



**CLEAN ENERGY**  
FINANCE AND INVESTMENT AUTHORITY

865 Brook Street  
Rocky Hill, CT 06067-3444  
Phone 860.563.0015  
Fax 860.563.4877  
info@ctcleanenergy.com  
www.ctcleanenergy.com

**Projects that have received or will receive a grant from CEFIA under this solicitation are not eligible to participate in any future ZREC or LREC programs.**

# **Request for Proposals**

## **On-Site Renewable Distributed Generation**

### **Best of Class, Public Buildings and Affordable Housing for Solar Photovoltaic Projects**

Program Opportunity # CEFIA-RFP-002

Version 1  
September 12, 2011

## Best of Class, Public Buildings and Affordable Housing

### Important Dates:

Request for Proposals (RFP) Released  
Application Deadline

September 12, 2011  
December 30, 2011, 5:00 p.m. EST

Questions or clarifications about this RFP should be directed to:

Clean Energy Finance and Investment Authority  
865 Brook Street  
Rocky Hill, CT 06067-3444  
Telephone: 860.563.0015  
FAX: 860.563.4877  
Email: info@ctcleanenergy.com

This RFP is available on the following Web sites:

Clean Energy Finance and Investment Authority (CEFIA)

[www.ctcleanenergy.com/bestofclass](http://www.ctcleanenergy.com/bestofclass)

Department of Energy and Environmental Protection (DEEP)

<http://www.ct.gov/deep/site/default.asp>

No other person employed by CEFIA other than its Director of Project Development is authorized to provide information with respect to the On-Site Renewable Distributed Generation (OSDG) Program Applications (Applications) submitted under this RFP. Contact with any other employee, officer or director of CEFIA, consultants to CEFIA, or members of the CEFIA Board of Directors (the Board) with respect to Applications or confidential information related to this RFP is prohibited. Violation of this provision may result in Application disqualification.

Questions will be accepted via email from the release date, September 12, 2011, through October 12, 2011. All relevant questions and answers will be posted on the CEFIA Web site at [www.ctcleanenergy.com/bestofclass](http://www.ctcleanenergy.com/bestofclass). The identities of those who submit questions will not be revealed.

At any time, CEFIA staff will be available to answer general questions regarding process or timetables.

Any oral communication concerning this RFP is not binding and shall in no way alter a specification, term or condition of this RFP or indicate any selection preference other than that identified herein.

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### Executive Summary

The purpose of the competitive OSDG Program Best of Class, Public Buildings and Affordable Housing RFP is to solicit Applications from eligible entities working with experienced renewable energy developers (Applicants). There will be a strong emphasis on evaluating the financial feasibility of each proposed OSDG solar photovoltaic installation (PV Project) as well as the Applicant's ability to complete construction of the PV Project in a timely manner. Applications for this RFP will only be accepted during the timeframe specified in this RFP, Section 2.

#### Important Dates

RFP Release: September 12, 2011

Application Due Date: December 30, 2011, by 5:00 p.m. EST

### **Solar Photovoltaic (PV) is the only technology eligible for grants under this RFP.**

This RFP is a financial support program for new renewable energy generating equipment at commercial, industrial and institutional facilities in Connecticut. Through this RFP, CEFIA will offer financial support to buy down the cost of renewable energy generating equipment for PV Projects in the development phase that have not yet commenced the construction phase. The level of support for individual awards is not a fixed amount based on size or cost; it will vary based on the specific PV technology, efficiency and economics of the installation. The intent of the funding is to enable owners of PV systems to "break even" over the life of the PV Project, with a fair and reasonable return on investment, compared with purchasing the equivalent amount of power from the utility.

This RFP is intended to provide PV Project funding during the transition from grant-based, CEFIA supported PV Project funding to the market-based, Public Utility Regulatory Authority (PURA) and electric distribution company (EDC) regulated Zero-emission Renewable Energy Certificate (ZREC) program. The ZREC program was created by Public Act 11-80, Sections 107 to 108 (PA 11-80) in July 2011. The ZREC program will be implemented by PURA, formerly the Connecticut Department of Public Utility Control (DPUC), and EDCs. Currently, the program has not yet been developed, but it is expected program information will be available in late 2011 with program implementation beginning in early 2012. PA 11-80 specifies the following about the ZREC program:

- ZRECs will have a \$350/MWh price ceiling
- Contracts will be awarded in a competitive bidding environment with competitive bid RFPs issued by the following EDCs:
  - Connecticut Light & Power (CL&P)
  - United Illuminating Company (UI)
- ZRECs will be rate-payer funded
- Contracts will have a fifteen (15) year duration

CEFIA was created by the Connecticut General Assembly in 2011. It is the successor organization to the Connecticut Clean Energy Fund (CCEF). CEFIA's mission is to promote, develop and invest in clean energy and energy efficiency projects in order to strengthen

## Best of Class, Public Buildings and Affordable Housing

Connecticut's economy, protect community health, improve the environment, and promote a secure energy supply for the state. As the nation's first full-scale clean energy finance authority, CEFIA will leverage public and private funds to drive investment and scale-up clean energy deployment in Connecticut.

## Section 1 - Introduction

### 1.1. Objectives of the Request for Proposals

CEFIA's competitive OSDG Program Best of Class, Public Buildings and Affordable Housing RFP is the only vehicle through which CEFIA will identify and qualify PV installations for RFP funding. CEFIA will competitively screen and evaluate all of the proposed PV Projects and recommend only the PV Projects best meeting this RFP's criteria. The results will be provided to the Board for final authorization of grant awards. Following a minimum review to determine Application eligibility, CEFIA intends to conduct reviews of the Applications concurrently.

