

# REQUEST FOR PROPOSALS TO OFFER POWER PURCHASE AGREEMENTS FOR SOLAR PROJECTS AT STATE OF CONNECTICUT FACILITIES

## I. PURPOSE

The Connecticut Green Bank (“Green Bank”) seeks non-binding proposals (“Non Binding Proposals”) from pre-qualified investor/owners (“Respondents”) interested in owning, operating and maintaining solar PV projects to be constructed at State of Connecticut facilities as outlined in Exhibit A (“Projects”) and selling the power from the Projects to the facility through a power purchase agreement (“PPA”). The Green Bank will down select a portion of Respondents for final, binding price proposals (“Final Binding Proposals”). The Final Binding Proposals cannot exceed Non-Binding Proposals submitted through this RFP by more than 5% unless the Green Bank materially changes the pricing inputs. The Green Bank will select an investor/owner for the Projects based on the Final Binding Proposals and assign the Projects to them during construction or prior to the Projects being energized (to be determined between Green Bank and the selected investor/owner).

## II. GREEN BANK BACKGROUND

The Green Bank is a quasi-public state agency. As the nation’s first full-scale green bank, it is leading the clean energy finance movement by leveraging public and private funds to scale-up renewable energy deployment and energy efficiency projects across Connecticut. The Green Bank’s success in accelerating private investment in clean energy is helping Connecticut create jobs, increase economic prosperity, promote energy security and address climate change. In 2017, the Green Bank received the Innovations in American Government Award from the Harvard Kennedy School Ash Center for Democratic Governance and innovation for their “Sparking the Green Bank Movement” entry. For more information about the Green Bank, please visit [www.ctgreenbank.com](http://www.ctgreenbank.com).

## III. PROGRAM BACKGROUND

The Green Bank is working with the State of Connecticut to facilitate solar PV deployment at sites owned by the Department of Correction (“DOC”), the Department of Energy and Environmental Protection (“DEEP”), and the Department of Administrative Services (“DAS”). These Projects are summarized in Table 1 and additional information is available in **Exhibit A**. The Green Bank, through a separate RFP<sup>1</sup> (“EPC RFP”), has selected SunPower and Green Earth Energy to provide engineering, procurement, and construction services (“EPC”) for these projects, as noted in Table 1. The Green Bank (or other entity owned directly or indirectly by the Green Bank) will execute PPAs with the DAS and the applicable State agencies.

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<sup>1</sup> <https://ctgreenbank.com/statesolarrrfp/>

The Green Bank pre-qualified bidders for this PPA Pricing RFP (“PPA RFP”) through an RFI<sup>2</sup> that closed on November 8, 2019. Only pre-qualified bidders can submit proposals to this PPA RFP. As part of that pre-qualification process, Respondents indicated their acceptance of the template PPA and Engineering, Procurement, and Construction (“EPC”) agreement (Exhibits C and D, respectively) that will be used by the Green Bank for the Projects. Bidders must be willing to accept the PPA and EPC agreement “as is”. The template EPC agreement can only be modified if both SunPower or Green Earth Energy, as winners of the EPC RFP, and the winner of this RFP mutually agree to negotiate any terms and to any changes.

Respondents are encouraged to incorporate Green Bank debt funding to finance a portion of the capital required for the Projects. The Green Bank has the ability to issue green bonds to raise low-cost and long-term private capital to be included in the capital structure to further reduce the PPA price for state facilities (see Section VI (E) below).

**Table 1: Project Information**

<b>Project ID</b>	<b>Site Name</b>	<b>Property Address</b>	<b>Project Type</b>	<b>Project Size (kWdc)</b>	<b>Project Size^ (kWac)</b>	<b>EPC</b>
DOC_Cybulski_47	Cybulski	264 Bilton Rd, Somers, CT 06071	Ground	870.48	750	SunPower
DOC_Enfield_56	Enfield	289 Shaker Road, Enfield CT 06082	Ground	237.12	205.6	SunPower
DOC_MansonYI_99	Manson Youth Institute	176 Jarvis St, Cheshire, CT 06410	Ground	2190.24	1950	SunPower
DOC_Osborn_64	Osborn	100 Bilton Rd, Somers, CT 06071	Ground	2274.48	1800	SunPower
DOC_Robinson_22	Robinson A	289 Shaker Rd, Enfield, CT 06082	Ground	118.56	92	SunPower
DOC_Robinson_61	Robinson B	289 Shaker Rd, Enfield, CT 06082	Ground	274.56	212	SunPower
DOC_Robinson_70	Robinson C	285 Shaker Rd, Enfield, CT 06082	Ground	1132.56	875	SunPower
DOC_Robinson_85	Robinson D	285 Shaker Rd, Enfield, CT 06082	Ground	514.8	375	SunPower
DOC_Willard_50	Willard	391 Shaker Rd, Enfield, CT 06082	Ground	758.16	625	SunPower

<sup>2</sup> <https://ctgreenbank.com/statesolarrfi/>

DOC_Cheshire_Maloney_Webster	Maloney and Webster (Cheshire Correctional)	Jarvis St, Cheshire, CT 06410	Ground	2433.6	1950	SunPower
165_Capitol	State Office Building	165 Capitol Ave, Hartford, CT 06106	Roof	150	100	Green Earth Energy
DEEP_Hatchery	Kensington Hatchery	120 Old Hatchery Rd, Kensington, CT 06037	Ground	123	100	Green Earth Energy

**IV. PROJECT INFORMATION**

Exhibit B contains all the project information to inform pricing submissions.

