

Request for Proposals
For Renewable Energy Power Purchase Agreement

Issued by

PowerOptions, Inc.

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1) Introduction

PowerOptions seeks proposals from qualified and experienced renewable energy project developers interested in providing renewable energy and Renewable Energy Credit (RECs) generated from renewable energy projects located in or deliverable to the ISO-NE. PowerOptions intends to select one or more project development firms (“Proposer(s)”) with whom a select group of PowerOptions members would contract for provision of renewable energy via a long-term power purchase agreement (PPA). This PPA is intended to provide price stability as well as environmental benefits to the members’ electricity portfolios.

A secondary objective is to meet the requirements of the Green Ribbon Commission’s (“GRC”) Renewable Energy Leadership Prize¹. The Prize has been established to promote implementation of renewable energy procurement by large institutional customers in the Boston-Metrowest area of Massachusetts, many of whom are PowerOptions members. The Commission requires submittal of a “term sheet” or “letter of intent” signed by proposers and PowerOptions’ members by December 1, 2015. The Prize requires that the renewable energy procured qualify as Massachusetts Class I RECs produced by new facilities (currently not in service), and total amount procured must be at least 10 MW.

However, PowerOptions will consider offers to provide renewable energy that do not meet the requirements of the Commission and members stand ready to proceed with such offers in the event that no acceptable bids that meet the Commission’s requirements are received. Thus, we invite creativity regarding offers that meet the primary objective of delivery of the long-term hedge and environmental benefits of renewable energy to PowerOptions’ members. We also invite multiple offers from proposers with different permutations of the pricing sheets included in this RFP as well as different technologies or combinations of technologies.

The successful Proposer shall provide fully managed renewable power services that include, but are not limited to, securing the necessary labor, services, equipment, permits and approvals to develop fully operational resource(s) able to generate energy and renewable energy certificates. The Proposer will then commission, own or lease, monitor, operate, and maintain the facilities after the commercial operation date.

¹ <http://www.greenribboncommission.org/reprize2016>

a) PowerOptions Program

PowerOptions is the leading energy buying consortium in Massachusetts, with 500 members and annual energy commodity purchases of \$160-200 million with nearly one million Megawatt-hours and thirteen million dekatherms of natural gas under contract. Comprised of nonprofit and governmental organizations throughout Massachusetts, PowerOptions members include hospitals, colleges and universities, cities and towns, public school districts, museums, and housing authorities among many others.

The PowerOptions' model has proven successful for both members and suppliers to the programs. PowerOptions pre-negotiates supply agreements and presents them to members for participation on an opt-in basis. PowerOptions partners with suppliers to market programs, resulting in near 100% participation by members in one or more programs. Current programs include *Electricity Supply, Natural Gas Supply, and Solar PPA Programs for utility scale projects and small systems < 300 kW.*

For over 15 years, PowerOptions has cultivated strong relationships with its members, acting as a trusted advisor in the complex energy markets and negotiating supply arrangements on their behalf. PowerOptions members are among the most loyal customers in the energy market, with a near 90% renewal rate. One key to success is keeping in tune with members' emerging and evolving needs and meeting them with innovative products and services.

In a 2011 survey, 80% of members expressed great interest in acquiring renewable energy, with nearly half expressing a specific preference for wind power. Seventy percent of members indicated that they are more or extremely likely to purchase renewable energy through a PowerOptions program.

Of PowerOptions' close to 500 members, colleges and universities and hospitals and healthcare institutions make up the largest portion of our membership and electric load. colleges and universities represent 14% of our membership and 30% of our total load, with Hospitals and Healthcare Institutions making up 13% of our memberships and 26% of our electric load. One-third of members have annual electricity cost of more than \$500,000, with half of that group's annual costs at more than \$1 million. In a recent survey 73% of larger members indicated that they will be implementing renewable energy supply in the next two years, with nearly a third looking to act in less than one year. These institutions are ready to act.