Under this RFP, CEFIA intends to recommend only those PV Projects that (1) use commercially available PV technologies, (2) have already achieved substantial progress in permitting and site control, (3) require minimal investment from CEFIA, (4) are ready for deployment and (5) are installed at sites that have taken maximum advantage of available energy efficiency incentive programs. If an Application does not meet the minimum criteria or does not include all required documentation listed in Section 2 of this RFP, the Application will not be accepted for further review by CEFIA. The Applicant must reapply under a future funding opportunity. **No Applications will be held in a queue or pipeline, as in past CCEF commercial OSDG programs.**

The specific objectives of this RFP are to:

- Fund a geographically and size-diverse portfolio of PV Projects;
- Select PV Projects with a high probability of reaching successful installation and operation;
- Focus on PV Projects that fully utilize the characteristics of the technology and maximize benefits to a Connecticut property or facility (the Customer Site);
- Select PV Projects that include investments in energy efficiency with short ( $\leq 5$ -year) payback periods;
- Select PV Project Customer Sites that will disseminate lessons learned, barriers overcome and benefits of the installation to peers; and
- Assist the market in becoming more acquainted with a performance-based incentive program such as the ZREC program currently being developed in the State of Connecticut.

The total funding allocated for all selected PV Projects under this RFP is \$4.5MM. This solicitation offers grant funding as shown below:

Best of Class, Public Buildings and Affordable Housing		
System Size Blocks	$\leq 100\text{kW}_{AC}$	$>100 \text{ kW}_{AC}$ to $250\text{kW}_{AC}$
Funding Allocation per System Size Block	<b>\$1,500,000</b>	<b>\$3,000,000</b>

Unused funds from this RFP will be added to future Best of Class, Public Buildings and Affordable Housing solicitations or will be reallocated at CEFIA's discretion.

The Application for this solicitation is posted on CEFIA's Web site at [www.ctcleanenergy.com/bestofclass](http://www.ctcleanenergy.com/bestofclass).

**Applications must be in CEFIA's possession no later than 5:00 p.m. EST on Friday, December 30, 2011.**

### 1.2. Eligible Technologies

To be eligible, an Applicant must propose to install commercially available PV generating equipment at the Customer Site.

### 1.3. Eligible Applicants

CEFIA will review Applications only from developers, Customer Sites or companies who are engaged in the development of a PV system. The Applicant must establish to CEFIA's satisfaction which entity will be primarily responsible for the overall managerial and financial control for the proposed PV Project. **Only one Application will be accepted per Customer Site per RFP round.** PV Projects must be located in either CL&P or UI territories.

The following commercial entities may apply under this RFP:

- For-profit companies
- Not-for-profit companies
- Religious organizations
- Condominium associations
- Municipalities
- State and federal agencies
- School districts
- Not-for-profit and for-profit affordable housing companies

### 1.4. Eligible PV Projects

Under this RFP, CEFIA will accept only PV Projects in the development phase. PV Projects that have begun construction prior to executing a Financial Assistance Agreement (FAA) with CEFIA will not be eligible for funding under this program.

An eligible PV Project under this RFP must also meet the following criteria:

- As required under Connecticut law, the PV Project must be located within the state of Connecticut.
- PV Projects must be located in either CL&P or UI territories.
- **Customer Sites must have a minimum peak demand of 10kW or greater. (Please refer to Section 4.1, PV Project kW Size Limit Calculation) Customer Sites with a minimum peak demand of less than 10kW will not be considered for funding under this RFP.**
- **PV Projects may be larger than 250 kW<sub>AC</sub>, however, the grant calculation shall only be based on the first 250 kW<sub>AC</sub>.**
- If the Application is structured as a Power Purchase Agreement (PPA) or a lease, the contract duration of the proposed PPA or lease must be between ten (10) and twenty (20) years.
- The PV Project must generate electricity for use on site.
- The Applicant must agree to accept the standard FAA “as is” except for technical revisions or PV Project-specific revisions required due to special features of a particular PV Project.

Applications not meeting all of the requirements outlined above will not be further evaluated by CEFIA under this RFP.

### 1.5. PV Project Cost

For economic evaluation purposes, Applications must include firm costs not subject to revision through the evaluation process and Board review proceedings. Applicants must also disclose all other sources of funding that will be applied to the PV Project. Final determination of whether a PV Project has quoted reasonable costs will be made by CEFIA at the time of Application review.

For-profit, tax-paying Applicants should include all applicable state and federal tax benefits in their financial analysis. Federal and investment tax credits are to be retained by the Applicant. **Not-for-profit Applicants are not eligible for state and federal tax benefits.**

### 1.6. Funding

CEFIA will award a grant to each PV Project selected under this RFP through the evaluation process and approved by the Board. Funding will be provided in the form of a monetary grant under standardized terms, and grant payment(s) will be contingent upon the following items:

- Execution of an FAA with CEFIA.
- Reaching the in-service date within nine (9) months of FAA execution.

CEFIA will provide a contingent funding offer letter to PV Projects approved by the Board. Execution of the FAA will occur within ninety (90) days of Board approval. **PV Projects failing to execute the FAA within ninety (90) days of Board approval will not be funded under this RFP.**

No one Customer Site may receive more than \$4.0MM in CEFIA funding during any two (2)-year period for all types of renewable energy technologies under the OSDG Programs. The maximum aggregate incentive dollar amount any Customer Site will be awarded for multiple PV Projects will be limited to \$1.0MM in any two (2)-year period.

