



July 8, 2013

DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION  
NOTICE OF REQUEST FOR PROPOSALS FROM PRIVATE DEVELOPERS  
IMPLEMENTATION OF AN ACT CONCERNING CONNECTICUT'S CLEAN ENERGY  
GOALS

The Commissioner of the Department of Energy and Environmental Protection (the "Commissioner") provides this notice regarding the acceptance of proposals from developers pursuant to Section 6 of Connecticut Public Act 13-303, *An Act Concerning Connecticut's Clean Energy Goals* (the "Act").

**I. OVERVIEW**

**1.1 BACKGROUND**

Pursuant to Section 6 of the Act, the Department of Energy and Environmental Protection (the "Department") is soliciting proposals for Class I renewable energy resources (as defined by Conn. Gen. Stat. Section 16-1(26)) in an amount of up to 4% of the load distributed by the State of Connecticut's electric distribution companies ("EDCs"). The solicitation is being conducted in consultation with the state's Procurement Manager, the Office of Consumer Counsel, and the Office of the Attorney General ("the Procurement Team"). In the event that the Department finds any proposals submitted in response to this Notice to be in the interest of ratepayers, the Department may direct the EDCs to enter into power purchase agreements ("PPAs") for energy and environmental attributes, or a combination thereof, for periods of up to twenty (20) years.

**1.2 CALL FOR PROPOSALS**

The Department hereby requests proposals from private developers ("Applicants") to provide energy and Renewable Energy Certificates ("RECs") from Class 1 renewable resources as defined pursuant to Conn. Gen. Stat. Section 16-1(26) serving up to 4% of Connecticut's load, which is approximately 174 MW of installed capacity, or 525 MW of wind-equivalent installed capacity.

To be considered responsive, a proposed project must meet the criteria specified in this Notice.<sup>1</sup> The Department intends to evaluate proposals on an expedited basis to maximize the likelihood that selected projects will be eligible for certain federal tax benefits, conferring an intended benefit to Connecticut consumers by lowering the cost of access to renewable supplies of electric power. Should the Department find that the projects are not in the interest of ratepayers, the Department reserves the right to direct the EDCs not to enter into PPAs for any projects proposed in response to this solicitation.

### **1.3 FILING PROTOCOL AND COMMUNICATIONS BETWEEN THE DEPARTMENT AND APPLICANTS**

This Notice and related information can be found on the Department's website at: <http://www.ct.gov/deep/energyfilings>.

All communications with the Department pertaining to this Notice must be submitted via e-mail with the subject line "Section 6 Procurement" to Debra Morrell at: [debra.morrell@ct.gov](mailto:debra.morrell@ct.gov).

Prospective Applicants may submit written questions to the Department pertaining to the solicitation. The Department is under no obligation to answer any question submitted after the deadline provided in the schedule set forth in Section 3.1 of this Notice (the "Schedule"). The Department will endeavor to publish written responses to questions on a rolling basis, but will not post any responses after the deadline provided in the Schedule. All questions must be submitted to Debra Morrell at: [debra.morrell@ct.gov](mailto:debra.morrell@ct.gov) no later than July 22, 2013. Any agency response to the questions will be published on the Department's website for all participants to view no later than July 29, 2013.

The proposals shall demonstrate how the Applicant and proposed project meet the project eligibility and threshold requirements set forth in this Notice. The Schedule for the competitive solicitation issued in this Notice is set forth below.

**1.3.1 PROPOSAL DEADLINE:** August 5, 2013 at 4:00 P.M. **Proposals or supporting documents received after that date and time will not be considered.**

#### **1.3.2 SUBMISSION REQUIREMENTS**

Proposals must be submitted electronically. Complete proposals must include a properly completed Appendix B (Applicant Response Form) submitted separately on a CD (see Section 1.3.3 below for treatment of confidential material). Applicants should submit both redacted and non-redacted versions of Appendix B (Applicant Response Form) on CDs.

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<sup>1</sup> The term Notice, as used herein, includes this document and any subsequent amendments, changes, or alterations posted on the Department's website as well as written responses to inquiries posted on the Department's website.

In order to submit a proposal electronically, the applicant must first register for electronic filings on DEEP's website at <http://www.ct.gov/deep/energyfilings>. **DEEP recommends that you complete the registration process at least 24 hours prior to submitting your proposal.** Proposals are submitted via the same link as used for registration (<http://www.ct.gov/deep/energyfilings>). All information submitted electronically may be subject to disclosure under the Connecticut Freedom of Information Act.

In addition, please file one original three-ring-bound copy and four additional copies of the complete proposal to Debra Morrell, Department of Energy and Environmental Protection, Bureau of Energy and Technology Policy, Ten Franklin Square, New Britain, CT 06051. Hard copies must be received by August 5, 2013. The Department reserves the right to reject a proposal received after the deadline.

Each proposal shall contain the full name and business address of the Applicant and Applicant's contact person and shall be signed by an authorized officer of the Applicant. Applicants may sign the original proposal and include copies of the signature page with the copies.

### **1.3.3 CONFIDENTIAL INFORMATION**

Applicants must clearly identify all confidential or proprietary information including pricing and submit such information electronically on a separate CD. If you wish to submit other information to the Department that is of a confidential nature, please recognize that the Connecticut Freedom of Information Act governs the public's accessibility to that information. This law generally requires the disclosure of material in the possession of the State upon request of any citizen, unless the material is specifically exempt from disclosure. An example of an exemption is a "trade secret," as defined by section 1-210(b)(5) of the Connecticut General Statutes. Information claimed as confidential must be isolated from other material in the proposal and labeled "CONFIDENTIAL." With this submission of information claimed and labeled as confidential, you must provide the legal basis for your confidentiality claim, describe what efforts have been taken to keep the information confidential, and provide whether the information sought to be protected has an independent economic value by not being readily known in the industry. With your legal support and reasonable justification for confidentiality as described herein, the Department is better equipped to safeguard your confidential information should it become the subject of a Connecticut Freedom of Information Act inquiry.

