

Have been convicted of or enjoined from any violation of state or federal securities law?
☐ Yes ☐ No

Have been a party to any consent order or entry with respect to an alleged state or federal securities law violation? ☐ Yes ☐ No

Have been a defendant in a civil or criminal action? ☐ Yes ☐ No

If answer is "Yes" for any of these, please explain below:

_____

_____

_____

X. Tax Status Review Packet information

Provide your evaluation of tax benefits expected pursuant to Program tax exemptions from (i) sales and use taxes, (ii) property taxes, and (iii) bond interest.

Preliminary tax exemption qualification detail; prepared in coordination with OAQDA.

Authorization/Signature

☐ I hereby certify that I am an authorized representative of and can sign on behalf of the company submitting this application.

☐ I hereby certify the information contained in this application is true and accurate to the best of my knowledge.

☐ I understand OAQDA has the right to request additional information as needed or reject any portion of this application.

☐ I will notify OAQDA promptly of any changes in scope that would result in changes to information submitted in this application.

☐ I will notify OAQDA promptly of any changes in ownership of the company/entity submitting this application.

☐ I acknowledge that if direct placement of the OAQDA bond is requested, the lender has an understanding of its role in purchasing the bond and investment in the transaction.

☐ I acknowledge and agree that as the applicant/borrower, I am responsible for the payment of fees of professional services associated with the review, approval and implementation of my project as part of the bonds issued by the Authority. I also agree to pay for all costs incurred on my project if bonds are not

issued, and if bonds are issued, I agree to pay up to 25% of the Authority administrative fee based on the principle amount of the bonds.

Name: _____ Title: _____

Signature: _____ Date: _____

[remainder of page intentionally blank, see following page for submission information]

Next Steps

1. Submit completed application to:

   The Ohio Air Quality Development Authority
   1118 LeVeque Tower
   50 West Broad Street
   Columbus, OH 43215-5910

   Or: application@aqda.state.oh.us.

2. The application will be reviewed for completeness and compliance with the definition of an air quality facility as defined in ORC 3706 and other state compliance checks (i.e. Ohio EPA, Secretary of State, Taxation).

3. The Executive Director or designee will advise of any additional information needed as part of the application review process. Specialized professional experts, such as technical and financial advisor, will be engaged to validate the project's merits and related fees are assessed to project.

4. The Executive Director will determine the ability of a project to be scheduled at an OAQDA Board Meeting based on the completeness and merits of a project application in accordance with the program guidelines. Applicants are expected to make a presentation to OAQDA Board Members.

5. Upon approval of the bond resolution by the OAQDA Board for a project, the assigned bond counsel will coordinate the process with all appliable parties on the bond documents and closing date. All project fees must be paid as a condition to closing.

6. Upon receipt of payment for all applicable fees, OAQDA will issue the air quality certificate to the project owner, Tax Commissioner, local county auditor and bond counsel. This certificate demonstrates the applicable tax exemptions on the project approved as an air quality facility.

SUPPLEMENT A: WHOLE BUILDING PROJECT SUPPLEMENT

What is the anticipated environmental benefit related to the construction or installation of the property/equipment? Please describe in your own words the impact to site location, company, community, etc.

_____

_____

_____

_____

_____

_____

Complete the following table and include all air quality improvement measures for the project. For equipment/measures that do not involve energy measurements, but result in a reduction in air emissions, please complete columns A, B, C and F. The total of all costs provided in column C should match "Total Equipment Material Costs" from the Project Budget table in the Air Quality Facility Application, Appendix J, Section VII.

A	B	C	D	E	F
Total # of Air Quality Improvement Measures being installed	Description **(Make/Model/Type)**	Cost $ (A)	Electricity Savings (kWh/year)	Natural Gas Savings (MMBtu/year)	Other Air Quality Benefit Metrics (specify pollutant and units)
		TOTAL $			

- Include full set of drawings and specifications for project.
- Include equipment specifications for each Air Quality Improvement Measure (the following should be a part of the specifications for the individual measures, if included in the project).

    - Lighting – rated fixture power draw
    - HVAC – heating and/or cooling capacity, rated efficiency
    - Windows – number of panes, rated U-value
    - Envelope – roof material thickness and rated R-value

- Include construction plan, timeline and process.

Please complete the energy consumption table for any existing facility and/or component. Include at least one copy of each utility bill with application submission if whole-building utility billing data is being used.