CEFIA will give priority in the Application evaluation process to those Applications whose overall costs have the least impact on ratepayers. Final funding amounts offered by CEFIA to an Applicant will be at the sole discretion of CEFIA.

## Section 2 - Application Process

### 2.1. RFP Schedule

**As shown on the following schedule, the due date for this RFP is December 30, 2011, at 5:00 p.m. EST.**

Other key milestones for this RFP are presented below. **Any modifications to this schedule or this RFP will be posted at [www.ctcleanenergy.com/bestofclass](http://www.ctcleanenergy.com/bestofclass).** Applicants are strongly encouraged to check CEFIA's Web site for any modifications.

Activity	Activity Date
Issue RFP document	September 12, 2011
Issue press release	September 12, 2011
Questions accepted in writing - E-mail only - <a href="mailto:info@ctcleanenergy.com">info@ctcleanenergy.com</a>	September 12, 2011 to October 12, 2011
Information session – location to be determined	October 12, 2011
Final question responses posted on CEFIA Website	October 31, 2011
Letter of intent to apply	December 2, 2011
Proposal due date	December 30, 2011 5:00 p.m. EST
Eligibility rejection/acceptance letters Issued	January 2012
CEFIA staff recommendations to the Board	February 2012
<b>Funding authorization letters issued</b>	<b>March 2012</b>

**A letter of intent must be submitted by December 2, 2011.** This letter should be on the Applicant's letterhead and signed by the following parties:

- Applicant
- Developer/Contractor
- Customer Site, if different from Applicant

An original, hardcopy of the letter of intent should be mailed to the following address:

Clean Energy Finance and Investment Authority  
865 Brook Street  
Rocky Hill, CT 06067-3444  
Attention: Christin A. Cifaldi, Project Manager

### 2.2. Minimum Criteria

All Applications must meet the minimum requirements outlined below to be considered for eligibility. **If an Application fails to meet the minimum requirements, the Application will not be accepted by CEFIA under this RFP.** The Applicant will receive a denial letter from CEFIA clarifying why the Application failed to meet the minimum criteria. **No Applications will be reviewed for minimum compliance until December 30, 2011.** CEFIA recommends

Applicants develop a response over the entire available RFP timeline to ensure submission of a complete and thorough Application.

Minimum eligibility requirements:

- Customer Sites must be commercial, industrial, or institutional facilities.
- Portable or mobile systems will not be considered under this RFP.
- Seasonal, temporary, or limited-use facilities will be closely scrutinized for high value and visibility, and may be excluded.
- PV Projects must use energy-generation devices that are commercially available and offer warranties, spare parts, and service commensurate with their commercial status.
- Applicants must be the owner and operator of the Customer Site where the PV Project is to be located, or a PPA provider willing to own and operate the PV equipment for the contract term.
- PV Projects must be located in CL&P or UI service territories.
- The PV Project must intend to generate energy primarily for consumption at the Customer Site at the moment it is generated. Net metering may be used to accommodate occasional excess production, but if significant excess energy is anticipated, the incentive will be calculated on the proportion of the PV Project's capacity that does not result in excess production.
- A specific PV Project location must be identified at the Customer Site.

### 2.3. Minimum Documentation

All Applicants must submit the minimum documentation outlined below to be considered for eligibility. **If an Applicant fails to submit the minimum documentation in the proper format, the Application will not be reviewed by CEFIA under this RFP.** The Applicant will receive a denial letter from CEFIA outlining which minimum documentation the Applicant failed to submit. **No Applications will be reviewed for minimum documentation until December 30, 2011.**

All Applicants must provide the following minimum documentation to be considered for a CEFIA grant:

1. **Utility Bills** – This requirement is applicable only to existing buildings. If the Customer Site is using a separate generation provider, provide the following information for both the generation provider and the transmission and distribution information from the utility.
  - Copies of the most recent twelve (12) months of electricity bills.
  - Utility interval data upon request.
2. **Usage Information for New Construction** – This requirement is only applicable to buildings with less than six (6) months of utility history. If six (6) months of usage history or less is available, provide any available usage history as listed under the utility bills requirement. In addition to the utility bills requirement above, Customer Sites with less than six (6) months of usage history will provide the following information:

- Engineering calculations specifying anticipated monthly electrical consumption in kWh for the site.
  - Engineering calculations specifying the anticipated monthly maximum peak demand in kW for the site.
  - A letter from the engineer who performed the calculations explaining calculation methodology. The letter should be signed by the engineer and on the engineer's letterhead.
3. **Financial Information** – Provide verifiable evidence of financial capability to undertake this PV Project from the Applicant. This should include the following:
- Proof of funding resources for the PV Project in the form of a bank letter of reference/credit. This letter should be addressed to CEFIA on the bank's letterhead, signed by the appropriate bank officer, reference the length of time the Applicant has been a customer of the bank and the minimum balance carried by the Applicant.
4. **Site Plans** – Site plans cannot be hand-drawn. Site plans shall include:
- Electrical one-line diagram – This diagram clearly shows all major system components, identifies the make and model number of all major system components, and identifies the interconnections among all major system components.
  - PV Project Site Plan – A detailed drawing of the proposed PV Project site and surrounding territory. The drawing must clearly identify the specific location of the equipment to be installed and the expected point of electric interconnection.
5. **Site Energy Efficiency Measures for Existing Buildings** – Documentation must be submitted indicating the Customer Site has participated in one or more of the local utility's conservation programs funded by the Connecticut Energy Efficiency Fund (CEEF) or has had an energy audit performed by a qualified third-party energy services company. The Applicant must submit evidence that an energy efficiency audit has been performed at the Customer Site during the sixty (60) months **prior** to the submission of its Application. **Audits conducted by Customer Site personnel or the PV Project developer/contractor will not be accepted. If an energy efficiency audit has not been performed at the Customer Site within this timeframe, the Application will not be reviewed under this RFP.**