### **1.4 PROCUREMENT PROCESS AND PROPOSAL EVALUATION**

Proposals will be evaluated in a two-stage process:

1. In Stage One, proposals will be evaluated on the basis of whether certain threshold eligibility and other minimum requirements set forth in Section 2.2 of this Notice are satisfied. These requirements are designed to ensure that proposed projects comply with the requirements of this Notice, satisfy statutory

criteria under Section 6 of the Act, and meet minimum standards demonstrating project viability.

2. In Stage Two, proposals will be evaluated based on price and non-price evaluation criteria. In this portion of the bid evaluation, a quantitative scoring system will be utilized. At this stage of the process, evaluation of bids will be based on price, project viability and ability to improve reliability in Connecticut and meet Connecticut's energy needs.

Both stages of the evaluation process, including the pertinent criteria, are described in Section 2 of this Notice.

### **1.5 APPLICANT CERTIFICATION**

An authorized officer or other authorized representative of an Applicant is required to certify by its submission of its proposal that:

1. the Applicant has reviewed this Notice and has investigated and informed itself with respect to all matters pertinent to this Notice and its proposal;
2. the Applicant's proposal is submitted in compliance with all applicable federal, state and local laws and regulations, including antitrust and anti-corruption laws; and
3. the Applicant is bidding independently and that it has no knowledge of the substance of any proposal being submitted by another party in response to this Notice other than a response submitted by the Applicant's affiliate, which must be disclosed in writing to the Department with each affiliated Applicant's proposal.

Suspected violation of any of the above requirements will disqualify the Applicant from the solicitation described in this Notice and may be reported to the appropriate government authorities.

### **1.6 CHANGES OR CANCELLATIONS**

The Department may, at any time, change, postpone, withdraw and/or cancel the solicitation described in this Notice; alter, extend or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this Notice, any and all of which shall be without any liability to Department. Any changes to or cancellations of this Notice will be posted on the Department's webpage.

## **II. EVALUATION AND SELECTION PROCESS**

### **2.1 OVERVIEW**

Once proposals are received by the Department, the proposals will be subject to a review, evaluation and selection process. The first stage ("Stage One") consists of a review of whether the proposals satisfy specified eligibility, threshold and other

minimum requirements set forth in Section 2.2 of this Notice. The second stage (“Stage Two”) consists of a price and non-price evaluation of proposals that pass the Stage One review, as described in Section 2.3 of this Notice. The selection of proposals will be the responsibility solely of the Procurement Team.

## **2.2 STAGE ONE – MINIMUM THRESHOLD REQUIREMENTS**

In order for a proposal to qualify for evaluation, it must satisfy certain requirements pursuant to this Notice. Following receipt of the proposals, the Procurement Team will review the proposals to determine whether they satisfy these minimum requirements. Proposals that do not satisfy the Stage One requirements may be disqualified from further review and evaluation. Stage One requirements are set forth in the following section of this Notice.

### **2.2.1 ELIGIBLE APPLICANT**

An Eligible Applicant is an Applicant who is the owner of an Eligible Facility or the owner of development rights to an Eligible Facility, i.e., the developer of the Eligible Facility.

### **2.2.2 ELIGIBLE FACILITY**

An Eligible Facility must be an electric generation facility that satisfies all of the following standards:

1. The electric generation facility must qualify as a Connecticut RPS Class 1 renewable energy resource pursuant to Conn. Gen. Stat. Section 16-1(26).
2. The generation facility must have a commercial operation date, as verified by the Department, on or after January 1, 2013 or be either a capacity expansion of an existing generation facility or a repowering of an existing generation facility that was not previously a RPS Class 1 renewable energy resource, where the capacity expansion or repowering has a commercial operation date, as verified by the Department, on or after January 1, 2013, but not later than December 31, 2017. With respect to a capacity expansion or repowering of an existing generating unit, only the energy and RECs associated with the incremental capacity resulting from that expansion or repowering will be eligible for a response to this Notice.

### **2.2.3 ELIGIBLE PRODUCTS**

An Eligible Applicant must propose separate prices on a dollar per megawatt-hour (\$/MWh) basis for energy and RECs or RECs only, and a price schedule that conforms with Section 2.2.12. Any RECs sold under a PPA will only be purchased by the applicable EDC to the extent that those RECs conform to the eligibility criteria for a Connecticut RPS Class 1 renewable energy resource. If an EDC agrees to purchase both electric energy and RECs under a PPA and the RECs cease to conform to the

RPS Class 1 eligibility criteria, the applicable EDC will thereafter only purchase electric energy under that PPA.

The Form PPA (attached as Appendix C to this Notice) contains terms for the sale of both electric energy and RECs. However, the Department will consider proposals for the purchase of RECs alone (“RECs only”). The Department will not require separate pricing for capacity under this Request for Proposal. However, Parties shall at least once per contract year, negotiate in good faith whether Seller shall bid into the Forward Capacity Market (“FCM”) or any successor market. Subject to Good Utility Practice, Seller shall operate the Facility in a manner to maximize the capacity value credited to the Facility. Any annual net positive capacity revenues will be shared 60% to Seller, 40% to Buyer.

Energy from Eligible Facilities must be delivered to a Delivery point that is a Node on the ISO-New England Pooled Transmission Facilities (“PTF”).

#### **2.2.4 ALLOWABLE CONTRACT TERM**

Contract terms may be no more than 20 years.

#### **2.2.5 MINIMUM CONTRACT SIZE**

The minimum Contract Amount, as defined in the PPA, from an Eligible Facility is twenty (20) MWh per hour of energy and a corresponding amount of RECs. An Applicant may offer bids for any of the following: the entire production of energy and RECs from the Eligible Facility; RECs only from its proposed Eligible Facility; and/or any portion of the production of energy and/or RECs for its proposed Eligible Facility, provided such portion is 20 MWh per hour or greater.

