

**STATE OF MARYLAND  
PROCUREMENT CONTRACT  
SOLE SOURCE  
AGREEMENT  
BETWEEN  
MARYLAND DEPARTMENT OF THE ENVIRONMENT**

**AND**  
*Regional Greenhouse Gas Initiative, Inc.*

**THIS AGREEMENT** (the "Agreement" or "Contract"), is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2, by and between the **MARYLAND DEPARTMENT OF THE ENVIRONMENT** ("MDE"), a principal department of the State of Maryland ("State") and:

Regional Greenhouse Gas Initiative, Inc. ("Contractor")  
90 Church Street (Address)  
New York, NY 10007

As of the date of this Agreement, the Governors of the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont (the "Signatory States") have entered into a Memorandum of Understanding to establish a multi-state greenhouse gas control program for carbon dioxide emissions from certain electric power plants (the "Regional Greenhouse Gas Initiative" or "RGGI").

MDE and Contractor do mutually agree as follows:

1. **Services to be Provided.**

(a) Subject to the continuing availability of State or federal funds, MDE shall purchase Contractor's services and Contractor shall perform in accordance with the specifications dated May 9 \_\_\_\_\_, 2008, attached as Exhibit A and incorporated herein, to the extent that the specifications are consistent with this Agreement.

(b) MDE has the right to order in writing changes in the scope of services if all Signatory States order those changes, and so long as the changes are within the general scope of work to be performed hereunder.

2. **Term of Agreement.** Performance under this Agreement commences on July 1 \_\_\_\_\_, 2008, and continues until agreed upon services are completed, but in any case no later than June 30 \_\_\_\_\_, 2011.

MDE may exercise a one-year renewal option, ending on June 30, 2012. This Agreement is contingent upon the Contractor entering into contracts with vendors to support the following services, which the Contractor is to provide to MDE pursuant to this Agreement, as identified in Exhibit A: a) Emissions and Allowance Tracking System; b) Allowance Auction Platform; c) Offset program services; and d) Market Monitoring.

**3. Compensation and Method of Payment.**

(a) Compensation. MDE shall compensate Contractor for services satisfactorily performed under this Agreement. The total cost to MDE for the services to be provided by the Contractor under the Agreement shall be the percentage of RGGI, Inc.'s budget (as determined by RGGI, Inc.'s Board) equal to the percentage of allowances allotted to the State of Maryland based on the State of Maryland's annual base CO<sub>2</sub> Emissions Budget.

(b) Method of Payment. MDE shall pay Contractor no later than thirty days after MDE receives a proper invoice from Contractor. Charges for late payment of invoices other than as prescribed by Title 15, Subtitle 1, State Finance and Procurement Article, Annotated Code of Maryland, are prohibited.

(c) Tax Identification Number. Contractor's Federal Tax Identification Number is 35-2316710\_\_\_\_\_. Contractor's Federal Tax Identification Number or Social Security Number must appear on all invoices submitted by Contractor to MDE for payment.

(d) Contract Control Number. The Control Number for this contract is \_\_\_\_\_. All invoices submitted by Contractor to MDE for payment must reference this control number.

**4. Contractor Monitor.** MDE Designates Diane Franks \_\_\_\_\_ to serve as the Contract Monitor for this Agreement. All contact between MDE and Contractor regarding all matters relative to this Agreement shall be coordinated through the Contract Monitor.

**5. Cost and Price Certification (For Contracts in Excess of \$100,000).**

By submitting cost or price information, Contractor certifies to the best of its knowledge that the information submitted is accurate, complete, and current as of May 9 \_\_\_\_\_, 2008 \_\_\_\_\_. The price under this Contract and any change order or modification hereunder, including fee, shall be adjusted to exclude any significant price increases occurring because Contractor furnished cost or price information which, as of the above date, was inaccurate, incomplete, or not current.

**6. Responsibility of Contractor.** Contractor shall perform the services with that standard of care, skill, and diligence normally provided by a contractor in the performance of similar services. If Contractor fails to perform the services, and such failure is made known to Contractor within two years after expiration of this Agreement,

it shall, if required by MDE, perform at its own expense and without additional cost to MDE, those services necessary for the correction of any deficiencies or damage resulting from Contractor's failure. This obligation is in addition to and not in substitution for any other remedy available to MDE.

7. **Delays and Extensions of Time.** Contractor agrees to perform this Agreement continuously and diligently. No charges or claims for damages shall be made by Contractor for any delays or hindrances, regardless of cause, in the performance of services under this Contract. Time extensions may be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another contractor in the performance of a State contract, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or the delay of a subcontractor or supplier arising from unforeseeable causes beyond the control and without the fault or negligence of either Contractor or the subcontractor or supplier.

8. **Suspension of Work.** The Procurement Officer unilaterally, in writing, may order Contractor to suspend, delay, or interrupt all or part of its performance under this Contract for such time period as the Procurement Officer determines is appropriate for the State's convenience.

9. **Inspection; Acceptance.** Contractor shall deliver the goods or services in accordance with the Scope of Work. The State reserves the right to test any material, equipment, supplies, or services delivered to determine if the specifications have been met. Contractor must deliver the goods or services, free on MDE, to the point specified before or on the date specified. The State will reject any goods or services that are defective or fail to meet the specifications. Contractor promptly shall replace rejected materials. The State reserves the right to purchase replacement materials in the open market. If Contractor fails to replace properly-rejected materials promptly, it is liable for any excess price paid for the replacement, plus applicable expenses.