CEFIA prefers applicants work with CEEF to perform an energy audit. However, if this is not possible, a full-building system audit may be performed by a qualified third party energy services company, including Professional Engineers (PEs) or Certified Energy Managers (CEMs). An energy audit includes a review of the entire building system – the envelope and all mechanical systems. The entity performing the energy audit cannot be related to the Customer Site, installation contractor, PPA provider or any other entity directly involved with the renewable energy project.

The Applicant will submit the following documentation to evidence participation in a CEEF program:

- A copy of the completed energy efficiency audit, including the report's findings and payback periods for any recommended energy efficiency measures.
- Notarized affidavit signed by the Customer Site stating all recommendations in the energy efficiency audit with a payback of five (5) years or less will be implemented **prior** to the installation of the PV equipment.
- If available, a copy of the financial agreement with CL&P or UI executed by the following parties:
  - Customer Site
  - Energy efficiency contractor
  - Local utility

The Applicant will submit the following documentation to evidence completion of an energy efficiency audit conducted at the Customer Site by a qualified third-party energy services company:

- A copy of the completed energy efficiency audit, including the report's findings and payback periods for any recommended energy efficiency measures.
- Notarized affidavit signed by the Customer Site stating all recommendations in the energy efficiency audit with a payback of five (5) years or less will be implemented **prior** to the installation of the PV equipment.
- If available, invoices marked paid for all measures with a payback of five (5) years or less recommended in the energy efficiency audit.

No payments will be made by CEFIA until all energy efficiency recommendations in the energy efficiency audit with a payback of five (5) years or less have been implemented and proof, in the form of invoices marked paid or a signed financial agreement with CL&P or UI, has been provided to CEFIA's satisfaction. **CEFIA reserves the right to request more information regarding energy efficiency audits prior to making a grant payment.**

6. **Site Energy Efficiency Measures for New Construction or Gut Rehabilitations** – If a Customer Site has been constructed or gut-rehabilitated within the sixty (60) months **prior** to the submission of the Application, the Applicant **does not** have to evidence the Customer Site's participation in a CEEF program. CEFIA will require a letter from the general contractor or architect – on the general contractor or architect's letterhead – stating the date of construction or gut rehabilitation completion and listing all the energy efficiency measures included in the construction or gut rehabilitation. The letter must also state the site has been brought up to all current Connecticut electrical codes, building codes and regulations. The general contractor or architect and the Customer Site must both sign and date this letter.
7. **PV Project Agreements** – All PV Project agreements must be in place at the time of Application. Agreements must be signed by both the Applicant/Customer Site and the PV Project developer/contractor. Agreements should be made contingent upon receipt of a CEFIA grant award. Submit an executed copy of all PV Project agreements that demonstrate the ability of the Applicant to successfully develop and operate the

proposed PV Project. Copies of the following contracts must be submitted, as applicable:

- For third-party ownership PV Projects, where the Applicant plans to sell the PV Project's energy to the Customer Site, a copy of the PPA or lease between the Applicant and the Customer Site.
  - Letters of intent to negotiate any necessary easements.
  - Contracts to acquire, install, operate and maintain all major pieces of equipment.
  - Contracts or letters of commitment from financing firms or guarantors.
8. **Shading Analysis** – Provide a shading analysis using the solar pathfinder angle estimator diagram ([www.solarpathfinder.com/DIA-Angle.html](http://www.solarpathfinder.com/DIA-Angle.html)) at the planned installation location at the Customer Site. Google Earth or other aerial photos taken off the Internet are not valid shading analysis tools. Please provide any shading report(s) generated for the location as well as a digital photo of the pathfinder.
9. **Roof Information, applicable to roof-mounted projects only:**
- Provide a notarized statement from Customer Site giving the estimated remaining useful life of the roof, years left on roofing warranty and assurance that the installation of solar PV modules will not void the existing warranty.
  - Provide a letter stamped by a PE or an Architect certifying a PE or an Architect has reviewed the Customer Site, and the roof is able to support the additional load PV modules will add. This letter will be on the PE's or Architect's letterhead and will be signed by both the PE or Architect and the Customer Site.
  - Provide a PE-stamped layout of the PV modules on the roof to certify the layout has been reviewed and is suitable for the specific Customer Site.
10. **Ground Mount Information, applicable to ground-mounted projects only:**
- If applicable, provide a notarized statement from the Customer Site committing to clearing all trees/brush from the future site of the ground-mounted PV Project.
  - Provide a PE-stamped layout of the ground-mounted PV modules to certify the layout has been reviewed and is suitable for the specific Customer Site.
11. **Not-for-profit Documentation** – This requirement is applicable only to not-for-profit Applicants. Provide a copy of a 501(c)3 letter from the Internal Revenue Service (IRS) indicating the Customer Site is a not-for-profit enterprise.
12. **Affordable Housing Documentation** – This requirement is applicable only to not-for-profit affordable housing Applicants.
- Submit a copy of the page in the not-for-profit's by-laws which indicates the primary mission of the Customer Site is to develop, manage, promote and/or construct affordable housing.