#### **2.2.6 SITE CONTROL**

The Applicant must demonstrate that it has control, or a right to acquire control, over a site for its proposed project, and any necessary easements or rights of way to interconnect the project. To meet this threshold requirement, the Applicant must provide documentation showing one of the following: that they own the site or have a lease with respect to the site on which the proposed project will be located; have an option agreement to purchase or lease the site; or, at a minimum, have negotiated a letter of intent for control of the site.

An Applicant who only has a letter of intent for the site at the time of proposal submission will be required to obtain a binding site control agreement prior to execution of any PPA developed pursuant to this Notice. Such agreement may include an option to purchase or an option to lease. Site control for offshore wind projects or projects on state lands will be evaluated based on the particular submissions of Applicants and the extent to which they can demonstrate a high likelihood that they will be able to obtain the necessary rights to construct and operate the proposed project, including the real

property rights associated with the interconnecting facilities from the proposed project to the transmission grid or local distribution facilities.

### **2.2.7 TECHNICAL VIABILITY; ABILITY TO FINANCE THE PROPOSED PROJECT**

The Applicant must demonstrate that the technology it proposes to use is technically viable and that the Applicant has the ability to finance the proposed project using this technology. Technical viability may be demonstrated by showing that the technology is commercially available and has been used successfully.

The Applicant must provide a reasonable plan for financing the proposed project, including the funding of development costs and the required development period security and the ability to acquire the required equipment in the time frame proposed.

If the proposed Facility is dependent on the construction of a new transmission project, the Applicant shall provide a reasonable plan for financing the proposed transmission project.

### **2.2.8 EXPERIENCE**

The Applicant must demonstrate that it has a sufficient amount of relevant experience and expertise to successfully develop, finance, construct, maintain and operate its proposed project. Such experience can be established by demonstrating that key member(s) of the Applicant's development team have undertaken project management responsibilities, including:

- a. Successfully developed a similar type of project; OR
- b. Successfully developed one or more projects of similar size or complexity or requiring similar skill sets; AND
- c. Experience in financing power generation projects (or have the financial means to finance the project on the Applicant's balance sheet).

If the proposed facility is dependent on the construction of a new transmission project, the Applicant shall demonstrate that the sponsors of the transmission project have the requisite experience.

### **2.2.9 SECURITY REQUIREMENTS**

Applicants will be required to post Development Period Security and Operating Period Security as described in the PPA.

### **2.2.10 FACILITATE FINANCING OF RENEWABLE ENERGY GENERATION**

The Applicant must demonstrate, as a threshold matter, that its proposal advances the goal of cost-effective long term contracts that facilitate the financing of renewable energy generation. The Applicant must specify how an award of a PPA pursuant to this Notice would either permit it to finance a project that would otherwise not be financeable or assist it in obtaining financing of its project.

### **2.2.11 PROPOSAL CERTIFICATION**

Applicants are required to sign the Proposal Certification Form in Appendix B verifying that the price(s), terms and conditions of the proposal are valid for at least 180 days following submission. Only an officer or duly authorized representative of the Applicant may sign the Proposal Certification Form.

### **2.2.12 ALLOWABLE FORMS OF PRICING**

Proposals for renewable resources for energy and RECs, or RECs only, will be accepted only if they conform to the following requirements:

- a. The proposal must provide fixed prices (in \$/MWh) annually for the term of the contract.
- b. Proposals including energy and RECs, or a portion thereof, must provide separate prices for energy and RECs. For such proposals, if the RECs cease to conform to Connecticut's eligibility criteria for a Class 1 renewable energy source during any period of the contract term only the energy will be purchased at the energy price stated in the proposal. All else being equal, a preference will be given to an allocation of the price between energy and RECs that most closely aligns with the market value of those products.
- c. Proposed prices may not be conditioned upon or subject to adjustment based upon the availability of the Federal Production Tax Credit or the Federal Investment Tax Credit, or the availability or receipt of any other government grant or subsidy.
- d. Prices must be the same each year or increase over time.

An Eligible Applicant may submit up to five pricing proposals for the sale of Eligible Products from an Eligible Facility. The Applicant may submit proposals that include more than one contract term (e.g., 10 years, 15 years, or/and 20 years), or different eligible products (energy and RECs; RECs only; or a portion thereof).

The Applicant must identify a Delivery Point for electric energy, which must be a Node on the ISO-NE PTF. All costs associated with such delivery shall be borne by the Applicant and rolled into the offered pricing options.

Under the terms of the PPA, in the event that the Locational Marginal Price ("LMP") for the Energy at the Delivery Point is less than \$0.00 per MWh in any hour, any payments

for future deliveries of Energy shall be reduced by the difference between such negative LMP and \$0.00 per MWh for that Energy for each such hour.

### **2.2.13 PROPOSAL COMPLETENESS: APPLICANT RESPONSE FORMS AND THE FORM PPA**

Applicants must use the forms provided in Appendix B and provide complete responses. Appendix B contains the Applicant Response Forms which outline the information required from each Applicant. Applicants are required to provide the information specified in each section of the Applicant Response Form. If any of the information requested is inconsistent with the type of technology or product proposed, the Applicant should include "N/A" and describe the basis for this determination. If an Applicant does not have the information requested in the bid forms and cannot obtain access to the information prior to the bid submittal due date, the Applicant should provide an appropriate explanation.

Appendix C is the form of the Power Purchase Agreement ("Form PPA") which should be regarded as a framework for the final PPA. An Applicant may revise the Form PPA and provide a red-line version of the PPA with any requested changes and a detailed explanation for any changes by July 29, 2013. An Applicant who does not propose to make any changes in the Form PPA must unambiguously state so.