10. **Disputes.** This Agreement is subject to Title 15, Subtitle 2 (Dispute Resolution), State Finance and Procurement Article, Annotated Code of Maryland, and to COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, Contractor must proceed diligently with the performance of the Agreement in accordance with the Procurement Officer's decision. Unless a lesser period is provided by law, Contractor must file a written notice of claim with the Procurement Officer within thirty days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within thirty days of the filing of a notice of claim, but no later than the date of final payment under the Agreement, Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

11. **Termination for Convenience.** The State may terminate the performance of work under this Agreement in whole, or, from time to time, in part,

whenever the State determines that such termination is in the best interest of the State. The State shall pay all reasonable costs associated with this Agreement that Contractor has incurred up to the date of termination and all reasonable costs associated with termination of the Agreement. The State may not reimburse Contractor for any anticipatory profits which have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, is governed by COMAR 21.07.01.12A(2).

12. **Termination for Default.** If contractor fails to fulfill its obligations under this Agreement properly and on time, or otherwise violates any provision of the Agreement, MDE may terminate the Agreement by written notice to Contractor. The notice must specify the acts or omissions relied on as cause for termination. All finished or unfinished supplies and services provided by Contractor shall, at the State's option, become the State's property. MDE shall pay Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by Contractor's breach. If the damages are more than the compensation payable to Contractor, Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, is governed by COMAR 21.07.01.11B.

13. **Termination for Failure to be a Signatory State.** If at any time Maryland is no longer a Signatory State, then this Agreement may be terminated by the Contractor. ..

14. **Set-Off.** MDE may deduct from and set off against any amounts due and payable to Contractor any back-charges, penalties, or damages sustained by MDE, by virtue of any breach of this Contract by Contractor. Nothing herein shall be construed to relieve Contractor of liability for additional costs resulting from a failure to satisfactorily perform the services.

15. **Contingent Upon Appropriations.** If MDE fails to receive funds from the proceeds of the sale of CO<sub>2</sub> allowances through a RGGI auction, and if the General Assembly fails to appropriate funds, or if funds are not otherwise made available for continued performance for any period of this Contract, this Contract must be canceled automatically as of the beginning of the period for which funds were not appropriated or otherwise made available. Cancellation does not affect either the State's rights or Contractor's rights under any termination clause in this Contract. The effect of cancellation of the Contract is to discharge both Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of cancellation. The State shall reimburse Contractor for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract.

16. **Bankruptcy.** Upon the filing of any bankruptcy proceeding by or against Contractor, whether voluntary or involuntary, or upon the appointment of a receiver, trustee, or assignee for the benefit of creditors, Contractor must notify MDE immediately.

Upon learning of the actions herein identified, MDE reserves the right at its sole discretion either to cancel the Contract or to affirm the Contract, and to hold Contractor responsible for damages.

17. **Dissemination of Information.** All documents generated or accepted in performance of this contract shall be confidential and shall not be released to anyone without prior authorization by MDE unless it is considered a public document under Maryland law. Contractor shall indemnify the State and MDE, their officials, agents, and employees, from any liability that may be incurred by reason of dissemination, publication, distribution, or circulation, of any information, or materials pertaining to this Contract by Contractor, its agents, or employees.

18. **Access to and Use of Documents, Equipment, and Materials.** (a) Access and Use. Contractor agrees that all documents, equipment, and materials including but not limited to reports, drawings, studies, specifications, estimates, maps, photographs, designs, graphics, mechanicals, art work, and computations prepared by or for, or purchased by or for, Contractor because of this Contract shall at any time during the term of the Contract be available to MDE. MDE shall have the right to use same without restriction and without compensation to Contractor other than that provided in this Contract. With respect to any software computer programs, intellectual property and/or source codes developed under this contract, by RGGI, Inc. or any subcontractors thereunder, each Signatory State shall be entitled to worldwide, irrevocable, non-exclusive, license to use any such software computer programs, intellectual property and/or source codes without limitation and including all inventions, patents or patent applications derived from such inventions developed under this Agreement. As used herein "intellectual property" shall mean inventions (whether or not patentable), works of authorship, trade secrets, techniques, know-how, ideas, concepts, and algorithms. (b) Third party; Indemnification. If Contractor obtains or uses for purposes of this Contract or any subcontracts any design, device, material, process, or work covered by patent, copyright, or trademark, Contractor shall ensure MDE is licensed to possess and to use such design, device, material, process, or work. Contractor shall indemnify the State, MDE, their officials, agents, and employees with respect to any claim, action, cost, or judgment for patent, trademark, or copyright infringement, arising out of the possession or use of any design, device, material, process, supplies, equipment, services or other work covered by this Contract.

19. **Retention of Records.** Contractor shall retain and maintain all records and documents relating to this Contract for three years after final payment by the State hereunder or any applicable statute of limitations, whichever is longer. Contractor shall make such records and documents available for inspection and audit by authorized representatives of the State, including the Procurement Officer or designees, at all reasonable times.

20. **Responsibility for Claims and Liability.** MDE is not liable in any action of tort, contract, or otherwise for any actions of Contractor arising out of this Agreement. Contractor shall be responsible for all damage to life and property due to its activities or those of its agents or employees. Contractor shall indemnify and absolve

MDE, the State, their officials, agents, and employees from and against all claims, suits, judgments, expenses, actions, damages and costs of every name and description, including reasonable attorney's fees, arising out of or resulting from the goods provided or Contractor's performance of services under this Contract.

21. **Compliance with Laws.** Contractor hereby represents and warrants that:

(a) It is qualified to do business in the State of Maryland and that it will take such action as, from time to time, may be necessary to remain so qualified;

(b) It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including, but not limited to, the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;

(c) It shall comply with all federal, State and local laws applicable to its activities and obligations under this Contract; and

(d) It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

22. **Contingent Fee Prohibition.** Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agent working for Contractor, to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of this Agreement. For breach or violation of this warranty, the State shall have the right to annul this Contract without liability or, in its discretion, to deduct from the consideration otherwise payable to Contractor the full amount of such fee or other consideration.