- Submit a letter from a Federal, State or local government agency listing the PV Project's address and certifying the site is part of a Federal, State or locally recognized affordable housing development.

**Applications not meeting all requirements outlined above will not be further evaluated under this program.**

#### 2.4. Evaluation Process

Applications submitted under this RFP will be assessed through three evaluation steps. CEFIA may use department staff, staff of other agencies, private consultants, industry experts or other designated representatives to evaluate the Applications throughout the evaluation process. The RFP evaluation process steps are as follows:

- Minimum RFP Requirements – The information provided in each response will be evaluated first for completeness and consistency with the minimum RFP requirements and documentation requirements outlined above. These are the minimum requirements all responses must meet to be eligible for further evaluation. All Applications with deficiencies will be denied.
- PV Project Analysis and Evaluation – After the evaluation of the complete Application, including receipt of responses to any follow-up questions, Applications will be evaluated by CEFIA staff based on the following criteria:
  - PV Project Economics
  - Deployment of the Technology
  - Probability of PV Project Completion and PV Project Feasibility
  - Public and Unique Ratepayer Benefits

Based on this evaluation, CEFIA staff will rank all eligible PV Projects and develop a recommendation of PV Projects for funding to the Board.

- Selection of PV Projects for Funding – At a regularly scheduled Board meeting, CEFIA staff will present recommendations to the Board for review and funding authorization. All PV Projects approved by the Board will receive a conditional funding offer from CEFIA.

**Applications can be rejected at any point in the evaluation process at the sole discretion of CEFIA.** Where appropriate, PV Projects not awarded a grant will be encouraged to resubmit a revised Application in response to a later solicitation.

#### 2.5. Evaluation Criteria

Those Applications meeting the minimum requirements will be evaluated by CEFIA for funding based on the following evaluation criteria:

- |   |     |
|---|-----|
| • PV Project Economics  | 40% |
| • Deployment of the Technology                                    | 20% |
| • Probability of PV Project Completion and PV Project Feasibility | 20% |
| • Public and Unique Ratepayer Benefits                            | 20% |

### 2.5.1. PV Project Economics

This review will include an assessment of the PV Project's pro forma and the commitment of non-CEFIA financing sources to determine if the costs of the equipment and installation are reasonable.

Key PV Project economic values to be evaluated are:

- Ratio of grant request to total PV Project cost
- Staff grant calculation
- Cash flow net present value (NPV) and Internal rate of return (IRR)
- Cash flow consistency
- Simple payback

### 2.5.2. Deployment of the Technology

Key issues to be addressed in the Deployment of the Technology evaluation:

- How well are the technology's attributes matched with the Customer Site's energy needs and requirements?
- Has the proposed equipment been appropriately sized to the Customer Site's electrical loads?
- Does the PV Project reflect a thorough understanding of the generating equipment's limitations and capabilities?

### 2.5.3. Probability of PV Project Completion and PV Project Feasibility

Key issues to be addressed in the Probability of PV Project Completion and PV Project Feasibility evaluation:

- Does the Applicant exhibit financial strength, technical expertise and experience with similar PV Projects?
- Does the Applicant demonstrate awareness and experience with community issues that could influence the PV Project's success and schedule?
- Has the Applicant made efforts to interface with community and special interest groups?
- For buildings complying with the most current Connecticut State Building Code or ASHRE standard 90.1-2004, whichever is more stringent, and demonstrating 10.5% or better minimum energy performance, is the Customer Site certified as:
  - [EPA Energy Star compliant](#)
  - [Green Globes rating system - Two \(2\) Globes or better](#)
  - [Compliant with the Connecticut regulations regarding High Performance Building Standards](#)
  - [LEED Silver or better](#)
  - Or
  - Energy efficient under an equivalent standard

- Does the Applicant exhibit a strong understanding of the PV Project's expected production of renewable energy?
- Is the Application economically sound?
- Is funding secured for the balance of the costs not funded by CEFIA?
- What is the level of financial commitment from the Customer Site?
- What is the likelihood the PV Project will meet its proposed operational date?

#### **2.5.4. Public and Unique Ratepayer Benefits**

Important in CEFIA's evaluation is the degree to which the proposed PV Project relates to the broader interests of Connecticut ratepayers. All Applications will be evaluated on their ability to provide the state's ratepayers with a high level of benefits.

Key elements of the Public and Unique Ratepayer Benefits evaluation will include:

- In-state job creation, including purchases of major system components manufactured or assembled in Connecticut.
- Additional consideration for manufacturing or assembling major system components in a distressed municipality in Connecticut.
- Generation output and reliability at time of system peaks.
- PV Project diversity in terms of technology, location and size.
- Outreach efforts to promote the application of PV to non-residential entities and the general public.
- Efforts to promote PV in schools through curriculum, programs and events.
- Unique PV Project attributes (e.g., part of larger municipal or corporate sustainability plan, etc.)
- Has the Customer Site implemented the recommendations from a third-party energy efficiency audit?
- Applicable to municipal and school projects only – Is the project located in a CEFIA Clean Energy Community?

### Section 3 - Application Submission Requirements

This section outlines the content and format requirements for all Applications submitted in response to this RFP. Applications that do not include the information requested in this section will be ineligible for further evaluation. CEFIA is permitted, but not obligated, to contact the Applicant to clarify or obtain any information inadvertently omitted from an Application.

All Applications must address the requirements outlined in the following sections of this RFP document.