**Applicants are discouraged from proposing material changes to the PPA and should not submit any changes when they submit their proposal(s).**

## **2.3 STAGE TWO – PRICE AND NON-PRICE ANALYSIS**

Proposals that meet the requirements of the Stage One review will be subject to a price and non-price analysis by the Procurement Team. The results of the price and non-price analysis will be a relative ranking and scoring of all proposals. The Procurement Team plans to score proposals with up to 80 points for price factors and up to 20 points for non-price factors for purposes of conducting the Stage Two evaluation.

### **2.3.1 EVALUATION USING PRICE-RELATED EVALUATION CRITERIA**

The price evaluation will be based on a comparison (on both a unitized and net present value basis) of: (a) the total cost of the Eligible Products bids to (b) the estimated market value of these products over the contract term, taking into consideration the production profile of the proposed facility and location of the point of delivery. For purposes of computing the net present value, a discount factor equal to 7% will be used. The Procurement Team plans to use zonal energy price forecasts and a common forecast for RECs. The metric used will be net \$/MWh cost or benefit, on a net present value basis, as developed by the Procurement Team. The Applicant will be responsible for all costs associated with interconnecting its project to the transmission grid at its proposed Delivery Point.

The Procurement Team will evaluate the reasonableness of the energy production profile provided by the Applicant, and reserves the right to adjust the profile if it appears to be inconsistent with other information provided by the Applicant or known by the Procurement Team.

Proposals will be ranked from highest to lowest net benefit (or lowest to highest net cost) on a dollars per MWh basis based on the result derived through the application of the methodology described above.

## **2.3.2 NON-PRICE EVALUATION**

The non-price evaluation will be conducted by the Procurement Team and will consist of the categories identified in Section 2.3.2.2, below. Within each category are a number of related criteria that will be considered in the evaluation. This section of the Notice identifies and describes the individual criteria within each category. The relative importance of each of the criteria in terms of the scoring of the proposals will be developed prior to receipt and will be utilized during the evaluation process.

### **2.3.2.1 PURPOSE OF NON-PRICE EVALUATION CRITERIA**

Most of the non-price evaluation criteria are designed to assess the likelihood of a project coming to fruition based on various factors critical to successful project development. The objectives of the criteria are to provide an indication of the feasibility or likelihood of meeting the proposed commercial operation date, and the ability to improve reliability and meet Connecticut's energy needs. Proposals are preferred that can demonstrate, based on the current status of project development and past experience, that the project will likely be successfully developed and operated as proposed.

### **2.3.2.2 FACTORS TO BE ASSESSED IN NON-PRICE EVALUATION**

Within each of the non-price evaluation factors, a variety of project and proposal-related factors will be assessed. They are summarized as follows:

1. Likelihood of meeting the proposed commercial operation date (5 points)
  - Siting and permitting
    - Status of efforts and credibility of plan to obtain permits and approvals
  - Project development status and operational viability
    - Completeness and credibility of detailed critical path schedule
    - Credibility of fuel resource plans
    - Reliability of proposed technology
    - Commercial access to proposed technology
    - Viability of any proposed transmission plans
  - Experience and capabilities of Applicant and project development team
    - Project development
    - Project financing

- Operations and maintenance
  - Experience in the ISO-NE market
  - Financing
    - Credibility of financing plan
      - Financial strength of project sponsors
      - Seller's ability to leverage private capital to develop the facility
2. Meets energy requirements and improves reliability in Connecticut (15 points)
- Contribution to system reliability in Connecticut
  - Ability to meet Connecticut's energy needs, as outlined in the 2013 Comprehensive Energy Strategy adopted pursuant to Conn. Gen. Stat. 16a-3d

The Procurement Team will conduct the price evaluation before it conducts the non-price evaluation, and it may elect not to conduct the non-price evaluation for any proposal that could not be successful based on the difference between its price and the price of competing proposals. It is expected that not all proposals will pass to Stage Two and that not all proposals evaluated in Stage Two will be offered the opportunity to negotiate a PPA.

## **2.4 CONTRACT NEGOTIATION PROCESS**

The Department will notify Applicants whether they have been selected to finalize a PPA with the EDCs. Applicants selected by the Procurement Team will be required to respond in writing to the Department that they intend to proceed with their proposals within three business days of being notified.

The Applicants will enter into separate PPAs with each EDC for a share of output that is commensurate with each EDC's share of load. The Department will coordinate the finalization of PPAs between the Applicants and the EDCs, where changes to the form PPA are necessary to conform to the contracting practices of each EDC. The total energy and RECs included in a successful bid will be allocated among the EDCs based upon their total distribution loads in Connecticut, approximately 80% for the Connecticut Light and Power Company and 20% for the United Illuminating Company.

## **2.5 REGULATORY APPROVAL**

The EDC's obligation to make purchases under the contract is conditioned upon approval by PURA. Once the Department has concluded negotiations and the parties have executed a PPA, the EDC's shall submit the executed PPA to PURA within 5 business days. PURA will then review the PPA and render a decision within 30 days

# **III. INSTRUCTIONS TO APPLICANTS**

## **3.1 SCHEDULE**

The proposed schedule for the bidding process is set forth below. The Department reserves the right to revise the schedule as necessary. Any changes to the schedule up to and including the due date for submission of bids will be posted on the Department's website for this Notice.

Notice/RPS Solicitation	July 8, 2013
Submit Notice of Intent to Bid	July 15, 2013
Deadline for the Submission of Questions and changes to the PPA	July 22, 2013
The Department posts Responses to Questions submitted; Deadline for Questions on PPA	July 29, 2013
Due Date for Proposal Submissions	August 5, 2013
Selection of Applicants	August 20, 2013
EDCs Negotiate and Execute Contracts	through September 3, 2013
Submit Contracts for PURA Approval	September 9, 2013
PURA Approval	October 9, 2013

### **3.2 QUESTIONS FROM APPLICANTS AND NOTICE OF INTENT TO BID**

Prospective Applicants are encouraged to submit questions about the Notice to the Department on or before the deadline for submission of questions listed in the schedule. The Department will answer questions submitted by that deadline by posting such answers on its website.