23. **Non-Hiring of Employees.** No official or employee of the State of Maryland or any unit thereof, as defined under State Government Article, § 15-102, Annotated Code of Maryland, whose duties as such official or employee include matters relating to or affecting the subject matter of this Agreement may, while so employed, become or be an employee of the party or parties hereby contracting or subcontracting with the State of Maryland or any unit thereof.

24. **Non-Discrimination in Employment.** Contractor shall operate under this Agreement so that no person, otherwise qualified, is denied employment or other benefits on the basis of: (a) race, color, religion, creed, national origin, ancestry, or marital status; (b) sex or age, except when sex or age constitutes a bona fide occupational qualification; or (c) the physical or mental disability of a qualified individual with a disability. Except in subcontracts for standard commercial supplies or raw materials, Contractor shall include a clause similar to this clause in all subcontracts. Contractor and each

subcontractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

25. **Assurance of Non-Discrimination and Equal Opportunity in DOL-funded Agreements.** If this Agreement is funded in whole or part with monies MDE receives from the U.S. Department of Labor, Contractor specifically agrees that it will comply fully with the discrimination and equal opportunity provisions of the Job Training Partnership Act of 1982, as amended (JTPA), including the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Acts of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 C.F.R. part 34.

26. **Compliance with ADA.** Contractor shall comply with the Americans with Disabilities Act (ADA), 42 USC §§ 12101 *et seq.* and applicable regulations. To the extent required by the ADA, Contractor's facilities, services, and programs shall be accessible to persons with disabilities. Contractor shall bear sole responsibility for assuring that its activities under this Agreement conform to the ADA. Contractor shall indemnify the State in any action brought pursuant to the ADA for all damages, attorney fees, litigation expenses, and costs, if such action or proceeding arises from the acts of Contractor, or of Contractor's employees, agents, or subcontractors.

27. **Financial Disclosure.** Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article, Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

28. **Political Contribution Disclosure.** Contractor shall comply with the provisions of Article 33, Sections 14-101 through 14-108 of the Annotated Code of Maryland, which require that every person that enters into contracts, leases, or other agreements with the State or its agencies, or a political subdivision of the State, during a calendar year under which the person receives in the aggregate \$100,000 or more, shall file with the State Board of Elections certain specified information to include disclosure of political contributions in excess of \$500 to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

29. **Pre-Existing Regulations.** In accordance with Section 11-206, State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Code of Maryland Regulations Title 21 that are in effect on the execution date of this Contract apply to this Contract.

30. **Federal Lobbying Prohibition.** In accordance with 31 U.S.C. § 1352, MDE and Contractor, and any subcontractors are prohibited from using any federal funds for the purpose of lobbying Congress or any federal agency in connection with the awarding of a particular contract, grant, cooperative agreement, or loan. Any recipient of federal funds that received over \$100,000 in federal monies must also file a "Disclosure of Lobby Activities" form (Federal Form SF LLL). Contractor hereby specifically agrees to abide by all applicable requirements of 31 U.S.C. § 1352.

31. **Subcontracting; Assignment.** Contractor may not, during the term of this Agreement or any renewals or extensions of the Agreement, assign or subcontract all or any part of the Agreement without the prior written approval of the Procurement Officer. Any approved subcontract or assignment is subject to all terms and conditions that the State deems necessary. MDE is not responsible for Contractor's obligations to its subcontractors.

32. **Contract Modification.** Except as provided in section 1(b) above, this Agreement may be amended only as MDE and Contractor mutually agree in writing. Except for the specific provision of the Agreement which is amended, the Agreement remains in full force and effect after amendment, and is subject to the same laws, obligations, conditions, provisions, rules, and regulations, as it was before the amendment. Adjustments of funds between categories that are approved in writing by the Procurement Officer -- so long as they do not affect the total authorized funding and are consistent with Agreement objectives -- do not require an amendment to the Agreement.

33. **Maryland Law.** This Agreement must be construed, interpreted, and enforced according to the laws of the State of Maryland.

34. **Contract Affidavit.** All terms and conditions of the Contract Affidavit, attached as Exhibit B, are made a part of this contract.

35. **Entire Agreement.** This Agreement, together with the Exhibits incorporated by reference, represents the complete and final understanding of the parties. No other understanding, oral or written, regarding the subject matter of this Agreement, may be deemed to exist or to bind the parties at the time of execution.

36. **Commercial Nondiscrimination**

A. As a condition of entering into this Agreement, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated

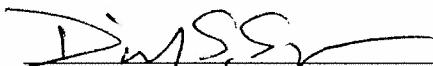
Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

B. The contractor shall include the above Commercial Nondiscrimination clause, or similar clause approved by MDE, in all sub-contracts.

C. As a condition of entering into this Agreement, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that is requested by the State. Contractor understands that violation of this clause is a material breach of this Agreement and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions

**IN WITNESS WHEREOF**, the parties have executed this Agreement on or before the date first set forth herein.

**WITNESS/ATTEST:**

  
\_\_\_\_\_  
(SEAL)

David S. Sampson  
(Typed Name)

**FOR THE CONTRACTOR:**

By:  chair

Alexander Grannis, Chair

DAVID S. SAMPSON 02SA5013268  
NOTARY PUBLIC, STATE OF NEW YORK  
QUALIFIED IN RENSSELAER COUNTY  
COMMISSION EXPIRES JULY 15, 2011

\_\_\_\_\_  
(Title)

**WITNESS:**

Patricia L. Robey

Patricia L Robey

(Typed Name)

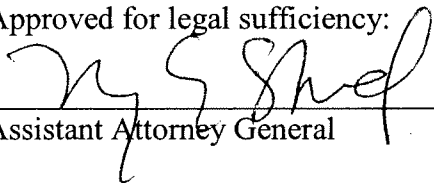
Executive Asst.

