

ATLANTIC COUNTY UTILITIES AUTHORITY

ADDENDUM NO. 1

Please take notice that **ADDENDUM NO. 1** is being issued for the following Competitive Contracting Proposal:

Solar Electricity Power Purchase Agreement at the Atlantic County Utilities Authority

The **ADDENDUM** addresses questions received in writing, and/ or clarifications to the RFP document. **ADDENDUM NO. 1** will be issued by fax or email to all planholders and all bidders shall acknowledge receipt of the Addendum in the Addenda Acknowledgment Section of the Proposal Form. Failure to do so shall be cause for rejection of the vendor's proposal.

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ACUA SOLAR PPA RFP

ADDENDUM #1 – VENDOR QUESTIONS

07/29/2020

1. Is the Authority looking to purchase electricity through a Power Purchase Agreement or are they looking to generate income through a land lease agreement assuming successful acceptance into the NJ Community Solar Program? The RFP mentions both interchangeably but these are two completely different finance vehicles.

The lease agreement is going to be attached to the PPA with the Successful Respondent to provide the right to develop and operate the project on the site and parameters of site access and control, but the ACUA is not seeking a lease payment. With that said, the ACUA is allowing vendors the flexibility to be creative in their proposals to provide the most financially advantageous to the Authority and customers of the community solar project. If Respondents are going to offer a lease payment in addition to a PPA rate, this should be indicated in Attachment 9 in the space for other innovative benefits. The ACUA as the Subscriber's Organization will be charging the accepted PPA price the Community Solar Customers. The Request for Proposals has been issued for a Power Purchase Agreement Provider that will sell the generation from the solar project to the ACUA for sale to Community Solar customers. A key factor is that the community solar customers realize savings of 10% or more, so the priority is on a low PPA price.

2. Does the Authority have guidance on how much funding to include for ACE interconnection? It can be assumed that this will not be a basic interconnection and fees could range drastically. We suggest an adjustment factor to the proposed PPA rate or land lease offer to account for a large spread of interconnection costs.

Per the Community Solar Energy Pilot Program, the project will be interconnected to the ACE distribution system. It is the Successful Respondent's responsibility to identify an appropriate potential interconnection point. There are multiple ACE circuits that surround the site and are in closer proximity to the array locations. ACUA will be support and work with the Successful Respondent and ACE to enable interconnection. Respondents should assume \$250,000 as a minimum interconnection cost. The RFP Attachment 10 contains a PPA Price Adjustment Factor of Unforeseen Costs to adjust for increases in interconnection costs after such costs have been determined.

3. Is the landfill non-penetrable? Meaning the Authority is looking for a ballasted solar system that will sit atop the cap?

Correct. The cap cannot be penetrated. Ballasted systems are required and erosion control must be included in the design.

4. The concept drawing shows 4 acres being available for solar, but the aerial of the site seems like there is far more available land. What is the limitation and how was it determined?

This is the capped and closed portion of the landfill. Other portions of the landfill are active or may become active again in the future.

5. The project was awarded into the 1st year of the PILOT. What commitments were made in your application? e.g. discount rate, geography, LMI, etc.

As stated in the response to Question 1 above, the ACUA is the counterparty and responsible for the Subscriber Organization. This RFP is evaluating amongst other criteria the potential economic benefit. We assume lower costs will lead to greater economic benefits.

6. How are you working with the BPU for construction start and completion deadlines? PILOT projects were required to start construction in June and complete in December.

The ACUA has received a 2 month extension for the June construction deadline. ACUA staff has been in discussion with BPU staff and has confidence additional extensions will be granted given the constraints of public purchasing laws amid the COVID-19 pandemic and shutdown.

7. In our solar design software and latest Google Earth imagery, we see a fully developed solar array at the 6700 Delilah Rd site. From the context of the RFP, it looks like ACUA is asking for a developer to build and finance an array. Is this the correct area for development or is this a different array in a different location?

6700 Delilah Road is the correct address. The solar array visible in aerial photos is not on the ACUA's property. See attachments 2 and 5 of the RFP for site specifics.

8. There is very minimal hosting capacity at the site. Sol has found it beneficial to RFP issuers in the past to provide a flat interconnection cost for each bidder to use across the board, such as \$0.10/W. This would help the RFP evaluators to level the bids and compare apples to apples. Some bidders may be unrealistically aggressive with this cost assumption and cause negotiations to stall if awarded. Is this an approach that ACUA is willing to adopt?

See response to Question 2. Please provide your estimated interconnection cost budget as part of your response.

9. Would ACUA be able to accept electronic copies of bid documents in the midst of this pandemic? We are all working remote and mailing physical copies to ACUA may create unnecessary exposure to COVID-19.

All proposals must be submitted per the instructions in the RFP. Submittal requirements are based on New Jersey contracting laws and are clearly spelled out in the RFP.

10. Regarding Interconnection: The site is located on a restricted circuit, with an allowable maximum system size of 50 kW for interconnection. During ACUA's preliminary discussions with ACE, was there mention of additional capacity becoming available on this line or did ACE mention possible upgrade requirements.

The site has no existing service from ACE. The Site is large and is adjacent to multiple different ACE circuits. Please see response to Questions 2 & 8 above. An interconnection application will need to be completed and filed to continue discussions with ACE.