Prospective Applicants are encouraged to submit a Notice of Intent to Bid form, which is attached as Appendix A to this Notice. The Department will endeavor to email updates regarding this Notice to prospective Applicants who submit a Notice of Intent to Bid. This does not relieve Applicants of their responsibility to check the Department's website for news and updates. Prospective Applicants who submit a Notice of Intent to Bid are not obligated to submit a proposal, and proposals will be accepted from applicants who do not submit a Notice of Intent to Bid.

### **3.3 PREPARATION OF PROPOSALS**

Each Applicant shall have sole responsibility for carefully reviewing this Notice and for thoroughly investigating and informing itself with respect to all matters pertinent to this Notice and its proposal, including pertinent ISO-NE tariffs and other information. Applicants should rely only on information provided in this Notice when preparing their

proposals. Each Applicant shall be solely responsible for and shall bear all of its costs incurred in the preparation of its proposal and/or its participation in this Notice.

### **3.4 ORGANIZATION OF THE PROPOSAL**

Applicants are required to organize their proposal consistent with the contents of the Response Package in Appendix B. The organization and contents of the proposal should be organized as follows:

1. Certification, Project and Pricing Data
2. Executive Summary
3. Bid Pricing
4. Operational Parameters
5. Energy Resource Plan
6. Financial/Legal
7. Siting and Interconnection
8. Environmental Assessment and Permit Acquisition Plan
9. Engineering and Technology; Commercial Access to Equipment
10. Operation and Maintenance
11. Project Schedule
12. Project Management/Experience
13. Exceptions to Form PPA

### **3.5 UPDATES TO PROPOSAL**

After proposal submissions, an Applicant may provide new information, e.g., the status of obtaining permits and financing, to the Department about the project that was not available at the time of proposal submission. These updates are for informational purposes only and will not be treated as a change or revision to the terms of the Applicant's proposal by the Department.

### **3.6 REQUESTS FOR ADDITIONAL INFORMATION**

Following the submission of proposals, the Department may request additional information from Applicants at any time during the evaluation process. Applicants that do not respond promptly to such information requests may be eliminated from further consideration.

# APPENDIX A

## NOTICE OF INTENT TO BID

1 Company Name: \_\_\_\_\_

2 Project Name: \_\_\_\_\_

3 Contact Person Information:

Name	
Title/Position	
Mailing Address	
Courier Address (if different)	
Telephone Number	
Fax Number	
E-mail Address	

3 Project Size (MW): \_\_\_\_\_

4 Project Location: \_\_\_\_\_

\_\_\_\_\_

5 Estimated Commencement of Construction Date (Month-Year): \_\_\_\_\_

Estimated Commercial Operation Date (Month-Year): \_\_\_\_\_

6 Authorized Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Bidders should send the Notice of Intent to Bid Form by to the addressee as set forth in Section 1.3 of the RFP.

# Appendix B

## Applicant Response Form

### 1. CERTIFICATION, PROJECT AND PRICING DATA

The Certification, Project and Pricing Data (“CPPD”) document is a Microsoft Excel workbook that is provided on the Department’s website. The CPPD document has six parts, listed below. If the Applicant provides information in other sections of its proposal that conflicts with the information provided in the CPPD, the CPPD shall be considered to contain the governing and binding information for both the evaluation and any resulting contract offer.<sup>1</sup> The Applicant may provide up to five different offers on terms and/or pricing (e.g., 10 year and 15 year) for the same facility, which should be submitted on a single CPPD.

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|----------|---|
| Part I   | <u>Guidelines and Instructions for completing the spreadsheet</u>   |
| Part II  | <u>Proposal Certification Form</u>  |
| Part III | <u>Bid and Contact Information</u><br><br>Information includes term, pricing type and contact information.  |
| Part IV  | <u>Project Information</u><br><br>Information includes size, output, dates, technology, location, delivery point, capacity factor, percentage entitlement, contract maximum amount and other technical information.   |
| Part V   | <u>Pricing Information</u><br><br>Information includes annual peak and off-peak contract energy by contract year and corresponding prices, RECs by contract year and corresponding prices, and alternative pricing. Information for up to five offers is input on five separate worksheets in the CPPD. |
| Part VI  | <u>Operational Information</u><br><br>Information includes expected peak and off-peak monthly production.   |

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<sup>1</sup> One exception is that if operational information in Part VI of the CPPD conflicts with information elsewhere in the proposal or information otherwise known to the Department, the Department reserves the right to modify the energy production information in Part VI of the CPPD in conducting the price evaluation.

## **2. EXECUTIVE SUMMARY OF THE PROPOSAL (INCLUDING THE BASE PROPOSAL AND ANY ALTERNATIVE PROPOSALS)**

The Applicant is required to provide an executive summary of the project proposal that includes a complete description of the proposed project, the proposed contract term and pricing schedule, and other factors the Applicant deems to be important.

## **3. ADDITIONAL OPERATIONAL PARAMETERS**

- 3.1 Maintenance Outage Requirements – Specify partial and complete planned outage requirements in weeks or days. Also, list the number of months required for the cycle to repeat (e.g., list time interval of minor and major overhauls, and the duration of overhauls).
- 3.2 Operating Constraints – Specify all the expected operating constraints and operational restrictions for the project (i.e., limits on the number of hours a unit may be operated per year or unit of time).
- 3.3 Reliability – Describe how the proposal would provide enhanced electricity reliability within the State of Connecticut.
- 3.4 Development Stage of Facility – Describe whether the project is in operation, in construction or in the development phase. If in operation, when did the project achieve initial operation and commercial operation? If in construction, when did construction commence and what are the projected dates for initial testing commercial operation. If the project is partly in one development stage and partly in another, please explain in detail the status of the project. If the proposed project is an expansion or repowering of an existing project, please describe the project in detail, specifying the existing project and the proposed expansion or repowering.