(Title)

**FOR MDE:**

By: 

Approved for legal sufficiency:



Assistant Attorney General



Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in § 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), nor any of its officers, directors, or partners, nor any of its employees directly involved in obtaining or performing contracts with the public bodies (as is defined in §16-101(f) of the State Finance and Procurement Article of the Annotated Code of Maryland), has been convicted of, or has had probation before judgment imposed pursuant to Article 27, §641 of the Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other State or federal law, except as follows [*indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved, and their current positions and responsibilities with the business*]:

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**D. AFFIRMATION REGARDING OTHER CONVICTIONS**

**I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the above business, nor any of its officers, directors, or partners, nor any of its employees directly involved in obtaining or performing contracts with public bodies, has:

- (a) been convicted under a state or federal statute of a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract, fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property;
- (b) been convicted of any criminal violation of a State or federal antitrust statute;
- (c) been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §§ 1961, *et seq.*, or the Mail Fraud Act, 18 U.S.C. §§ 1341, *et seq.*, for acts arising out of the submission of bids or proposals for a public or private contract;

(d) been convicted of a violation of the State Minority Business Enterprise Law, Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(e) been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (a), (b), (c), or (d) above;

(f) been found civilly liable under a State or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract;

(g) admitted in writing or under oath, during the course of an official investigation or other proceeding, acts or omissions that would constitute grounds for conviction or liability under any law or statute described above, **except as follows** [*indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment:*]

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**E. AFFIRMATION REGARDING DEBARMENT**

**I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the above business, nor any of its officers, directors, or partners, nor any of its employees directly involved in obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, **except as follows** [*list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds for the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds for the debarment or suspension*]:

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**F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES**

**I FURTHER AFFIRM THAT:**

(1) The business was not established to, nor does it operate in a manner designed to, evade the application of or defeat the purpose of debarment pursuant to §§16-101, *et seq.*, of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, **except as follows** [*indicate the reason(s) why the affirmations cannot be given without qualification*]:

**G. SUB-CONTRACT AFFIRMATION**

**I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

**H. AFFIRMATION REGARDING COLLUSION**

**I FURTHER AFFIRM THAT:**

Neither I, nor to the best of my knowledge, information, and belief, the Business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

**I. FINANCIAL DISCLOSURE AFFIRMATION**

**I FURTHER AFFIRM THAT:**

I am aware of, and the Business will comply with, the provisions of §13-221 of the State Finance and Procurement Article, Maryland Code, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

**J. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION**

**I FURTHER AFFIRM THAT:**

I am aware of, and the above business will comply with the provisions of Article 33, §§ 14-101 through 14-104 of the Maryland Code, which require that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year under which the person receives in the aggregate \$100,000 or more shall file State Board of Elections certain specified information to include disclosure of political contributions in excess of \$500 to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

**K. DRUG AND ALCOHOL-FREE WORKPLACE**

**I CERTIFY THAT:**

(1) Terms defined in COMAR 21.11.08 shall have the same meaning when used in this certification.

(2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

- (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;
- (c) Prohibit its employees from working under the influence of drugs or alcohol;
- (d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
- (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
- (f) Establish drug and alcohol abuse awareness programs to inform its employees about:
  - (i) The dangers of drug and alcohol abuse in the workplace;
  - (ii) The business' policy of maintaining a drug and alcohol free workplace;
  - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
  - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace.
- (g) Provide all employees engaged in the performance of the contract with a copy of the statement required by Sec. K(2)(b), above;
- (h) Notify its employees in the statement required by Sec. K(2)(b), above, that as a condition of continued employment on the contract, the employee shall:
  - (i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the procurement officer within 10 days after receiving notice under Sec. K(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under Sec. K(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace;

(i) Take appropriate personnel action against an employee, up to and including termination; or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol-free workplace through implementation of Sec. K(2)(a)-(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in Sec. K (4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the

discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.06.

**L. CONTINGENT FEES**

**I FURTHER AFFIRM THAT:**

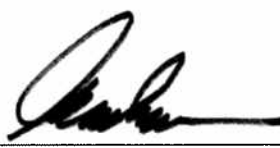
The Business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the business, to solicit or secure the contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of the contract.

**M. ACKNOWLEDGEMENT**

**I ACKNOWLEDGE THAT** this Affidavit is to be furnished to the Department of Business and Economic Development and may be distributed to units and agents of (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states and their subdivisions; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or the Contract shall be construed to supersede, amend, modify, or waive, on behalf of the State of Maryland, or any unit or agent of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

**I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PURJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.**

Date: 5/1/08

By:   
(Authorized Representative and Affiant)

Alexander Grannis, Chair

## **Exhibit A**

### **Regional Greenhouse Gas Initiative, Inc.**

#### **Scope of Work in Support of Maryland Department of the Environment Implementation of the CO<sub>2</sub> Budget Trading Program**

Regional Greenhouse Gas Initiative, Inc. (“RGGI, Inc.”) will provide program implementation and program development services, as outlined in this scope of work, to the Maryland Department of the Environment (the Department) to support Maryland’s participation in the Regional Greenhouse Gas Initiative (RGGI) and the implementation of regulations for the Maryland CO<sub>2</sub> Budget Trading Program. RGGI, Inc., a non-profit organization incorporated in the State of Delaware, was formed expressly to provide technical implementation and program development support services to signatories of the RGGI Memorandum of Understanding (the “participating states”), signed December 20, 2005, as amended.