The purpose of this solicitation is to add a renewable component to members' existing power portfolios. Members currently receive retail power that consists of system power. A select group of members ("the contracting entities") have interest in diversifying their current portfolios by adding a renewable energy component. We believe that other members will sign

on to a renewable PPA after it has been negotiated and becomes available through PowerOptions.

b) Contracting Parties

Contracting parties (or “Buyers”) consist of large PowerOptions members. These parties are institutional customers that feature excellent credit ratings/histories and significant assets (see table below).

	Entity 1	Entity 2
2014 Net Assets (million \$)	\$2,268	\$166
2014 Operating Revenue (million \$)	\$791	\$95
Credit Rating (S&P)	AA-	Unrated
Load Volumes (MWh)	20, 000 – 40,000	4,000 – 8,000

PowerOptions will negotiate the terms and conditions underlying any final Power Purchase Agreement on behalf of the Buyers, but execution of the final power purchase agreement (“PPA”) will be solely by the contracting entities.

Interest from additional PowerOptions’ members may occur, thus proposers should discuss ways that additional members (and possibly demand for renewable energy) can be accommodated at a later time. For example, proposers should indicate how many more MWhs might be available under the same pricing and terms as for these institutions should others in the membership with similar creditworthiness desire to take advantage of the contract at a later date.

c) Delivery Model/Role of Product

Bids will be accepted for sale and purchase of Renewable Energy through execution of a long-term PPA. This long-term PPA will be used to meet a portion of contracting entities’ energy needs. Thus, it is anticipated that the successful proposer will deliver energy to the settlement account of load-serving entity or entities that provide existing retail electricity to the contracting parties.

d) Definition of Key Terms

Delivered Energy means Renewable Energy that is recognized in the ISO New England (“ISO-NE”) settlement system as produced by resources located in the ISO-NE region or exported from a neighboring control area and delivered to a location within the ISO-NE region.

Delivery Point is the particular pricing node (“PNode”) or location where Renewable energy is injected into the ISO-NE transmission system. The delivery point may or may not be the same location where power is withdrawn to serve Buyers’ energy demands.

Load Serving Entity or Entities (“LSE”) is the entity that secures electric energy, capacity, other related wholesale services and the retail services necessary to serve the total retail demand of the Buyers.

New Renewable Facility refers to construction of a new facility or expansion of an existing facility that result in expansion in the number of nameplate MW of Renewable Energy.

Renewable Energy means energy produced by a generator qualified or able to be qualified as a renewable generator under one or more New England state’s renewable portfolio standard.

Renewable Energy Certificate (“REC”) represents 1 MWh of renewable energy as determined by certificates minted by NEPOOL-GIS.

e) RFP Schedule

The following RFP Schedule is based upon PowerOptions’ expectations as of the release date of this RFP.

<i>ACTIVITY</i>	<i>DATE</i>
<i>Release of RFP</i>	<i>10/2/15</i>
<i>Pre-bid Conference call²</i>	<i>10/8/15 – 2pm</i>
<i>Written Question Submittal Deadline</i>	<i>10/14/15</i>
<i>Responses to Questions</i>	<i>10/16/15</i>
<i>Proposal Submittal Deadline</i>	<i>10/30/15</i>

Any RFP-related updates will be posted on the PowerOptions website, www.poweroptions.org.

Please submit all questions by email to Brian Tracey at btracey@poweroptions.org by October 14th, 2015. “**PowerOptions Renewable Energy PPA RFP**” must appear in the email subject line.

² Proposers wishing to participate in the conference call must contact Laurie Sass at lsass@poweroptions.org to register and receive the call-in information.

f) Proposal Submittal

The deadline for submission of proposals and receipt by PowerOptions, Inc. is 5:00 p.m. Eastern Standard Time, October 30, 2015. Proposals must follow the specifications described herein.