## **4. ENERGY RESOURCE PLAN**

The Applicant is required to provide an energy resource or fuel supply plan for its proposed project, including supporting documentation. The fuel supply/energy resource profile information should be consistent with the type of technology/resource option proposed and the term of the PPA proposed. The information requested is organized according to the type of project or energy resource. Applicants should respond only to relevant questions.

### **Wind Energy Projects**

Provide a summary of all collected wind data for the proposed site. Identify when the data was collected and by whom.

Indicate where the data was collected and its proximity to the proposed site. Include an identification of the location and height for the anemometers that were used to arrive at an assessment of the site generation capability.

Provide (a) at least one year of hourly wind resource data, or (b) a wind resource assessment report from a qualified resource assessment firm or meteorologist, or (c) both. Include an analysis of the available wind data which addresses the relationship between wind conditions and electrical output. The wind data analysis should consist of a 12 by 24 matrix of expected ( $P_{50}$ ) capacity factors (i.e., hourly capacity factors for a typical day each month).

Provide a site-adjusted power curve. Each curve should list the elevation, temperature and air density used.

Identify the assumptions for losses in the calculation of projected annual energy production, including each element in the calculation of losses.

### **Landfill Gas**

Provide a gas production forecast for each landfill. Provide a table that shows the annual, monthly and hourly projection of gas flow and energy export from each landfill.

Provide supporting data that illustrates the expected generation from each landfill based on the projected gas production.

Describe any contingencies or constraints that could affect the availability of fuel or the energy resource for the project and any contingency plans for meeting projected generation levels.

### **Biomass**

Describe specifically how the project will conform to Conn. Gen. Stat. Sec. 16-1(26) and Connecticut Public Act 13-303, *An Act Concerning Connecticut's Clean Energy Goals*, governing resources using biomass fuel.

Provide a resource assessment of available biomass fuel for the proposed project and its proximity to the project site.

Provide a plan for obtaining the biomass fuel, including a transportation plan.

Provide any contracts or letters of intent to acquire and transport the biomass fuel.

Demonstrate that projected energy output for the project over the term of the contract is consistent with the energy supply available.

Describe any contingencies or constraints that could affect the availability of fuel or the energy resource for the project and any contingency plans for meeting projected generation levels

### **Solar**

Provide an assessment of the available solar incidence or resource. Provide a 12 by 24 matrix of expected ( $P_{50}$ ) capacity factors (i.e., hourly capacity factors for a typical day each month). Describe any trends in generation capability over time (i.e., annual decline rate of expected output).

Describe the methodology used to generate the projected generation and describe the in-house or consulting expertise used to arrive at the generation estimates.

### **Hydro**

Describe the project characteristics in terms of water flow (on a monthly basis) and head, and state the assumptions regarding seasonal variations, and a conversion of such flow into kilowatts and kilowatt-hours. Provide monthly flow duration curves based upon daily stream flow records.

Identify if the project is run-of-river or has storage capability.

If the project is an expansion of an existing project, specify how the energy would qualify as RPS Class I Renewable Generation and the actions proposed to be taken by the Applicant to accomplish such qualification.

### **Other**

Identification of availability of fuel supply (if applicable).

What is the availability of the fuel supply?

Does the Applicant have any firm commitments from fuel suppliers? If so, please provide a copy of any agreements with confidential information redacted if necessary.

## **5. FINANCIAL/LEGAL**

Applicants are required to provide responses to all questions below. Applicants are required to demonstrate the financial viability of their proposed project. Applicants should provide the following information:

- 5.1 Provide a description of the corporate structure of the Applicant's organization from a financial and legal perspective, including any general and limited partners, officers, directors, managers, members and shareholders, involvement of any subsidiaries supporting the project, and the providers of equity and debt during

project development. Provide an organization chart showing the relationship between the equity participants and an explanation of the relationships.

- 5.2 Provide the credit ratings from Standard & Poor's and Moody's (the senior unsecured long term debt rating or if not available, the corporate rating) of the Applicant or any affiliated entity which Applicant proposes would provide the Operating Period Security (if in the form of a corporate guarantee).
- 5.3 Provide a description of the financing plan for the project, including construction and term financing. The financing plan should address the following:
  - i. Who will finance the project and how it will be financed
  - ii. The project's projected financial structure
  - iii. Expected sources of debt and equity financing
  - iv. Estimated construction costs
  - v. The projected capital structure
  - vi. Describe any agreements entered into with respect to equity ownership in the proposed project and any other financing arrangement.

In addition, the financing plan should address the financing of development costs. All bidders are required to provide this information.

- 5.4 Provide documentation illustrating the experience of the project sponsor in securing financing for projects of similar size and technology. For each project previously financed provide the following information:
  - i. Project name and location
  - ii. Project type and size
  - iii. Date of construction and permanent financing
  - iv. Form of debt and equity financing
- 5.5 Provide evidence that the Applicant has the financial resources and financial strength to complete and operate the project as planned.
- 5.6 Provide copies of the most recent audited financial statement or annual report for each Applicant, including affiliates of the Applicant. Also, list the current credit rating from Standard & Poor's and Moody's for the sponsor, affiliates, partners, and proposed entity to provide the Operating Period Security (if in the form of a corporate guarantee).