#### **Overview**

RGGI, Inc. will provide services to support implementation of the Maryland CO<sub>2</sub> Budget Trading Program in the following seven areas:

- I. Design and operation of a regional emissions and allowance tracking system (EATS), for use by the Department in administering the Maryland CO<sub>2</sub> Budget Trading Program and the counterpart programs in other participating states
- II. Design and operation of a regional allowance auction platform, for use by the Department in administering the Maryland CO<sub>2</sub> Budget Trading Program and the counterpart programs in other participating states
- III. Development of model offsets consistency applications and model offsets monitoring and verification submittal forms, suitable for customization by the Department for use in administering the offsets component of the Maryland CO<sub>2</sub> Budget Trading Program
- IV. Development of generic and category-specific guidance documents detailing the requirements for offset projects under the CO<sub>2</sub> Budget Trading Program, suitable for use by the Department to support administration of the offsets component of the Maryland CO<sub>2</sub> Budget Trading Program
- V. Development and operation of an accreditation process for the accreditation of independent verifiers of offset projects, suitable for use by the Department to support administration of the offsets component of the Maryland CO<sub>2</sub> Budget Trading Program
- VI. Market monitoring services for monitoring of both allowance auction conduct and outcomes and monitoring of the secondary allowance market

- VII. Provision of program development support services on an as-requested basis, including but not limited to evaluation of additional offset categories and the development of technical and policy recommendations related to specific CO<sub>2</sub> Budget Trading Program elements, for evaluation and consideration by the Department

## **I. Emissions and Allowance Tracking System**

RGGI, Inc. shall provide services to support emissions and allowance tracking for the Maryland CO<sub>2</sub> Budget Trading Program (“Tracking System”). Such services shall be performed in two distinct phases: 1) Program and Systems Development and Deployment; 2) Annual Program Implementation and Support. In any area where services are requested, all deliverables will be presented to the Department in draft form for review and ultimate approval by the Department.

### **I-A. Program and Systems Development and Deployment**

#### a) Program Development

RGGI, Inc. shall develop an overall program implementation plan. To the extent necessary, any subcontractors engaged by RGGI, Inc. shall have strong working knowledge of 40 CFR Part 75 and U.S. EPA’s data system to ensure that the program implementation strategy takes into account the timeliness, data processing requirements, and data availability limitations associated with U.S. EPA's emissions reporting, tracking, analysis, and data storage procedures.

#### b) Tracking Data System Requirements Collection

RGGI, Inc., in consultation with the Department, shall develop the Tracking System to support the emissions and allowance tracking and compliance aspects, as well as the offsets component, of the Maryland CO<sub>2</sub> Budget Trading Program. The Tracking System shall also be able to track allowance prices, as reported, applicable price triggers, and appropriate offsets limits. To determine the functionality required, RGGI, Inc. shall conduct a needs assessment, involving representative groups of users, to determine the specific requirements for the application.

RGGI, Inc. shall utilize or provide similar functionality of U.S. EPA's Emissions and Allowance Tracking System as a starting point for defining these requirements. These requirements shall include, but not be limited to, functionality, security, reports, public access, and user interface.

#### c) Tracking System Design

RGGI, Inc., in consultation with the Department, shall design the Tracking System, including a data model, user interface and functionality to support emissions inventory management, allowance trading, compliance and program analysis, and user security. RGGI Inc. shall coordinate the operation of the Tracking System with the administration of a regional

allowance auction platform. RGGI, Inc. shall also: (1) work with any independent third party hired by the Department to verify the Tracking System software is functioning properly including potential redress; (2) if directed by the Department, to publicly post appropriate information about the Tracking System; and (3) to work with the Department to use ongoing experience to continuously improve the Tracking System.

#### d) Tracking System Development

Following approval by the Department of the Tracking System data requirements and system design, RGGI, Inc. shall develop software code for the Tracking System. RGGI, Inc. shall develop a test plan and perform extensive quality assurance and unit and integrated testing for all Tracking System functionality. RGGI, Inc. shall document and provide all testing scenarios to the Department. RGGI, Inc. shall deploy an alpha version of the application on a platform for testing and acceptance by the Department. Following acceptance of the alpha product, RGGI, Inc. shall provide a beta version of the Tracking System for beta users selected by the Department and RGGI, Inc., including industry users and representatives from each participating state. Finally, RGGI, Inc. shall deploy the final version of the program. As part of the system development, RGGI, Inc. shall develop system documentation, user manuals, and other training tools.

#### e) Tracking System Hosting

To support the Tracking System Internet application and database in a secure data environment, RGGI, Inc. shall contract with a third-party vendor to establish dedicated hosting for the database. This will also serve as the environment for alpha and beta testing. Using preliminary research on the capability and cost associated with a variety of hosting options, to include all appropriate security requirements for Application Service Providers (ASPs), RGGI, Inc. shall refine this analysis and subcontract with the selected ASP. Prior to executing any subcontract, RGGI, Inc. shall provide all relevant information relating to capability, cost, and subcontract terms for the recommended ASP and two alternatives, to the Department for approval. The successful subcontracted ASP will have acceptable plans, to be reviewed by both the Department and RGGI, Inc., for loss or disaster recovery and business continuance.

#### f) Emissions Data Tracking and Processing Development

In order for the Department to use the emissions data reported to U.S. EPA under 40 CFR Part 75 for purposes of determining source compliance with the requirements of the Maryland CO<sub>2</sub> Budget Trading Program, a process and supporting data management tools and software must be developed. The procedures relating to this task area shall be developed by RGGI, Inc. and any necessary coordination or agreement with U.S. EPA regarding use and access to the emissions data shall be resolved. RGGI, Inc. shall also develop a detailed plan for accomplishing this task. To the extent possible, RGGI, Inc. shall use existing emissions management routines to accomplish this objective.

The end result shall be the establishment by RGGI, Inc. of emissions data management tables consistent with the Tracking System design, so that the emissions values for the compliance period are available to the Department for true-up purposes.

g) Offsets Module

RGGI, Inc. shall provide a Tracking System software platform that includes an offsets module to track offset project status, including project submittals, approvals, and supporting documentation, and maintain CO<sub>2</sub> allowances awarded to approved offset projects. RGGI, Inc. shall coordinate with the appropriate representatives of the Department to support administration of the offsets component of the Maryland CO<sub>2</sub> Budget Trading Program to ensure that the offsets applications and submittal materials used by the Department align with the capabilities and needs of the Tracking System.