Seven (7) bound hard copies of each Proposal and one (1) electronic copy of each Proposal (sent via email, CD, DVD, or flash drive) shall be submitted to at the following address:

PowerOptions, Inc.
129 South Street - 5th Floor
Boston, MA 02111
Attention: Mr. Brian Tracey
btracey@poweroptions.org

2) Scope of Services

a) Product Characteristics

i) Electricity

The Eligible Proposer will sell Renewable Energy on a \$/MWh basis to the contracting entities. The proposer is required to identify its proposed Delivery point for Renewable Energy. When the Locational marginal price ("LMP") at the delivery point is less than \$0.00 per MWh in any hour, then the buyer(s) shall receive a credit from the seller in the amount equal to the product of (i) the Delivered Energy and (ii) the absolute value of the hourly LMP at the delivery amount. This credit will be applied to the amount specified by the product of (i) the Delivered Energy and (ii) the contract rate and will be shown on the monthly bills to the buyers from the successful proposer.

ii) Renewable Energy Certificates

All or a portion of RECs associated with the quantities of delivered energy will be owned by the Buyers. Payment for RECs shall be made after receipt of the RECs in the LSE's NEPOOL GIS Account. For GRC eligibility, all RECs must be retired, hence proof of retirement of RECs by the Seller would also be acceptable.

We encourage pricing multiple options, if feasible, whereby the RECs associated with the delivered energy quantities will be owned by Buyers or, where proposers substitute non-Class I (e.g., "Green-E" certified RECs) for Class I RECs. Such substitution should be clearly stated and

reflected in pricing. Pricing for energy only offers are also encouraged in the event institutions prefer no additional REC ownership.

b) Administrative and Billing

Proposers shall submit monthly bills for all delivered energy and RECs to the buyers in accordance with the pricing shown in Pricing Form(s). The successful proposer will be responsible for ensuring a high quality of administrative services, including effective liaison with load serving entities, separate billing, responsive customer services such as customer inquiry, complaint, collection, and dispute resolution capabilities.

c) Contract Size

The total procurement level sought is a minimum 10 MW of Nameplate capacity. Energy will be delivered on a unit-contingent basis with a minimum delivery of 12,250 MWh per year. Proposers may submit lesser amounts but the minimum is preferable.

d) Contract Term

The contract term lengths for this solicitation should be for a minimum of 10 years and a maximum of 20 years.

e) Additionality of Supply

Facilities supplying renewable energy may be new or existing. Facilities that are “new” or represent the addition of new capacity to an existing facility will be preferred but are not required.

Blended supply of vintage resources will be acceptable as well, i.e. existing resource supplying the initial x years and a new resource supplying the last years of of the contract term.

f) Interaction with LSE

The successful proposer should have the ability to arrange for delivery of energy to an LSE’s multi-settlement system (“MSS”) account. The Seller is expected to work with relevant LSEs, which is likely to consist of different entities over the term of the contract. Seller will be responsible for assuring market settlement of delivered power and MSS data will be used to determine payments made to the seller.

3) Contracting Process

a) PPA

All bids should be based on delivery of energy and RECs under a PPA model. Purchase and sale of renewable energy will take place under a PPA with the specified contract term and size described earlier.

b) Security Deposit

There are no bid fees associated with this solicitation, but proposers that are selected will be required to post a security deposit.

4) Evaluation Factors

Evaluation and selection will be performed by an evaluation team consisting of representatives of the contracting parties, outside consultants and members of PowerOptions' staff. The evaluation team will evaluate all proposals—those that meet the minimum requirements for the Renewable Leadership Prize (discussed above) and all other proposals jointly. Proposals will be evaluated on the basis of a host of quantitative and qualitative criteria.

a) Quantitative

The proposal must provide fixed prices (in \$/MWh and \$/REC, separately) on an annual basis for the term of the contract. Prices for energy may be the same each year or increase by a defined escalation rate over time. Prices will be paid on a \$/MWh and \$/REC basis for actual production following Delivery. No fixed payments, pre-payments or fees shall be paid. Attachment 1 contains the Pricing Form, which is to be completed for each pricing option proposed.

b) Qualitative

The following qualitative characteristics (listed in no particular order) will also be considered in the evaluation process.

