



Council of Independent Colleges in Virginia

REQUEST FOR PROPOSALS for SOLAR PHOTOVOLTAIC PROJECTS

Addendum No. 4 Issued: January 8, 2016

This Addendum Number 4 is issued by e-mail on January 8, 2016, and available at the CICV RFP website: <http://my.solarroadmap.com/ahj/smp-icv/view>. Except as modified by this Addendum or previously-issued Addenda, the Council of Independent Colleges in Virginia ("CICV") Request for Proposals ("RFP") remains unmodified.

Item #1

Q: Upon first review, many colleges in the various bundles appear to have energy rate plans that are essentially demand-centric with minimal \$/kWh consumption charges (Tariff 861 – Large Power, 306 Large Power, 850 Large Power, GS-3, Schedule 10, Primary and Secondary Voltage, and LP-11 Large Power). In the scenarios in which peak demand cannot be minimized via a cost-effective energy storage solution, are these colleges interested in paying a higher \$/kWh rate to support solar installations at their campuses?

A: CICV has reviewed the results of solar feasibility studies individually with participating colleges, which include a preliminary financial analysis for the solar arrays included in the RFP. The college decision-makers understand the financing options and have varying willingness to pay solar electricity price premiums. Some colleges make investment decisions weighted more heavily on short-term cash flows, while others weighted more heavily on long-term savings or value. Vendors are encouraged to submit their best offers for reducing colleges' electricity costs, while providing additional value via RECs or other mechanisms.

Item #2

Q: Will bids that contain a Power Purchase Agreement (PPA) price higher than the current cost to the college be rejected? If not, then how will they be scored?

A: Not necessarily. Per Item #1, college decision-makers have varying willingness to pay solar electricity price premiums. Some colleges make investment decisions weighted more heavily on short-term cash flows, while others weighted more heavily on long-term savings or value. Regarding scoring, page 19 of the CICV Solar RFP lists the proposal evaluation criteria; cost is weighted at 45%. Vendors are encouraged to submit their best offers for reducing colleges' electricity costs, while providing additional value via Renewable Energy Certificates (RECs) or other mechanisms.

Item #3

Q: The system we are proposing uses an unconventional technology and we don't believe that PVWatts can accurately model the system. Would it be acceptable if we use NREL's SAM model as our modeling tool with the same loss assumptions as PVWatts?

A: For the submittal of Exhibit B, production modeling using PVWATTS must be used, as specified in the RFP. If bidders feel as though PVWATTS does not accurately model production for their specific technology, bidders may in addition provide an alternate form of Exhibit B, using alternate modeling software. The RFP response should explain why the alternate modeling is preferred by the bidder, and what assumptions, if any, were different or adjusted to enable the different modeling outcome.

Item #4

Q: Regarding the response to Item #3 in Addendum 3, it is still unclear as to whether it is a hard requirement that we provide *new* layouts or whether it is acceptable to use the design layouts included in Exhibits C.2.1--C.2.4 of the RFP. In other words, if we decide to follow the design layouts as provided for our bids, do we have to provide new layouts or can we essentially say that we are following/utilizing the layouts as provided in the RFP materials?

A: Since design layouts in the RFP do not include specifics of module type or final proposed system size, all proposals must include layouts that reflect the specific modules and system sizes proposed by the solar vendors.

Item #5

Q: For the Bid Alternates sites, is it permitted to remove trees immediately adjacent to the areas designated for development on land owned by the colleges? This question is being posed primarily to address shading concerns from adjacent trees.

A: The ability to remove trees on land owned by the colleges will be situation dependent. While the request to remove trees may be approved, it may be conditional on other factors such as property classification, zoning regulations, or tree replanting. A final decision on this matter must be obtained from relevant college(s) during contract negotiations.

Item #6

Q: Will CICV be adjusting the online dates for these projects now that the solar ITC has been extended, or do all projects still have to be online by the end of 2016?

A: No hard construction completion requirement is included in the RFP. In the proposal project schedules, project completion should still be aiming for the end of 2016. Bidders should identify if there are reasons why 2016 completion would be unfeasible or inadvisable. The possibility of extending a project's completion date beyond 2016 would ultimately be a matter of contract negotiation.

Item #7

Q: Regarding Exhibit C.3. Historical Energy and Demand Usage, will CICV explain what the "Min 12 months, Max 36 months reviewed" label means on both the energy consumption and demand tabs? How was this data put together?

A: Utility data were gathered from each college, but the completeness of the data sets varied. Some colleges provided only 12 months of data, while others provided 36 months of data. Most were

somewhere in between. Thus, the data contained in Exhibit C.3 are monthly averages of kWh consumption and peak kW across the past three years, according to available data.

Item #8

Q: Regarding the Utility-Scale Bid Alternates projects, the RFP materials appear to suggest that participating colleges would be hosts for the projects (in exchange for a lease payment), but not the off-takers/counter-party to a PPA. Are there any PPA opportunities to sell to Ferrum College or Emory & Henry College for these projects, and if not, what is the nature of Appalachian Power Company's (APCO) participation or openness to negotiation for signing a PPA for the off-take? Would it be a separate process to secure a PPA with APCO outside of this RFP?