**A. Project Sizing and RECs**

The Green Bank commissioned an evaluation of each State property in order to determine the Project size, identify the location of the proposed Projects, and locate the existing electrical equipment. ZRECs and/or LRECs have been secured for the majority of the sites. Exhibit B identifies the project ID, site name, property address, LREC/ZREC size, project type and other information.

Exhibit A shows the overall facility layout and conceptual design which identify the areas suitable for Project installation, recommended trench path, the proposed equipment, the electrical service location, the utility meter location, proposed equipment, tilt and azimuth, existing electrical equipment information and any site-specific special conditions. Other equipment such as the proposed data acquisition system is presented in the EPC Agreement (Exhibit D).

**B. Utility Interconnection**

Table 2 below shows a list of projects for which an interconnection application has been submitted to the utility company. This step was taken by the Green Bank where the utility’s circuits have had limited hosting capacity for additional distributed generation. The cost of the interconnection application for these projects and the required study has been paid by the Green Bank. These costs, anticipated utility upgrades resulting from the study, and any additional interconnection costs will be paid by winner of the Final Binding Proposal and are incorporated in the costs presented in Exhibit B.

**Table 2: Sites with a submitted interconnection application**

Project ID	Site Location
DOC_Cybulski_47	264 Bilton Road, Somers, CT 06071

DOC_Enfield_56	289 Shaker Road, Enfield CT 06082
DOC_Obsorn_64	100 Bilton Road, Somers, CT 06071
DOC_Robinson_22	289 Shaker Road, Enfield, CT 06082
DOC_Robinson_61	289 Shaker Road, Enfield, CT 06082
DOC_Robinson_70	285 Shaker Road, Enfield, CT 06082
DOC_Robinson_85	285 Shaker Road, Enfield, CT 06082
DOC_Willard_50	391 Shaker Road, Enfield, CT 06082

**V. RFP TERMS**

Through an Asset Purchase Agreement and an Assignment and Assumption Agreement, the final selectee of the Final Binding Proposals will have assigned to it the executed Solar PPA, the EPC Agreement (as set forth in the attached Exhibits C and D, respectively) and any additional contracts previously executed by the Green Bank such as REC contracts and interconnection applications / agreements. Additionally, the parties will agree to use best efforts to enter into mutually agreeable loan agreements, as applicable, for Green Bank debt.

**A. PPA**

The template of the PPA for the Projects is included in **Exhibit C**. Respondents have indicated their acceptance of this PPA through their RFI submission. Note that there have been modifications to the PPA since it was reviewed in the RFI submission. These are noted in redline in Exhibit C.

**B. EPC Contract**

The templates of the agreement for the EPC services for the Projects (“EPC Contract”) are included in **Exhibit D**. Respondents have indicated their acceptance of this contract through their RFI submission; note that there have been modifications to the EPC Contract since it was reviewed in the RFI submission. The EPC Contract can only be modified if both SunPower or Green Earth Energy, as winner of the EPC RFP, and the winner of the Final Binding Proposal mutually agree to negotiate any terms and to any changes. Bidders must be willing to accept the EPC Contract “as is.”

For those Projects where SunPower will be the EPC, the five year Performance Guaranty (as defined in the EPC Contract) is outlined in Schedule #7 of the EPC Contract and will only be in effect if SunPower is retained to provide operations and maintenance services. The terms of the SunPower operations and maintenance services, along with cost, are provided in Schedule #7 of the EPC Contract. Bidder may choose a different operations

and maintenance approach but is not guaranteed SunPower will retain the Performance Guaranty.

**VI. PROPOSAL REQUIREMENTS**

Each bidder shall carefully examine the RFP and any and all amendments, exhibits, revisions, and other data and materials provided with respect to this process. The requirements and terms outlined here is not a full list of requirements of the PPA or EPC contract. Bidders should familiarize themselves with all requirements prior to submitting their proposal. Should the bidder note any discrepancies, require clarifications or wish to request interpretations of any kind, the bidder shall submit a written request to RFP@ctgreenbank.com. Green Bank shall respond to such written requests in kind and may, if it so determines, disseminate such written responses to other prospective bidders.

Any submission should include the following elements:

**A. PPA Pricing**

The Respondent shall submit pricing information using the template found in Exhibit E. Respondents shall include 20 year fixed rate PPA pricing.

**B. Statement on Proposers Financial Strength**

Preference is for Proposer to provide three years of audited financial statements and/or last 3 years tax returns

**C. Operations and Asset Management Approach**

The proposal should include approach to asset management, billing, preventative and corrective operations and maintenance.