The offsets module of the Tracking System shall have the functionality to track and monitor offsets project status details, such as the status of consistency applications and monitoring and verification submittals, as well as provide for public access to project documentation supporting such applications and submittals.

h) Tracking System Reports

The Tracking System software provided by RGGI, Inc. shall include a reports module to provide system users with reports of system data. These shall include, but may not be limited to: account allowance transfer reports, account holdings reports, CO<sub>2</sub> emissions reports, offsets reports, and source compliance summary reports.

**I-B. Annual Program Implementation and Support**

In the program operation phase of the project, RGGI, Inc. shall provide ongoing implementation and operational support for the Tracking System, including the tasks outlined below.

a) Allowance Program Management

Consistent with the implementation plan developed during the design and system development phase of the project, RGGI, Inc. shall provide implementation support to the Department for all program activities relating to source management, allowance allocations to compliance and general accounts, and trades for both general and compliance accounts. This shall include the activity necessary to support the assignment of allowances to appropriate accounts following the successful completion and Department approval of all allowance auctions, as well as the population of user accounts after Department award of each offset allowance.

b) Emissions Data Management and Analysis

Consistent with the implementation plan developed during the design and system development phase of the project, RGGI, Inc. shall perform all data management and quality assurance tasks necessary to ensure the availability of annual CO<sub>2</sub> emissions data from all affected units. RGGI, Inc. shall prepare and send communications to the account representatives for affected sources relating to the interim, draft, and final emissions values. RGGI, Inc. shall assist the Department to identify and resolve any issues relating to the submission of emissions data, and the accuracy and completeness of the data. To the extent requested by the Department, RGGI, Inc. shall assist the Department in contacting industry representatives directly to resolve any outstanding issues. RGGI, Inc. shall document all issues, their resolution, and all contacts with industry representatives.

c) Allowance Reconciliation (True-up)

RGGI, Inc. shall assist the Department with the compliance assessment for the Maryland CO<sub>2</sub> Budget Trading Program. The tracking System shall support data entry of compliance certifications required by the program and the identification of allowances to be deducted during the compliance process. This assessment shall factor in appropriate offsets limits as a function of a source's reported emissions. These limits will be adjusted appropriately to address the price trigger mechanisms in the participating states' regulations. RGGI, Inc. shall prepare draft and final compliance reports and will provide information to the Department's staff contacts regarding possible non-compliance.

d) User Technical Support

RGGI, Inc. shall provide technical support to industry, the Department, and public users of the Tracking System. RGGI, Inc. shall record all technical support requests, inquiries, or other occurrences in a log that identifies the nature of the request or events, requestor, respondent, response provided, date(s) and time(s) of response, and amount of chargeable time expended on the request and response. Records shall be provided to the Department's representative on a periodic basis, or on demand, as requested.

As necessary, RGGI, Inc. shall provide assessments and recommendations relating to performance of the system based on the technical support levels and user feedback. RGGI, Inc. shall not be responsible for interpretation of the Department's regulations, and/or interpretation of actions taken by the Department in enforcement of those regulations.

e) System and Database Support

RGGI, Inc. shall be responsible for all aspects of Tracking System maintenance and database support and management. This shall include the database initialization and setup, ongoing database quality assurance activities, management of all user accounts and security, coordination and monitoring of the Application Service Provider support activities, database, security, and application performance, and all other tasks designed to ensure high system availability and performance. RGGI, Inc. shall provide reports to the Department's representative on all routine activities and on any events or technical issues that will affect the

operation or performance of the system. RGGI, Inc. shall oversee all data backup and audit procedures to ensure the ongoing integrity of the data.

## **II. Allowance Auction Platform**

RGGI, Inc. shall design and implement a platform for the auctioning of allowances. RGGI, Inc. shall provide auction services in three general areas: pre-auction, auction implementation, and post-auction. In any area where services are requested, all deliverables will be presented the Department in draft form for review and ultimate approval by the Department.

### **II-A. Pre-auction Services**

#### **a) Consultation**

RGGI, Inc. shall work with Department staff to develop a draft standard allowance purchase and sales agreement that is comparable to those developed by other participating states. In addition, RGGI, Inc. may be asked to provide general consultation to the Department on auction design. This may include consultation on auction activity procedures and auction closing procedures.

#### **b) Auction Notices**

RGGI, Inc., in consultation with the Department, shall create documents and associated information necessary to inform auction participants about details of each auction. Each notice of auction shall provide a specific description of the auction format that will be used, the quantities of allowances to be auctioned, and all applicable participation requirements. Such information shall be made available on a website created, maintained, and hosted by RGGI, Inc. specifically dedicated to RGGI auctions. RGGI, Inc. shall prepare for, host, and facilitate at least one auction participant conference prior to each auction, which shall include an option for participants to call in, as well as receive and respond to written questions submitted by conference participants.

#### **c) Participant Qualification**

RGGI, Inc., in consultation with the Department, shall assist in the development of all qualification application materials and documents. RGGI, Inc. shall manage, under the direction of the Department, the application process, including receiving and reviewing each qualification application to determine completeness and accuracy of the information submitted. RGGI, Inc. shall be responsible for collecting and managing, through a third party, all auction financial security submissions and/or escrow accounts. RGGI, Inc., in consultation with the Department, shall be responsible for notifying bidders of their qualification status and maintaining a database of all qualified bidders.

#### **d) Auction Documentation and Training**

To prepare for each auction, RGGI, Inc. shall create and distribute auction materials, such as participation instructions, final auction procedures and manuals, as well as the distribution of user codes and passwords to qualified auction participants. In addition, RGGI, Inc. shall be responsible for training auction participants in the use of the auction software platform.