#### 3.1. Application Delivery

Applicant must submit a sealed package that includes:

- Original application (labeled "ORIGINAL") with confidential material separated and placed in a sealed envelope clearly marked "CONFIDENTIAL" in accordance with Section 6 of this RFP
- One (1) electronic copy on compact disc or thumb drive

**Sealed Application packages must be received at CEFIA's offices no later than 5:00 p.m., December 30, 2011.** E-mail and facsimile (fax) transmissions are not acceptable under any circumstances. Applications must be submitted as complete packages, not piecemeal. The Application package will be date-stamped by CEFIA upon receipt, and this time and date shall determine when the package was received.

#### 3.2. Application Format

All Applications must conform to the following format guidelines:

- 12-point font, 1.5-line spacing, standard 8.5 X 11" paper.
- Double-sided printing where possible.
- Bound using binder clip or other soft method. No three-ring binders.
- No handwritten applications.

#### 3.3. Application Content Requirements

An Application will include a complete set of Application forms and all additional documentation as required.

#### 3.4. Application Instructions

All Applications must include a complete set of forms for each PV Project. Using the forms will ensure consistency in PV Project submission, interpretation and evaluation. Information requested on each of the forms must be completed in detail and cannot refer to other sections of the response, even if the information is redundant.

Each Customer Site is allowed to submit one Application under this RFP. Each Application must be submitted by the Customer Site/Applicant. If an Applicant is a PPA provider submitting more than one Application for separate Customer Sites, a separate set of forms

must be submitted for each PV Project. **Additionally, for PPA providers, the Customer Site must sign Form A – Application Certification along with the PPA provider’s representative.**

The Application and all required forms are provided on-line at [www.ctcleanenergy.com/bestofclass](http://www.ctcleanenergy.com/bestofclass).

Brief descriptions for each section of the Application are provided below.

#### **3.4.1. Form A – Application Certification**

This section requests general information about the Applicant, Customer Site and proposed PV Project, including contact information, PV Project description, funding sources, REC ownership and grant request.

A duly authorized officer of the Applicant must complete and sign the Application Certification. This will certify the information in the Application is accurate, the pricing includes all costs for the proposed term of service, and the Applicant agrees to be bound by the terms and conditions contained in this RFP. At least one (1) original signature must be provided.

If the Applicant is a third-party PPA provider, the Customer Site, in addition to the duly authorized representative of the PPA provider, must sign Form A.

#### **3.4.2. Form B – PV Project Summary**

This section requests both general and specific information about the Applicant and the proposed PV Project including contact information, location and size.

#### **3.4.3. Form C – Technology-Specific Data**

This section requests information about the technology being utilized, the cost and the PV Project schedule and milestone dates for the proposed generating facility. Applicants should format the schedule using a number of months from a reference date.

#### **3.4.4. Form D – Team Experience and Qualifications**

This section requests information regarding the key team members responsible for the development, installation, coordination and/or maintenance of the proposed PV Project.

## Section 4 - Incentive Limits and Calculation

### 4.1. PV Project kW Size Limit Calculation

PV Projects may be larger than 250 kW<sub>AC</sub>, however, the grant calculation shall only be based on the first 250 kW<sub>AC</sub>.

Where interval data are available, the maximum system size eligible for CEFIA's incentive will be limited to the difference between the most recent twelve (12) months' peak demand and the "base load." Base load is defined as the average of the account's non-zero monthly minimum demands over the most recent twelve (12) months.

In cases where interval data are not available, the greatest allowable system size will be no larger than the maximum of the previous twelve (12) months' peak demand on a kW<sub>AC</sub> basis. **If the minimum of the previous twelve (12) months' peak demand is less than 10kW the site will not be eligible to apply under this RFP.** Sites with a peak demand greater than 250kW are eligible to apply.

### 4.2. Renewable Energy Certificates (RECs)

Applicants will have several options regarding the ownership of the Connecticut Class I RECs generated by the proposed PV system. Applicants may:

- Retain ownership of the RECs.
- Retire the RECs.
- Sell the RECs to CEFIA at a set price.

If an Applicant elects to retain ownership of the RECs, CEFIA will include the estimated, positive annual cash flow generated by these RECs in the grant calculation.

If an Applicant chooses to retire or sell the RECs to CEFIA, the value of the RECs will not be included in the grant calculation.

Applicants that sell the RECs to CEFIA will receive a larger grant than Applicants opting to retain or retire the RECs. For Applicants opting to sell their Connecticut Class I RECs to CEFIA, the purchase price will be estimated using a value of \$10.00 per MWh (\$.010 per kWh) for a fifteen (15) year period.

### 4.3. Funding and Disbursement

This RFP is intended to help transition commercial renewable energy projects located in Connecticut from a CEFIA-funded, grant-based incentive structure to a REC-based model. Grants will vary based on the economics of each PV Project and will be capped according to Table 1. The grant caps in Table 1 are based on the proposed ZREC program structure outlined in PA 11-80. For systems less than or equal to 100 kW<sub>AC</sub>, the grant cap is \$3.60 per Watt. For systems greater than 100 kW<sub>AC</sub> up to 250 kW<sub>AC</sub>, the grant cap is \$3.30 per Watt.

The proposed ZREC program does not provide different incentives for systems based on commercial customer type (i.e. private, government, or non-profit); thus, no premium for customer type is built into the grant structure of this RFP. The grant caps presented in Table 1 have been calculated based on the present value of the cash flow generated by ZREC payments over an estimated fifteen (15) year time period. Although grants are offered through this RFP, CEFIA will provide the comparative ZREC incentive price for project based on CEFIA's financial model assumptions.