Energy Consumption Data for Existing Building

	Electricity				**Natural Gas**			**Other (_____)**		
Month	From	To	Usage (kWh)	Demand (kWh)	From	To	Usage (CCF)	From	To	Usage (units____)
Jan										
Feb										
Mar										
Apr										
May										
Jun										
Jul										
Aug										
Sep										
Oct										
Nov										
Dec										
Total										

Measurement and Verification (M&V)

(Reference Guidelines, Section IV, D, and Appendices D, E, F, G, H)

The ongoing performance of projects approved for and issued OAQDA bond financing is an important part of the agency's efforts to ensure continual conservation of air as a natural resource. As a result, the program guidelines identify parameters of M&V plans to measure and verify the project's performance.

Provide preliminary project M&V plan in alignment with Guidelines for consideration by OAQDA. A final determination on the M&V plan to be approved as part of the project application is made by OAQDA, in consultation with its technical, financial and legal professionals.

SUPPLEMENT B: COMPONENT ISOLATION, NEW CONSTRUCTION PROJECT SUPPLEMENT

What is the anticipated environmental benefit related to the construction or installation of the property/equipment? Please describe in your own words the impact to site location, company, community, etc.

_____

_____

_____

_____

_____

_____

Is the project utilizing a Property Assessed Clean Energy (PACE) program? ☐ Yes ☐ No

If yes, please include the ESID plan and petition or intended file date and jurisdiction.

Name of Legal Counsel for PACE transaction: _____

Law firm: _____

Address: _____

City, State, Zip: _____County: _____

Phone: _____ Fax: _____

Email: _____

Complete the following table and include all air quality improvement measures for the project. For equipment/measures that do not involve energy measurements, but result in a reduction in air emissions, please complete columns A, B, C and F. The total of all costs provided in column C should match "Total Equipment Material Costs" from the Project Budget table in the Air Quality Facility Application, Appendix J, Section VII.

A	B	C	D	E	F
Total # of Air Quality Improvement Measures being installed	Description **(Make/Model/Type)**	Cost $ (A)	Electricity Savings (kWh/year)	Natural Gas Savings (MMBtu/year)	Other Air Quality Benefit Metrics (specify pollutant and units)
		TOTAL $			

- Include full set of drawings and specifications for project.
- Include equipment specifications for each Air Quality Improvement Measure (the following should be a part of the specifications for the individual measures, if included in the project).
    - Lighting – rated fixture power draw
    - HVAC – heating and/or cooling capacity, rated efficiency
    - Windows – number of panes, rated U-value
    - Envelope – roof material thickness and rated R-value
- Include construction plan, timeline and process.

Please complete the energy consumption table for any existing facility and/or component. Include at least one copy of each utility bill with application submission if whole-building utility billing data is being used.

Energy Consumption Data for Existing Building

	Electricity				**Natural Gas**			**Other (_____)**		
Month	From	To	Usage (kWh)	Demand (kWh)	From	To	Usage (CCF)	From	To	Usage (units____)
Jan										
Feb										
Mar										
Apr										
May										
Jun										
Jul										
Aug										
Sep										
Oct										
Nov										
Dec										
Total										

Measurement and Verification (M&V)

(Reference Guidelines, Section IV, D, and Appendices D, E, F, G, H)

The ongoing performance of projects approved for and issued OAQDA bond financing is an important part of the agency's efforts to ensure continual conservation of air as a natural resource. As a result, the program guidelines identify parameters of M&V plans to measure and verify the project's performance.

Provide preliminary project M&V plan in alignment with Guidelines for consideration by OAQDA. A final determination on the M&V plan to be approved as part of the project application is made by OAQDA, in consultation with its technical, financial and legal professionals.

SUPPLEMENT C: COMPONENT ISOLATION, RETROFIT PROJECT SUPPLEMENT

What is the anticipated environmental benefit related to the construction or installation of the property/equipment? Please describe in your own words the impact to site location, company, community, etc.

_____

_____

_____

_____

_____

_____

Is the project utilizing a Property Assessed Clean Energy (PACE) program? ☐ Yes ☐ No

If yes, please include the ESID plan and petition or intended file date and jurisdiction.

Name of Legal Counsel for PACE transaction: _____

Law firm: _____

Address: _____

City, State, Zip: _____County: _____

Phone: _____ Fax: _____

Email: _____

Complete the following table and include all air quality improvement measures for the project. For equipment/measures that do not involve energy measurements, but result in a reduction in air emissions, please complete columns A, B, C and F. The total of all costs provided in column C should match "Total Equipment Material Costs" from the Project Budget table in the Air Quality Facility Application, Appendix J, Section VII.