A: Of the three colleges with Bid Alternate projects, Emory & Henry College and Lynchburg College have their generation and transmission needs met by 100% renewable energy (landfill gas) from Collegiate Clean Energy and, as such, these two colleges are not interested in being the counterparty to a third-party financing arrangement, such as a PPA, for the Bid Alternate sites. A land lease payment, RECs, a combination of a land lease payment and RECs, or some other value offering, would be of more interest to those two colleges. On the other hand, Ferrum College is the third college with Bid Alternate projects and it is served entirely by APCO. In addition to a land lease, RECs, or other value offering, there may be an opportunity for Ferrum College to be the off-taker of the solar electricity from the Bid Alternate projects on their land via a valid financing structure. CICV has not discussed in detail APCO's openness to being the off-taker of the power at any of the Bid Alternate sites. It would indeed be a separate process to secure a PPA or other arrangement with APCO outside of the CICV RFP. *Please note that Lynchburg College and Ferrum College, but not Emory & Henry College, have rooftop and carport project opportunities on their campuses for which they may be interested in being counter-parties to third-party financing arrangements.*

Item #9

Q: Related to the Utility-Scale Bid Alternates projects, the Lynchburg College location appears to suggest that the host could consume about 60,000 kWh a year and sign a PPA for that amount, but the suggested system size would induce a major over production which would otherwise appear to breach the current Virginia net metering laws. In this scenario, is it to be assumed that the project would have one interconnection into the local host (Lynchburg College Nature Center) with a corresponding PPA, and then the developer would then be responsible for securing a PPA with the City of Bedford utility separately from this RFP?

A: Bidders may want to consider the Lynchburg College Nature Center as two separate systems. The recommended 236 kW array at the northern end of the property (APCO) is the maximum capacity for that particular location. The system capacity proposed by bidders must not violate the 100% offset limit under state net metering regulations for the Education Building meter, unless they plan to sell the excess power generation to another off-taker. For the recommended 9.6 MW array at the southern end of the property (City of Bedford), yes, bidders would be responsible for securing a PPA with the City of Bedford utility, selling the power into the PJM wholesale market, or finding another viable off-taker.

Item #10

Q: Could CICV provide clarification on the proposed deal structure for the 3 bid alternative sites? Specifically, we'd like to confirm which party would be the off-taker of the energy (the participating college or the utility)? Should our bid include a site lease payment to the participating college, or a PPA (\$/MWh) offered rate?

A: See response to Item #8.

Item #11

Q: In the case that the colleges will not serve as the PPA counterparty, for Utility-Scale Bid Alternates do the same template PPAs and the 5-year options to extend apply if APCO or City of Bedford countersign?

A: No, in the case that colleges do not serve as the PPA counterparty, the template PPA and 5-year options to extend do not apply. Those details should be negotiated with the PPA counterparty and/or the utility.

Item #12

Q: Shenandoah University facilities staff mentioned that the land was under a conservation easement and it might not be possible to build a ground mount in the field as suggested in the RFP. Do you have any information to the contrary?

A: Shenandoah University (SU) staff approved the inclusion of the 20 kW system in the CICV Solar RFP with the understanding that it is feasible to install a solar array close to the house and parking area on the developed area of the conservation easement. The uncertainty regarding the installation of solar PV on the easement is primarily related to the large undeveloped land area that is located along the river. SU staff is seeking additional clarity with the authority having jurisdiction, which will be communicated in a subsequent addendum.

Item #13

Q: Regarding Shenandoah University's Cool Springs River Campus, the RFP provides consumption from June of 2013 to November 2014 and shows a usage of approximately 30,000 kWh/yr. One of the bills available via the Dropbox link shows only 8,299 kWh of consumption from May 2014 to April 2015. Can you provide insight on the disparity?

A: Yes, there is a discrepancy in the data provided by Shenandoah University. CICV has requested clarification from SU staff and will provide their response in a subsequent Addendum. For the purposes of preparing proposals, vendors should assume that Shenandoah University's Cool Springs River Campus consumes 30,000 kWh per year, as stated in Exhibit C.3.

Item #14

Q: Regarding item C of the Evaluation Criteria: Project Cost, Does this refer to the development cost of the system for purpose of evaluating a purchase by the college? Does it also refer to the cost per kWh of the electricity?

A: The project cost evaluation criterion will be used for both \$/W direct purchase and \$/kWh for third-party financed systems.

Item #15

Clarification regarding the validity of PPAs in Virginia. While some attorneys argue that the Virginia Code appears to suggest that PPAs are currently legal in Virginia and compatible with current net metering regulations, at least one utility has taken the position that they are not. As of this writing, the State Corporation Commission (SCC) has not made an official ruling on this issue. Bidders should consider this potential risk when compiling their proposals. Customers in Dominion's territory may seek to utilize the pilot PPA program approved by the SCC.

Item #16

The RFP response due date remains unchanged. RFP responses are due by January 22, 2016, at 5:00 pm EST. Submittals should be sent per instructions outlined in the CICV Solar RFP.

— End of Addendum No. 4 —