- 5.7 The Applicant should demonstrate its ability (and/or the ability of its credit support provider) to provide the required security, including its plan for doing so.
- 5.8 Provide a description of any current credit issues regarding the Applicant or affiliate entities raised by rating agencies, banks, or accounting firms.
- 5.9 Describe the role of the Federal Production Tax Credit or Investment Tax Credit (or other incentives) on the viability of the project.
- 5.10 Applicants must disclose any pending or threatened litigation related to projects owned or managed by them or any of their affiliates in the United States.
- 5.11 What is the expected operating life of the proposed project?
- 5.12 Has the Applicant already obtained financing, or a commitment of financing, for the project? Is such financing or financing commitment contingent on obtaining a long-term power sales agreement, such as one that would be obtained if the Applicant's proposal is accepted? If financing has not been obtained, explain how obtaining a long-term power sales agreement as proposed will help you in obtaining financing for the proposed project or in obtaining more favorable terms for the financing of the proposed project.
- 5.13 State whether the Applicant has obtained one or more long-term power sales agreements with respect to energy, recs and/or capacity for the project and provide information regarding term and quantities.

## **6. SITING, INTERCONNECTION, AND DELIVERABILITY**

This section of the response package addresses project location, siting, real property rights and interconnection issues. Applicants should ensure that the threshold criteria for siting are verified in their responses.

- 6.1 Provide a site plan including a map of the site that clearly identifies the location of the site, the total acreage, the anticipated interconnection point, and the relationship of the site to other local infrastructure, including transmission facilities, roadways, and water sources. In addition to providing the required map, provide a site layout plan which illustrates the location of all major equipment and facilities on the site.
- 6.2 Provide evidence of the right to use the site and any rights of way needed for interconnection.
  - i. Does the project have a right to use the site (e.g., by virtue of ownership or land rights obtained from the owner)?
  - ii. If so, please identify the means of site control.

Include any relevant documentation, e.g., lease agreement, option to lease, purchase agreement, option to purchase, or letter of intent regarding any of the foregoing.

- 6.3 Provide evidence that the site is properly zoned. If the site is not currently zoned properly, identify present and required zoning and/or land use designations and provide a permitting plan and timeline to secure the necessary approvals.
- 6.4 Provide a description of the area surrounding the site including a description of the local zoning, flood plain information, existing land use and setting (woodlands, grasslands, agriculture, other).
- 6.5 Identify any real property rights (e.g., fee-owned parcels, rights-of-way or easements) that are required for access to the project or for interconnection. Describe the status of acquisition of real property rights, and describe the plan for securing the necessary real property rights, including the proposed timeline. Include these plans and the timeline in the overall project timeline.
- 6.6 Please describe the status of any planned interconnection to the grid. Has the Applicant made a valid interconnection request to ISO New England, Inc. ("ISO-NE") or the transmission owner? Describe the type of interconnection service requested, i.e., capacity network resource interconnection service or network resource interconnection service. Describe the status of any interconnection studies already underway with ISO-NE and the transmission owner. Provide a copy of any studies completed to date. Provide a copy of an interconnection agreement, if any, executed by the Applicant with respect to the proposed project. If an interconnection agreement has not been executed, please provide the steps that need to be completed before an interconnection agreement can be executed and the associated timeline.
- 6.7 Provide a copy of an electrical one-line diagram showing the interconnection facilities and the relevant facilities of the transmission owner.
- 6.8 Specify and describe the interconnection and transmission facilities that are required, including system control and protection.
- 6.9 Provide documentation demonstrating that the project's output will be deliverable to the applicable Delivery Point.

## **7. ENVIRONMENTAL ASSESSMENT AND PERMIT ACQUISITION PLAN**

This section addresses environmental and other regulatory issues associated with project siting, development and operations.

- 7.1 Provide a list of all the permits, licenses, and environmental assessments and/or environmental impact statements required. If a bidder has secured any permit or has applied for a permit, please identify in the response.

- i. Provide a list of all Federal, state and local permits, licenses, and environmental assessments and/or environmental impact statements required to construct and operate the project.
  - ii. Identify the governmental agencies which will issue or approve the required permits, licenses, and environmental assessments and/or environmental impact statements.
- 7.2 Provide the anticipated timeline for seeking and receiving the required permits, licenses, and environmental assessments and/or environmental impact statements, using the execution date of the PPA as the starting point, if applicable. Include a project approval assessment which describes, in narrative form, each segment of the process, the required permit or approval, and the basis for projection of success by the milestone date. All requirements should be included on the project schedule in Section 10.
- 7.3 Provide a preliminary environmental assessment of the site and project, including both construction and operation. The Applicant should identify environmental impacts associated with the proposed project, any potential impediments to development, and its plan to mitigate such impacts or impediments. The analysis should address each of the major environmental areas presented below:
  - i. Site development
  - ii. Transportation infrastructure
  - iii. Air quality
  - iv. Access to water resources/water quality
  - v. Ecology
  - vi. Land use
  - vii. Cultural resources
  - viii. Previous site use
  - ix. Noise level
  - x. Aesthetic/visual
  - xi. Transmission infrastructure
  - xii. Fuel supply access
- 7.4 Provide documentation identifying the level of public support for the project including letters from public officials, newspaper articles, etc. If the project

sponsor has not yet initiated community outreach for the project, please provide a plan for community outreach activities.

## **8. ENGINEERING AND TECHNOLOGY; COMMERCIAL ACCESS TO EQUIPMENT; CONTRIBUTION TO EMPLOYMENT AND ECONOMIC DEVELOPMENT**

This section includes questions pertinent to the engineering design and project technology. Applicants should provide information about the specific technology or equipment including the track record of the technology and equipment and other information as necessary to demonstrate that the technology is viable.