## **II-B. Auction Implementation Services**

### a) Auction Platform

RGGI, Inc. shall provide and administer, on behalf of the Department, an online auction platform capable of accommodating an auction in all of the following formats:

- A sealed bid, uniform price auction
- An ascending price, multiple-round auction

Furthermore, the online auction platform shall be capable of managing allowance purchase limits based on specifications provided by the Department, and simultaneous auctions of current vintage year allowances and future vintage year allowances. Such platform shall be capable of tracking bidding activity and must provide for audit level documentation of such activity, in accordance with auction monitoring protocols to be established by RGGI, Inc. in consultation with the Department.

## **II-C. Post-auction Services**

Consistent with approved accounting procedures, RGGI, Inc. shall, on behalf of the Department, arrange for and facilitate the transfer of funds from successful bidders to an account designated by the Department and arrange for the return of financial security to bidders. RGGI, Inc. shall also be responsible for coordinating with the operation of the Tracking System for the transfer of allowances, at the direction of the Department, to the compliance or general accounts of the winning bidders. RGGI, Inc. shall also be required to: (1) work with any independent third party hired by the Department to verify the results of the auction, including potential redress; (2) if directed by the Department, to post appropriate information about auction results; and (3) to work with the Department to use ongoing auction experience to continuously improve subsequent auctions.

## **III. Model Offset Consistency Applications and Monitoring and Submittal Documents**

RGGI, Inc. shall develop model offset consistency applications and model monitoring and verification report submittal forms for each eligible offset category, suitable for customization by the Department.

RGGI, Inc. shall design model application and submission materials to facilitate monitoring of the Department's offset project approval process by market observers and other participating states. All materials developed by RGGI, Inc. shall be consistent with the RGGI

Model Rule criteria. The application and submission materials shall be more specific than the RGGI Model Rule criteria outlined in Sections XX-10.3, XX-10.5, and XX-10.7, with regard to required documentation. In developing these materials, RGGI, Inc. shall coordinate with the development of the Tracking System to ensure that the applications and submittal materials align with the capabilities and needs of the Tracking System. RGGI, Inc. shall develop the following specific application and submittal materials:

- RGGI, Inc. shall develop general consistency application materials, including application instructions (RGGI Model Rule section XX-10.1 through section XX-10.4).
- RGGI, Inc. shall develop category-specific consistency application materials, including application instructions, for each eligible offset project category (RGGI Model Rule subsection XX-10.3(b) and section XX-10.5). Consistency application forms shall call for required documentation in a format that will facilitate regulatory agency evaluation of the project against the RGGI Model Rule requirements.
- RGGI, Inc. shall develop monitoring and verification submittal forms, including submittal instructions, for each eligible offset project category (see RGGI Model Rule section XX-10.5 and section XX-10.7). Monitoring and verification report submittal forms shall call for required documentation in a format that will facilitate regulatory agency evaluation of the project against the RGGI Model Rule requirements. The materials shall be more specific than the RGGI Model Rule criteria outlined in Sections XX-10.5 and XX-10.7, with regard to required documentation.

#### **IV. Model Offset Guidance Documents**

RGGI, Inc. shall develop model generic and category-specific offset project guidance documents suitable for customization by the Department.

The model guidance developed by RGGI, Inc. shall be detailed and easily understandable by project developers (including small businesses or other parties that may lack experience in carbon offset markets) and by regulatory agency staff, regarding submittal requirements and evaluation of specific offset projects against the RGGI Model Rule requirements. Materials shall be designed to reduce project developer time in meeting submittal requirements, to the extent practicable, and regulatory agency staff time in reviewing projects.

The model guidance documents developed by RGGI, Inc. shall explain the intent and letter of the RGGI Model Rule provisions and address any ambiguities in the Model Rule provisions, or provisions that may require clarification as to how they apply to specific types of projects. Any interpretive material shall be consistent with the RGGI Model Rule criteria and shall be reviewed with the appropriate representatives of the Department and the participating states.

While the RGGI Model Rule offset provisions are very detailed, and the current eligible categories are limited, many different types of projects may be eligible under the existing Model

Rule requirements. Therefore questions about the applicability of specific RGGI Model Rule requirements to individual offset projects are certain to arise. RGGI, Inc. shall identify project scenarios that address questions that are likely to arise in the course of the offset application and approval processes, based on the expertise of RGGI, Inc. staff, other offset program experience, and communication with the appropriate representatives of the Department and the participating states.

RGGI, Inc. shall develop the following specific guidance document materials:

- RGGI, Inc. shall develop a single, comprehensive model generic guidance document that provides an overview of RGGI Model Rule Subpart XX-10 and the process for application and approval of offset projects, submittal of monitoring and verification reports, and the award of offset allowances.
- RGGI, Inc. shall develop six (6) category-specific model guidance documents, for each of the eligible offset categories in the RGGI Model Rule. These shall explain, step-by-step, the process, including information submittal requirements and format, by offset category, for consistency applications, approval of offset projects, and submittal of monitoring and verification reports as required in RGGI Model Rule sections XX-10.3, XX-10.4, XX-10.5, and XX-10.7.

#### **V. Accreditation Process and Training Program for Independent Verifiers of Offset Projects**

RGGI, Inc. shall develop a process for the accreditation of independent offset project verifiers and a related training program, consistent with the requirements of RGGI Model Rule section XX-10.6, that can be customized and used by the Department in accrediting independent offset verifiers.

RGGI, Inc. shall develop a formalized accreditation process and training program for independent verifiers that meets the requirements of the RGGI Model Rule, including the following:

- A process for the accreditation of independent verifiers, including review of qualifications of candidate verifiers
- A process for evaluation of candidate verifier conflicts-of-interest (COI)
- A training course for candidate verifiers (including supporting training materials)
- Application materials for accreditation

RGGI, Inc. shall develop a formalized process that can be customized for use by the Department to support on-going Department review of potential verifier conflict-of-interest situations, including the following:

- Submittal forms for accredited verifier disclosure of potential COI information to be submitted and reviewed by regulatory agencies prior to the verifier engaging in work with an offset project developer
- Guidance materials to support regulatory agency staff review of COI

In developing these materials, RGGI, Inc. shall provide a review of existing greenhouse gas independent verifier accreditation standards and processes used by other voluntary and mandatory greenhouse gas management or regulatory programs, and incorporate, if appropriate, elements of these into the materials developed for the Department. RGGI, Inc. shall provide a brief evaluation of the standards and processes reviewed.