The assumptions used by CEFIA to determine the grant funding caps are presented in Table 2 below. The actual funding amount will be determined by an assessment of the difference between the Customer Site's cost of energy displaced by the proposed PV Project and the total cost and value of the energy generated by the PV Project.

Each Customer Site will be individually analyzed by CEFIA, and will be evaluated over the reasonable life cycle of the PV Project.

**Table 1 – Funding Limits for PV Projects**

	<b>Maximum Incentive</b>
<b>Incentive Blocks</b>	<b>All System Owners** (\$/Watt<sub>PTC</sub>)</b>
≤100kW <sub>AC</sub>	\$3.60/Watt <sub>PTC</sub>
>100 kW <sub>AC</sub> to 250kW <sub>AC</sub>	\$3.30/Watt <sub>PTC</sub>
Evaluation timeframe	20 years

Table 2 - Assumptions Used To Determine ZREC-Based Grant Incentive

Incentive Blocks	Private Owners**		Public, Non-Profit and Affordable Housing Owners	
	≤ 100 kW <sub>AC</sub>	>100 kW <sub>AC</sub> ≤ 250 kW <sub>AC</sub>	≤ 100 kW <sub>AC</sub>	>100 kW <sub>AC</sub> ≤ 250 kW <sub>AC</sub>
ZREC Rate Cap <sup>1</sup>	\$.385/kWh	\$.350/kWh	\$.385/kWh	\$.350/kWh
Internal Rate of Return	9.320%	9.320%	4.500%	4.500%
Debt Interest Rate	8.000%	8.000%	4.500%	4.500%
Initial Debt Term	15 Years	15 Years	15 Years	15 Years
Debt to Total Cost Ratio	70.0%	70.0%	100.0%	100.0%
Federal Investment Tax Credit	30.000%	30.000%		
Combined Federal and State Income Tax	39.445%	39.445%		
Avoided Utility Rate	\$.1870/kWh	\$.1870/kWh	\$.1870/kWh	\$.1870/kWh
Avoided Utility Cost Inflation Rate	2.000%	2.000%	2.000%	2.000%
General Inflation Rate	2.500%	2.500%	2.500%	2.500%
Depreciation	50% Bonus, 5-year MACRS	50% Bonus, 5-year MACRS		
Class 1 REC Price	\$.01 per kWh	\$.01 per kWh	\$.01 per kWh	\$.01 per kWh

**\*\*Includes PPAs with not-for-profit entities**

Awarded grants will be disbursed in installments to the owner of the PV equipment based on PV Project milestones according to the schedule in Table 2 below. **Payments may not be assigned to a third party for any reason.**

Table 3 - Disbursement Schedule – Basic Grant

Milestone	Payment
Delivery of generating equipment to site	50%
Startup, commissioning, and inspection	40%
After six (6) months of successful operation	10%

The final grant payment will be made only if the system has produced at least seventy percent (70%) of the FAA's projected AC energy production during the first six (6) months of operation, as verified by production reports generated by on-site metering and a data acquisition system such as Fat Spaniel or equivalent.

<sup>1</sup> The ZREC rate cap is higher for systems up to 100 kW per Section 108 (b) (3) of PA 11-80.

### Section 5 - Change Orders

If an Applicant is selected by the Board for a grant award, no changes to the Application will be permitted, unless the change is required due to documented unavailability of key equipment (e.g., PV modules, inverters) and the change results in no significant change ( $<\pm 5\%$ ) in the PV Project scope, cost or schedule.

No other circumstances may trigger a change order. If a change order is required, the Applicant must submit to CEFIA the following documentation:

- Updated Application Forms A, B and C
- Updated site plan
- Updated electrical one-line drawing
- Letter from Applicant, signed by both the Applicant and the PV Project developer/contractor, explaining the circumstances and nature of the change order.

Any changes to PV Project scope other than the above will require reapplication at a future date.

## Section 6 - Terms and Conditions of CEFIA Financing

Applicants accepting a grant award must be willing to accept terms and conditions substantially similar to those found below. **An FAA detailing the terms and conditions of the award is expected to be negotiated and executed within ninety (90) days of award notification, after which time the financing offer from CEFIA may be retracted if an FAA has not been executed.** An outline of the basic terms and conditions of CEFIA financing is provided below.

### No Commitment; Reserved Rights

This program is not an offer. Neither this program nor any subsequent discussion shall give rise to any commitment on the part of CEFIA or confer any rights on any Applicant unless and until a binding written FAA is executed by CEFIA and the Applicant. CEFIA reserves the right to reject any or all Applications; waive defects or irregularities in any Application; enter into discussions with selected Applicants; discontinue discussions with any Applicant at any time and for any reason; correct inaccurate awards; change the timing or sequence of activities related to this program; modify, suspend or cancel this program; and condition, modify or otherwise limit awards pursuant to this program.

### Applicant's Costs

The Applicant shall bear all costs associated with the preparation of its Application, any related investigative or due diligence activities and any resulting discussions or negotiations.