- New vs. Existing Projects
- Site Control
- Permitting Feasibility
- Financing Plan
- Bidder's Financial Qualifications
- Bidder's Experience with Developing and Operating Renewable Energy Projects
- Site/Facility Location

5) Proposal Organization

Required proposal components are provided below. Not all components may be applicable to existing facilities. Concise responses are preferred.

a) Pricing Form

Attachment 1 is the pricing form, which is also provided in Excel. Bidders should provide peak and off-peak quantities and prices, including any applicable escalation factors, for all years in the contract. Fixed PPA pricing, with no escalation factor, is preferred. Bidders should also provide the corresponding price per REC for these quantities. REC prices should not be escalated. A separate pricing form should be provided for each product proposal offered.

b) Offer Summary Form

Attachment 2 is the offer summary form that provides key information regarding the proposed product. A separate form should be provided for each product proposal offered.

c) Cover Letter

Cover letter should highlight any special features or exceptions to the Proposal, and include the name, phone number, and email for the point of contact within the Proposer's organization. The cover letter should be signed by a representative of the Proposer's company who has the authority to negotiate on behalf of and to bind the Proposer.

d) Project Description

- 1) Describe the proposed renewable power project(s), including technology, generating capacity, and location.
- 2) Describe whether the project is existing, new, or an expansion of an existing facility.
- 3) Specify whether the production of facility is or is planned to be RPS-eligible and for which classes.
- 4) Provide a map and description of the project site and any resource information and analysis generated during project feasibility analysis.
- 5) Provide information regarding project site control including details on any land leasing arrangement currently in place or land owner information where project is to be situated.
- 6) Provide information on the local, state and federal permits secured and progress on any outstanding permits.
- 7) Provide any project development appeals, including any dismissed appeals or open appeals.
- 8) Provide Interconnection Services Agreement (ISA) documentation or System Impact Study (SIS). If the ISA or SIS has not been completed, provide the anticipated schedule for completion and any preliminary engineering and/or cost results.
- 9) Provide a detailed project development and construction schedule from financing to project commercial operation.
- 10) Provide details on financing arrangements made for the proposed project including PTC and tax equity lender strategy.

- 11) Provide details on information that will be required from the Buyer(s) before contract execution if the Proposal is chosen.

d) Experience & Qualifications

i) Project Development Experience

- 1) Highlight renewable project experience in Massachusetts, New England and other parts of the US.
- 2) Describe any canceled contracts and the reason why each signed contract was not completed.
- 3) Describe which elements (finance, design, construction, service, etc) of the proposed installation will be managed by a partner or third-party other than the Proposer;
- 4) Describe the structures that will ensure that the Proposer will be held accountable for the successful completion of each element of the project's development.

ii) System Design Experience

- 1) Describe Proposer's experience with the design of renewable projects similar to the one proposed
- 2) Detail the total number of megawatts the Proposer has constructed.
- 3) Detail the number of distinct projects the Proposer has constructed.
- 4) Detail the general types (technology, location) of projects installed.

iii) Project Financing Experience

- 1) Provide number of Renewable power projects similar to the one proposed that have been financed by the Proposer.
- 2) Provide number of Renewable power projects that Proposer is operating under a PPA.
- 3) Provide demonstration of capital and financial assurances available to fund proposed (and future) projects.
- 4) Provide Proposer's most recent audited financial statements, annual reports, consolidated financials, and Form 10-K (if any), published evaluations of credit or business condition, such as Moody's Global Credit Research report, published notices of credit standing occurring within the past two years, and five year credit rating history. If available, provide similar materials for parent entities, significant affiliates and collaborators.

iv) Renewable Facility Supplies & Experience

- 1) Provide demonstration of Proposer's supply contracts or actual equipment supply and type of financing (i.e. debt, partnership, lease, etc).