**D. 2020 Investment Tax Credit**

If applicable, the Respondent should explain their approach to qualifying Projects for the 26% 2020 Investment Tax Credit and include both 2020 and 2021 pricing responses. A taxable Green Bank entity will execute the PPAs and EPCAs.

**E. Green Bank Debt Funding**

The Green Bank will make debt financing available for the Projects. Respondent can, but is not required to, enter in a loan agreement with the Green Bank (or an affiliate) of up to 60% of the Value of the Projects (subject to adequate DSCR coverage per below) with the summary terms outlined in Table 2. The Green Bank has the ability to issue green bonds to raise low-cost and long-term private capital to be included in the capital structure to further reduce the PPA price for state facilities. Respondents are encouraged to include PPA pricing with and without Green Bank debt financing.

**Table 2. Indicative Green Bank Loan Terms**

Interest rate:	3.0% (subject to market conditions at the time of the loan, if making use of Green Bank debt financing, Non-Binding Proposals should be
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	based on this estimate with a \$/kwh factor for each 10bps change in ultimate interest rate)
Term:	15 years or coterminous with the Zero Emissions Renewable Energy Credit (ZREC) Contract. Loan draws available upon the Projects' Commercial Operation Date
Minimum Debt Service Coverage Ratio ("DSCR")	1.25x
Other	The collateral for the debt is either the Project(s) assets or a membership interest in the entity that owns the Project(s) assets, the construction cost of which being the use of the debt proceeds. No upfront fee but reimbursement of loan closing legal costs.

Green Bank is open to negotiating access to Green Bank funding during construction if requested, not to exceed the agreed maximum loan amount (60% of the Value of the Projects, subject to DSCR requirements).

**VII. PROPOSAL PROCESS**

**A. Timeline**

- RFP Posting Monday, August 31, 2020
- Questions Due Monday, September 7, 2020
- Submissions Due 5pm ET, Thursday, September 10, 2020

**B. Submittal Process**

- In submitting a proposal, the following requirements should be observed:
- a. Proposals must be received no later than 5pm ET on September 10, 2020. Proposals received after the aforementioned date and time may not be considered in Green Bank's sole discretion.
  - b. Proposals shall be submitted electronically to [RFP@ctgreenbank.com](mailto:RFP@ctgreenbank.com). The subject line should be identified as: "PPA RFP Submission for State of CT Solar Projects".
  - c. Submitters may be required to interview with Green Bank staff if deemed necessary.

**C. Q&A**

Respondents can submit questions to [RFP@ctgreenbank.com](mailto:RFP@ctgreenbank.com). Questions must be received by September 7 and will be posted online.

**VIII. GENERAL TERMS AND CONDITIONS**

Submission of your proposal assumes the acceptance of the following understandings:

- A. Green Bank reserves the right to reject any or all of the proposals received in response to the RFP, to waive irregularities or to cancel or modify the RFP in any way, and at any Green Bank chooses, in its sole discretion, if Green Bank determines that it is in the interest of Green Bank.
- B. Green Bank further reserves the right to make selections under this RFP without discussion of the proposals received. Proposals should be submitted on the most favorable terms from a technical, qualifications, and price standpoint.
- C. Submissions must be signed by an authorized officer of the Respondent. Submissions must also provide name, title, address and telephone number for individuals with authority to negotiate and contractually bind Investor, and for those who may be contacted for the purpose of clarifying or supporting the information provided in the proposal.
- D. Green Bank will not be responsible for any expenses incurred by any proposer in conjunction with the preparation or presentation of any proposal with respect to this RFP.
- E. Green Bank's selection of a Respondent through this RFP is not an offer and Green Bank reserves the right to continue negotiations with the selected Respondent until the parties reach a mutual agreement.
- F. **Green Bank is subject to the requirements outlined in Sections 16-245n of the Connecticut General Statutes. GREEN BANK SHALL HAVE NO LIABILITY OR OBLIGATION OF ANY SORT HEREUNDER, INCLUDING, WITHOUT LIMITATION, IF FOR ANY REASON OR NO REASON A BINDING AGREEMENT IS NOT ENTERED INTO WITH ANY PROPOSER. IN MAKING ITS SELECTION OF A SUCCESSFUL RESPONDENT, GREEN BANK MAY CONSIDER ANY AND ALL FACTORS AND CONSIDERATIONS WHICH GREEN BANK, IN ITS SOLE DISCRETION, DEEMS RELEVANT, THE RELATIVE IMPORTANCE OF WHICH SHALL BE IN THE SOLE DISCRETION OF GREEN BANK.**

**EXHIBIT A1**

**PROJECT INFORMATION – GEE**

**EXHIBIT A2**

**PROJECT INFORMATION – SUNPOWER**

**EXHIBIT B**

**PROJECT PRICING INFORMATION**

**EXHIBIT C**

**POWER PURCHASE AGREEMENT TEMPLATE**

**EXHIBIT D1**

**SUNPOWER EPC CONTRACT TEMPLATE**

**EXHIBIT D2**

**GREEN EARTH ENERGY EPC CONTRACT TEMPLATE**

**EXHIBIT E**

**PPA PRICING FORM**