### Applicant Representations

By responding to this program, the Applicant shall be deemed to have represented and warranted: (1) that the Applicant's Application is not made in connection with any competing Applicant submitting a separate response to the program and is in all respects fair and without collusion or fraud; provided, that this requirement shall not be construed to prohibit any person or entity from being involved in more than one project or Application; (2) that the Applicant did not participate in the program development process; (3) that no Board member, consultant to CEFIA or employee of CEFIA participated directly or indirectly in the Applicant's response preparation; (4) that the Applicant has not been convicted of bribery or attempting to bribe a public official or employee of the state, has not been disqualified for contract awards by any agency of the state and is not in default under any contract with an agency of the state; (5) that the Applicant has not provided any gift or benefit to any state official or employee having direct influence over the evaluation of this proposal; (6) that the Applicant has disclosed all affiliates, partnerships and relationships; and (7) that the information contained in the Application is true, accurate and complete and includes all information necessary to ensure that the statements therein are not misleading.

### Freedom of Information Act and Confidential Material

CEFIA is a "public agency" for purposes of the Connecticut Freedom of Information Act (FOIA). Accordingly, upon receipt at CEFIA's office, the Application, the request for financial assistance, and any files or documents associated with this Application, including e-mails or other electronic files, will be considered a public record and will be subject to disclosure under FOIA. Under C.G.S. §1-210(b), FOIA includes exemptions for, among other things, "trade secrets" and "commercial or financial information given in confidence, not required by statute." In addition, under C.G.S. § 32-40(c), all financial and credit information and all trade

secrets contained in an Application for financial assistance or obtained by CEFIA concerning any Applicant for financial assistance or any project, activity, technology, product or invention is exempt from disclosure under FOIA. Only the particular information falling within a statutory exemption can be withheld by CEFIA if CEFIA receives a FOIA request that encompasses a particular proposal or request for financial assistance.

All Applicants submitting responses to this program must specifically identify particular sentences, paragraphs, pages, sections or exhibits it claims are confidential and should be exempt, and provide these confidential materials in a separate sealed envelope clearly marked "Confidential." All Application materials not placed in a separate, sealed envelope clearly marked as confidential will not be treated as confidential and will be made available for public view upon an FOIA request. Applicants may not submit the entire program response marked as confidential.

The Applicant must also provide a statement of the basis for each claim of exemption. It will not be sufficient to state generally that the proposal is proprietary or confidential in nature and not, therefore, subject to release to third parties. A convincing explanation and rationale sufficient to justify each exemption consistent with C.G.S. § 1-210(b) or C.G.S. § 32-40(c) must be provided.

Further, Applicants should be aware:

- (i) CEFIA has no obligation to notify any Applicant of any FOIA request received by CEFIA, although it may make an effort to do so;
- (ii) CEFIA may disclose materials claimed to be exempt if in its judgment such materials do not appear to fall within a statutory exemption;
- (iii) CEFIA may in its discretion notify Applicants of FOIA requests and/or of complaints made to the Freedom of Information Commission concerning items for which an exemption has been claimed, but CEFIA has no obligation to initiate, prosecute or defend any legal proceeding or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to an FOIA request;
- (iv) the Applicant will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding; and
- (v) in no event shall CEFIA or any of its officers, directors or employees have any liability for the disclosure of documents or information in CEFIA's possession where CEFIA, or such officer, director or employee in good faith believes the disclosure to be required under FOIA or other law.

In the event of a public records request for an Application, CEFIA may request from the Applicant a version of such Application from which all information for which an FOIA exemption has been claimed has been redacted. By submitting such an Application, the Applicant agrees to provide such a redacted version upon request by CEFIA.

**Use of Information and Ownership of Work Product**

Except for information falling within a statutory FOIA exemption as described in the section above dealing with the FOIA, CEFIA is not restricted in its right to use or disclose any or all of the information contained in any Application and can do so without compensation to the Applicant, notwithstanding any language in the Application to the contrary. Except as otherwise expressly provided in an agreement with CEFIA, all work products developed under a contract awarded as a result of this program shall be the sole property of CEFIA.

**State Contracting Requirements**

This program and any FAA awarded pursuant to this program shall be subject to and incorporate all applicable legal requirements arising under federal or state law, including applicable state statutes and Executive Orders relating to maintenance and examination of records, nondiscrimination, sexual discrimination, the Americans with Disabilities Act, violence in the workplace and whistleblower protection. A more complete description of such state contracting requirements is available on request directed to CEFIA in accordance with the communications protocol set forth above.

**PV Project Operation**

The Applicant is required to operate the PV Project for the “financeable life” of the equipment, which is assumed to be fifteen (15) years for solar PV. Language will be incorporated into the FAA allowing temporary cessation of operation if it can be documented that continued operation would cause significant economic hardship.

**Term of FAA**

The term of the FAA will be fifteen (15) years.

**PV Project Characteristics**

In addition to the funding terms discussed above, successful Applicants will be required to:

- Operate the equipment in Connecticut for the duration of the FAA.
- Make available, in real time, via a publicly accessible web link, downloadable operating and historical data from the PV Project, through an energy monitoring system for all installations.
- Provide CEFIA with reasonable access to the site.
- Show proof of contractor, subcontractor and Applicant/Customer Site’s insurance policies evidencing a minimum of \$1,000,000 liability insurance coverage.
- Insure the equipment and list CEFIA as an additional loss payee.
- Repay the total grant amount from the date of disbursement in the event of a default.
- Provide prominent and visible signage at the PV Project site and acknowledgment in any and all of the customer and owner’s promotional materials recognizing CEFIA’s contribution to the PV Project in a form acceptable to CEFIA.
- Meet certain standards that include documentation, operational, warranty and hardware requirements.

The details of these requirements can be found in the sample FAAs posted on the CEFIA Web site at [www.ctcleanenergy.com/bestofclass](http://www.ctcleanenergy.com/bestofclass).