- 2) List Proposer's preferred supply technology and past experience with those technologies.

v) Operations and maintenance experience

- 1) Provide the number of facilities similar to the one or more proposed that are under management.
- 2) Provide system performance for systems operating to date (expected vs. actual energy production).
- 3) Describe the monitoring systems that the Proposer will use to verify system performance.
- 4) Detail the number of renewable projects the Proposer has managed for more than one year, and describe any lessons learned from this experience.
- 5) Provide proposed maintenance plan.

vi) Energy Resource Plan or Output History

- 1) Provide an energy resource plan for the proposed project, including resource or fuel supply data at the site, the dates when the data was collected and the party responsible. For existing resources, provide output data for the prior year.
- 2) For wind facilities, provide a site-adjusted power curve, including elevation, temperature, and air density assumed.
- 3) For resources that require transport of fuel, provide a transportation plan, including any necessary pipeline deliveries, and any contingencies or constraints that could affect availability of fuel.
- 4) For hydro facilities, indicate whether the project is run-of-river or has storage capability.

i) Monitoring & Verification Capabilities

- 1) Describe the methodology and frequency of energy production reporting.
- 2) Describe the methodology and frequency of energy production reporting in relation to the facility's total energy load.

vii) Team

- 1) Provide organizational chart that describes the reporting relationships of all key personnel and team members/partners.
- 2) Describe team experience in a developing a project of this type and size.
- 3) Provide bios for key personnel.
- 4) Describe Proposer's team organization.
- 5) Provide location of Proposer's nearest regional office.

viii) Power Purchase Agreement

- 1) Provide a proposed PPA in its entirety. See Attachment 3 – Sample list of PPA Terms and Conditions.
- 2) Describe bond or letter of credit support, if any, for Proposer’s PPA construction completion, production guaranty, and decommissioning obligations under the PPAs.

6) Administrative and marketing cost recovery

PowerOptions seeks to recover its costs from the selected Proposers for conducting, evaluating and negotiating this solicitation, as well as marketing this renewable energy supply option to members. Proposers are urged to include in their response a proposal for remuneration to PowerOptions if selected to be the seller.

Attachment 1 – Pricing Form

Proposer <input style="width: 450px; height: 20px;" type="text"/>						
Offer Number (if more than one offer) <input style="width: 100px; height: 20px;" type="text"/>						
Contract Year	Annual Contract Energy to be Delivered to the Buyer at the Point of Delivery (MWh)		Energy Price (\$/MWh)		Escalation Rate to be Applied, If Applicable	REC Price (\$/REC)
	On-Peak	Off-Peak	On-Peak	Off-Peak		
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
Notes: On-Peak is defined as hours ending 8 though 23 Monday through Friday, excluding NERC holidays. Off-Peak is defined as all other hours.						

Attachment 2 – Offer Summary Form

Proposer	<input type="text"/>
Offer Number (if more than one offer)	<input type="text"/>
Technology	<input type="text"/>
Facility Location	<input type="text"/>
Delivery Point	<input type="text"/>
New or Existing?	<input type="text"/>
If New, In-Service Date	<input type="text"/>
RPS State and Class	<input type="text"/>
Use of Green-E RECs as replacement RECs?	Yes <input type="text"/> No <input type="text"/>
Contract Size (MW)	<input type="text"/>
Term (Years)	<input type="text"/>

Attachment 3 – Sample PPA Terms and Conditions

DEFINITIONS.

TERM AND TERMINATION.

CONSTRUCTION, INSTALLATION AND TESTING OF SYSTEM.

SYSTEM OPERATIONS.

DELIVERY OF SOLAR SERVICES.

PRICE AND PAYMENT.

GENERAL COVENANTS.

REPRESENTATIONS & WARRANTIES.

TAXES AND GOVERNMENTAL FEES.

FORCE MAJEURE.

DEFAULT.

LIMITATIONS OF LIABILITY.

ASSIGNMENT.

NOTICES.

CONFIDENTIALITY.

INDEMNITY.

INSURANCE.

MISCELLANEOUS.