11. Please extend the due date by 1 week.

At this time, we do not see any reason to delay the proposal due date.

12. Please provide topographic surveys showing settlement and elevations.

See Attachment 12.

13. Please provide any underground utilities map available.

See Attachment 13.

14. Is there a date for contract completion?

November 2021.

15. Attachment 2, Conceptual Drawing, states "Approximately 4.0 Acres Available on Plateau for Solar". Can you verify that only 4 acres are available for an ACUA project?

See question 4.

16. Can we get a copy of the attendees/sign in sheet from the site visit?

See Attachment 14.

17. Has the DEP provided any costs for permitting the solar on the closed landfill?

NJDEP permitting cost have not yet been established and will ultimately be determined by the proposed project design and necessary modifications needed to ACUA's existing permits to accommodate the project.

18. ACE's website indicates that there is only 50 kW-AC capacity on its grid. What is the interconnection strategy?

Please see the answers to the questions above. Please propose your preferred interconnection strategy.

19. What is the extent to which the ACUA will "support" the permitting and approvals?

ACUA has already made initial contact with NJDEP for permitting. ACUA staff will work the successful bidder to schedule additional meeting and coordinate with NJDEP for required permit modifications. The successful bidder shall be responsible for providing all necessary information for applicable permits. For modifications to existing ACUA permits, the successful bidder shall be responsible crafting the modifications, which ACUA shall submit as part of their existing permits.

20. What will be the delineation between ACUA and the chosen Solar Developer in maintaining the property and landfill cap as required by the Caption Plan? Can the Solar Developer place solar on the sloped berms and have the ACUA maintain those berms as well, or must the solar go on the flatter top of the berms as outlined in Addendum #2?

Side slopes of the capped and closed portion of the landfill are available for development, but must remain in accordance with the closure plan. The successful bidder shall be responsible for maintenance on all portions of the landfill that are part of the final lease agreement. The successful bidder shall be responsible for any maintenance not already covered under the existing landfill closure plan, as well as any new maintenance work that is needed as a result of developing solar on the landfill. ACUA may be willing to work with the successful bidder on maintenance activities.

21. Does the ACUA have a preferred "delivery point" for the solar energy to be brought to? Will the ACUA help at all in the design of the Interconnection, or simply file the paperwork for it with ACE?

ACUA will coordinate conversations with ACE and sign the associated interconnection paperwork as needed. The selected respondent is responsible for designing the interconnection.

22. It says the bidders need to provide \$25,000 at commercial operation to ACUA; however, this payment is not reflected in the bid proposal section (Attachment #9). Should this be included in the additional fees by all the bidders for the project?

Yes, this \$25,000 should be included by all Respondents in the project cost Respondents will input this on Attachment 9

23. Is the use of Domestic materials absolutely required? Or is this a best-effort to do so? If we cannot find domestic items, should we point out where each material item is made?

Vendors should consult with their attorney regarding interpretation of state statute.

24. Will the awarded bidder be able to provide proof that it complies with this once the bidder is awarded the project and before the bidder starts construction? Or must this proof be in place in order to even submit a bid? This section states it both ways and is confusing.

Vendors should consult with their attorney regarding interpretation of state statute.

25. In this section it says the successful bidder will be rejected if failing to enter into a contract within 21 days; however, on Page 11 of the RFP, Section III, "Proposal Requirements", Letter N, second paragraph, it says the respondent must enter into a contract within 10 days. Which is the correct number of days in which the bidder must enter into a contract with the ACUA?

10 days from the notice of award.

26. Will running poles be made available to reach the Point of Interconnection?

The successful respondent will be responsible for providing all necessary materials.

27. In ACUA's Community Solar application, ACUA notes that ACLE, the owner of the landfill gas to energy project on the landfill site, owns the approved export rights from the site. Pursuant to an Agreement between ACUA and ACLE, ACLE has agreed to provide 2 MW of its existing injection rights to ACUA. These rights will be utilized by the ACUA's Community Solar Project. Can you please confirm the capacity for interconnect is secured and this agreement has been finalized?

Please utilize the information in the RFP and this addendum and not in the Community Solar application.

28. Has ACUA received an extension to the Community Solar program deadline, and if so what is the extension's new deadline?

See question 6.

29. Can the tower structure near the solar array area be relocated? This is a concern for shading of panels.

ACUA shall consider proposals that include relocation of the tower, at the bidder's expense, pending the proposed relocation site.

30. What is ACUA's preference for site control? Does ACUA expect an outline of a lease or purchase agreement of the property?

See response to question 1.

31. Can developers offer a phase 2 option as well for the portion of the site not yet closed?

Please remain within the bounds described in the RFP.

32. This section refers to a standard form of contract that has been provided as part of the RFP. Can you confirm that this is referring to the PPA that is referred to in Attachment 8 and not an additional contract? Also, Attachment 8 only provides key terms required in the PPA but does not provide a form of PPA and implies that bidders are expected to provide a form of PPA that includes those key terms as part of their proposal submission. Can you confirm that this is the case?

Yes, this is referring to PPA referred to in Attachment 8. Bidders are to use those key terms as part of their proposal submission.

33. Can you clarify whether the limit of the system size is 2 MW AC or DC?

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