- 8.1 Provide a reasonable but preliminary engineering plan which includes the following information:
  - i. Type of generation technology
  - ii. If wind turbines, provide the turbine make and model, hub height, rotor diameter, and power curve
  - iii. Major equipment to be used
  - iv. Manufacturer of the equipment
  - v. Status of acquisition of the equipment
  - vi. Whether the Applicant has a contract for the equipment. If not, describe the Applicant's plan for securing equipment and the status of any pertinent commercial arrangements
  - vii. Equipment vendors selected/considered
  - viii. History of equipment operations
  - ix. If the equipment manufacturer has not yet been selected, identify in the equipment procurement strategy the factors under consideration for selecting the preferred equipment
- 8.2 If the Applicant has not yet selected the major generation equipment for the project, please provide a list of the key equipment suppliers under consideration.
- 8.3 Please identify the same or similar equipment by the same manufacturer that are presently in commercial operations including the number installed, installed capacity and estimated generation for the past three years.
- 8.4 For less mature technologies provide evidence (including identifying specific applications) that the technology to be employed for energy production is ready

for transfer to the design and construction phases. Also, address how the status of the technology is being considered in the financial plan for the project.

- 8.5 Please indicate if the Applicant has secured its equipment for the project. If not, identify the long-lead equipment options and describe the timing for securing equipment.
- 8.6 Please provide an estimate of the number of jobs to be created directly during project development, construction and operations and a general description of the types of jobs created, estimated annual compensation, the employer(s) for such jobs, and the location. Please treat the development, construction, and operation periods separately in your response.
- 8.7 Please provide the same information as provided in response to question 8.6 but with respect to jobs that would be indirectly created as a result of the proposed project.
- 8.8 Please describe any other economic development benefits that could be achieved by the proposed project, such as creating property tax revenues and the provision of renewable energy at lower costs than other potential projects (to the extent known). Please provide the location(s) where these economic development benefits are expected to occur.

## **9. OPERATION AND MAINTENANCE**

Projects that can demonstrate that the maintenance plan, level of funding, and mechanism for funding will ensure reliable operations during the term of the contract are preferred.

- 9.1 Provide an operation and maintenance plan for the project that demonstrates the long term operational viability of the proposed project. The plan should include a discussion of the staffing levels proposed for the project, the expected role of the project sponsor or outside contractor, scheduling of major maintenance activity, and the plan for testing equipment.
- 9.2 Describe in detail the proposed O&M funding mechanism and funding levels to support planned and unplanned O&M requirements.
- 9.3 Describe the terms (or expected terms) of the warranties and/or guarantees on major equipment that the Applicant is seeking.
- 9.4 Describe the status of the project sponsor in securing any operation and maintenance agreements or contracts. Include a discussion of the sponsors plan for securing a medium-term or long-term O&M contract, including the expected provider of O&M services.

- 9.5 Provide examples of the Applicant's experience with O&M services for other similar projects.

## **10. PROJECT SCHEDULE**

Applicants are required to provide a complete critical path schedule for the project from the notice of selection of the project for contract consideration to the start of commercial operations. For each project element, list the start and end date.

- 10.1 Identify the elements on the critical path. The schedule should include, as a minimum, facility contracts, start of construction, construction schedule, siting, fuel supply, financing, engineering and procurement, acquisition of real property rights, Federal, state and/or local permits, licenses, environmental assessments and/or environmental impact statements (including anticipated permit submittal and approval dates) and any other requirements that could influence the project schedule and the commercial operation date, including requirements pertaining to the generator interconnection process and any transmission facilities for which the bidder seeks recovery through federal transmission rates.

## **11. PROJECT MANAGEMENT/EXPERIENCE**

Applicants are required to demonstrate project experience and management capability to successfully develop and operate the project proposed. The Department is particularly interested in project teams that have demonstrated success in projects of similar type, size and technology and can demonstrate an ability to work together effectively to bring the project to commercial operation in a timely fashion.

- 11.1 Provide an organizational chart for the project that lists the project participants and identifies the corporate structure, including general and limited partners.
- 11.2 For each of the project participants (including the Applicant, partners, EPC contractor and proposed contractors), provide statements that list the specific experience of the firm in developing, financing, owning, and operating generating facilities, other projects of similar type, size and technology, and any evidence that the project participants have worked jointly on other projects.
- 11.3 Provide a management chart that lists the key personnel dedicated to this project and provide resumes of the key personnel. Key personnel of the Applicant's development team having substantial project management responsibilities must have:
- i. Successfully developed a similar type of project; OR
  - ii. Successfully developed one or more projects of similar size or complexity or requiring similar skill sets; AND

- iii. Experience in financing power generation projects (or have the financial means to finance the project on the Applicant's balance sheet).
- 11.4 Provide a listing of all projects the project sponsor has successfully developed or that are currently under construction. Provide the following information as part of the response:
- i. Name of the project
  - ii. Location of the project
  - iii. Project type, size and technology
  - iv. Commercial operation date
  - v. Estimated and actual capacity factor of the unit for the past three years
  - vi. Availability factor of the unit for the past three years
  - vii. References, including the names and current addresses and telephone numbers of individuals to contact for each reference.
- 11.5 With regard to the Applicant's project team, identify and describe the entity responsible for the following:
- i. Construction Period Lender, if any
  - ii. Operating Period Lender and/or Tax Equity Provider, as applicable
  - iii. Financial Advisor
  - iv. Environmental Consultant
  - v. Owner's Engineer
  - vi. EPC Contractor (if selected)
  - vii. Transmission Consultant
  - viii. Legal Counsel
- 11.6 With regard to Applicant's experience with ISO-NE markets, please indicate the entity that will assume the duties of Lead Market Participant for your Project. Please provide a summary of the proposed Lead Market Participant's experience with each of the ISO-NE markets.

## **12. EXCEPTIONS TO FORM PPA**

Please attach a description of exceptions to the Form PPA set forth in Appendix C to this Notice, including the Applicant's counter-proposal with respect to the items to which exceptions are made and a redline to the Form PPA showing specific proposed language changes.

**Applicants are discouraged from proposing changes to the Form PPA.**

# **Appendix C**

## **Power Purchase Agreement**

[See Separate Document]