## **VI. Market Monitoring**

RGGI, Inc. will provide market monitoring services in three general areas: monitoring and auditing of allowance auctions, monitoring of relevant secondary allowance market activity, and provision of consultative services addressing market monitoring.

### **VI-A. Monitoring and Auditing of RGGI Allowance Auctions**

RGGI, Inc. will provide professional monitoring of all RGGI regional allowance auctions, some of which may involve a subset of the RGGI participating states and may or may not include allowances submitted for auction by the Department. RGGI, Inc. will develop data collection methods, metrics, and analytic techniques for monitoring auction performance and thresholds for identifying any collusion, market power, and/or market manipulation that may impact the efficiency and performance of the RGGI auctions.

### **VI-B. Monitoring of Secondary Market Behavior**

RGGI, Inc. will monitor all relevant publicly available data and indicators of market behavior (available through both public and private sources) in the secondary allowance market that may be expected to significantly impact the performance of RGGI auctions and the secondary allowance market.

### **VI-C. Consultative Services**

RGGI, Inc. will provide expert advice to the Department regarding how any aspects of the auction process should be altered in order to improve the performance and efficiency of the RGGI auctions and ensure the functioning of a fair and competitive primary (auctions) and secondary allowance market.

## **VII. Program Development Support**

RGGI, Inc. shall provide program development support to the Department on an as-requested basis to facilitate Department consideration of potential modifications to and/or expansion of the Maryland CO<sub>2</sub> Budget Trading Program. Such services may include but are not limited to

### **VIII. Project Reporting**

RGGI, Inc. shall designate a Project Manager, who shall be the one point of contact with the Department. The Project Manager shall be responsible for monitoring and ensuring progress for all tasks and subtasks, and for ensuring timely delivery of all deliverables outlined in this scope of work. The RGGI, Inc. Project Manager shall be responsible for all project reporting to the Department.

RGGI, Inc. shall submit quarterly progress reports every three months to the Department during the project term. These progress reports shall outline the status of progress in providing the deliverables specified in the scope of work, including identification of all completed/not completed work during the preceding three-month period for every major task identified in the scope of work. These progress reports shall also note any problems encountered by RGGI, Inc. and their actual or proposed resolution. At the end of the project term, RGGI, Inc. shall prepare and submit a draft final report that provides a description and summary of all major work tasks and submitted deliverables. The draft final report shall be revised within 60 days to address all Department comments, and RGGI, Inc. shall submit a final report addressing all such comments.

In any area where deliverables will be provided, such deliverables shall be presented to the Department in draft form for review and ultimate approval by the Department.

**Affidavit of Agreement**

Maryland Living Wage Requirements-Service Contracts

Contract No. \_\_\_\_\_

Name of Contractor Regional Greenhouse Gas Initiative, Inc.

Address 90 Church Street

City New York State NY Zip Code 10005

**If the Contract is Exempt form the Living Wage Law**

The Undersigned, being an authorized representative of the above named Contractor, hereby affirms that the Contract is exempt from Maryland's Living Wage Law for the following reasons (check all that apply):

- Bidder/Offeror is a nonprofit organization
- Bidder/Offeror is a public service company
- Bidder/Offeror employs 10 or fewer employees and the proposed contract value is less than \$500,000
- Bidder/Offeror employs more than 10 employees and the proposed contract value is less than \$100,000

**If the Contract is a Living Wage Contract**

A. The Undersigned, being an authorized representative of the above named Contractor, hereby affirms our commitment to comply with Title18, State Finance and Procurement Article, Annotated Code of Maryland and, if required, to submit all payroll reports to the Commissioner of Labor and Industry with regard to the above stated contract. The Bidder/Offeror agrees to pay covered employees who are subject to living wage at least the living rate in effect at the time service is provided for hours spend on State contract activities, and to ensure that its Subcontractors who are not exempt also pay the required living wage rate to their covered employees who are subject to the living wage for hours spent on a State contract for services. The Contractor agrees to comply with, and ensure its Subcontractors comply with, the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate established by the Commissioner of Labor and Industry, automatically upon the effective date of the revised wage rate.

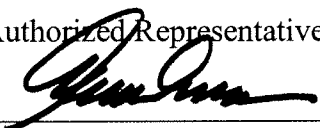
**Affidavit of Agreement**  
**Maryland Living Wage Requirements-Service Contracts**

B. \_\_\_\_\_ (initial here if applicable) The Bidder/Offeror affirms it has no covered employees for the following reasons: (check all that apply):

- \_\_\_\_\_ All employee(s) proposed to work on the contract will spend less than one-half of the employee's time during every work week on the State contract;
- \_\_\_\_\_ All employee(s) proposed to work on the contract will be 17 years of age or younger during the duration of the contract; or
- \_\_\_\_\_ All employee(s) proposed to work on the contract will work less than 13 consecutive weeks on the State contract.

The Commissioner of Labor and Industry reserves the right to request payroll records and other data that the Commissioner deems sufficient to confirm these affirmations at any time.

Name of Authorized Representative: Alexander Grannis

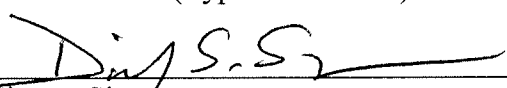
 5/5/08  
Signature of Authorized Representative Date

CHAIR

Title

DAVID S. SAMPSON

Witness Name (Typed or Printed)

 5/5/08  
Witness Signature Date