A	**B**	**C**	**D**	**E**	**F**
Total # of Air Quality Improvement Measures being installed	Description **(Make/Model/Type)**	Cost $ (A)	Electricity Savings (kWh/year)	Natural Gas Savings (MMBtu/year)	Other Air Quality Benefit Metrics (specify pollutant and units)
		TOTAL $			

- Include full set of drawings and specifications for project.
- Include equipment specifications for each Air Quality Improvement Measure (the following should be a part of the specifications for the individual measures, if included in the project).
    - Lighting – rated fixture power draw
    - HVAC – heating and/or cooling capacity, rated efficiency
    - Windows – number of panes, rated U-value
    - Envelope – roof material thickness and rated R-value
- Include construction plan, timeline and process.

Please complete the energy consumption table for any existing facility and/or component. Include at least one copy of each utility bill with application submission if whole-building utility billing data is being used.

Energy Consumption Data for Existing Building

	Electricity				**Natural Gas**			**Other (_____)**		
Month	From	To	Usage (kWh)	Demand (kWh)	From	To	Usage (CCF)	From	To	Usage (units____)
Jan										
Feb										
Mar										
Apr										
May										
Jun										
Jul										
Aug										
Sep										
Oct										
Nov										
Dec										
Total										

Measurement and Verification (M&V)

(Reference Guidelines, Section IV, D, and Appendices D, E, F, G, H)

The ongoing performance of projects approved for and issued OAQDA bond financing is an important part of the agency's efforts to ensure continual conservation of air as a natural resource. As a result, the program guidelines identify parameters of M&V plans to measure and verify the project's performance.

Provide preliminary project M&V plan in alignment with Guidelines for consideration by OAQDA. A final determination on the M&V plan to be approved as part of the project application is made by OAQDA, in consultation with its technical, financial and legal professionals.

SUPPLEMENT D: RENEWABLE GENERATION PROJECT SUPPLEMENT

What is the anticipated environmental benefit related to the construction or installation of the renewable energy facility? Please describe in your own words the impact to site location, company, community, etc.

_____

_____

_____

_____

_____

_____

Type of renewable energy system:_____

Project has received certification by the Ohio Public Utilities Commission as a Renewable Energy Resource Facility?

☐ Yes Date approved_____

☐ No ☐ Not applying ☐ Waiting on approval ☐ Date applied _____

Project has applied with the Ohio Power Siting Board?

☐ Yes Case number _____Project Name _____

☐ No

Projected In-Service Date:_____
Projected Maximum Nameplate Capacity: _____
Projected Annual Capacity Factor: _____

- Include full set of drawings and specifications for project.
- Include construction plan, timeline and process.
- Attach report which demonstrates projected annual production.

Measurement and Verification (M&V)

(Reference Guidelines, Section IV, D, and Appendices D, E, F, G, H)

The ongoing performance of projects approved for and issued OAQDA bond financing is an important part of the agency's efforts to ensure continual conservation of air as a natural resource. As a result, the program guidelines identify parameters of M&V plans to measure and verify the project's performance.

Provide preliminary project M&V plan in alignment with Guidelines.

SUPPLEMENT E: USEPA CRITERIA POLLUTANT / GREENHOUSE GAS REDUCTION / SOLID WASTE DISPOSAL

What is the anticipated environmental benefit related to the construction or installation of the property/equipment? Please describe in your own words the impact to site location, company, community, etc.

_____

_____

_____

_____

_____

_____

Have permits been issued by the Ohio EPA? _____

If yes, is the permit in process or received and date: _____

Approximate air quality benefits (Please complete as applicable)

Type(s) of regulated pollutant emissions that will be reduced:

_____

Pounds of NOx (nitrogen oxide) avoided: _____
Pounds of SO_2 (sulfur dioxide) avoided: _____
Pounds of CO_2 (carbon dioxide) avoided: _____
Other pollutants avoided: _____

Does the project result in a reduction of energy usage from existing conditions? Yes ☐ No ☐

If yes, please identify the estimated energy savings: _____

Electricity savings (kilowatt-hour (kWh) or applicable): _____

Natural gas savings (MMBtu or applicable): _____

Other fuel source (name and estimated savings): _____

Other emission/reduction as it pertains to your specific project:

_____

- Include full set of drawings and specifications for project.
- Include Construction plan, timeline and process.

Measurement and Verification (M&V)

(Reference Guidelines, Section IV, D, and Appendices D, E, F, G, H)

The ongoing performance of projects approved for and issued OAQDA bond financing is an important part of the agency's efforts to ensure continual conservation of air as a natural resource. As a result, the program guidelines identify parameters of M&V plans to measure and verify the project's performance.

Provide preliminary project M&V plan in alignment with Guidelines for consideration by OAQDA. A final determination on the M&V plan to be approved as part of the project application is made by OAQDA, in consultation with its technical, financial and legal professionals.