

AUSTIN ENERGY REQUEST FOR PROPOSALS (RFP) FOR THE PURCHASE OF RENEWABLE ENERGY

1. PURPOSE

A. Statement of Intent

The City of Austin, Texas d/b/a Austin Energy ("Austin Energy") is soliciting proposals from companies qualified and experienced in the development and operation of renewable solar energy resources. In particular, Austin Energy desires to purchase up to 4 MW AC of energy and associated environmental attributes/renewable energy credits for a term of up to twenty-five years beginning in the second quarter 2015 (see Section 2.A.2 below for more detail). Proposals must be for projects located and interconnected at Austin Energy's Kingsbury site described herein. Only qualified solar renewable technologies will be considered under this RFP. Proposers may submit more than one Proposal.

B. About Austin Energy

Austin Energy is a municipal electric utility, owned and operated by the City of Austin, Texas, engaged in the generation, distribution, and transmission of electricity to over 400,000 residential, commercial and industrial customers in Travis and Williamson Counties, Texas. Austin Energy's governing body is the City Council of Austin.

Austin Energy has approximately 3,500 MW of generation capacity including nuclear, coal, natural gas, biomass, wind, and solar. Austin Energy participates in all aspects of the Electric Reliability Council of Texas (ERCOT) wholesale power market for purposes of serving its load and maximizing the value of its resources.

In 2010, the Austin City Council adopted the Austin Energy Resource, Generation and Climate Protection Plan to 2020, a strategic energy policy which includes goals for Austin Energy to have 35% of its energy from qualified renewable energy resources including 200 MW from solar, 50% of which will be from local generation, by 2020. Austin Energy is currently on target to meet those goals.

C. RFP Schedule

Austin Energy will make a concerted effort to maintain the schedule below, but reserves the right to revise the schedule.

RFP Issuance Date: **February 24, 2014**

Mandatory site visits (proposer must attend one)- **Tuesday, March 18, 2014 @ 10:00 a.m.** or **Wednesday, March 26, 2014 @ 10:00 a.m.** The visit will be initiated in the Assembly Room at Austin Energy's Security Control Center (SCC) building located at 2500 Montopolis Rd., Austin, Texas and will proceed from there to the location of the generation facility. Attendees must provide their own transportation.

Deadline for email questions will be 5:00 pm CT on **March 28, 2014**

RFP responses are due by 3:00 pm CT on May 14, 2014

Austin Energy will review proposals and arrive at a short list of proposals to consider for further evaluation. Short listed proposers may be contacted to provide additional information and documentation regarding their proposal.

D. Contact Information, Questions and Answers

Proposers must submit their Proposal(s) electronically by the aforementioned deadline to EnergySupply@austinenergy.com. Proposal format and requirements are described in subsequent sections.

During the RFP process, any and all questions regarding the RFP must be submitted to EnergySupply@austinenergy.com. Please note that any questions submitted after 5:00 pm CT on March 28, 2014 will not be reviewed or answered.

E. Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying

1. On November 10, 2011, the Austin City Council adopted Ordinance No. 201111110-052 amending Chapter 2-7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.

2. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.

Proposers must complete the Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit provided in Attachment 1 and submit the Affidavit with their proposal.

2. SCOPE

A. Contractual Arrangement

1. **Power Purchase Agreement (PPA).** Under a PPA structure, Austin Energy will purchase the energy and environmental attributes from up to 4 MW (AC) of solar generation to be constructed at the Kingsbury site.

2. Term; Online Date. Austin Energy prefers a PPA term of up to 25 years with an online date in the second quarter of 2015. Offers will be considered for all-in and staged deployments. See Section 2. C. 11. However, in evaluating the offers as discussed in Section 5 below, Austin Energy does not intend to assess a favorable weighting to an earlier online date over and above all other evaluation factors.

3. Location. During the term of the PPA, Austin Energy will grant the selected proposer rights to use those portions of the Kingsbury site necessary for the construction, operation and maintenance of the facility as part of the consideration for development of the project.

4. Education and Marketing. The facility will be used to support community education about solar energy as well as marketing of Austin Energy solar programs.

5. Contractor and Subcontractor Requirements

- a. Proposers shall comply with the City of Austin’s Minority-Owned and Women-Owned Business Enterprise (MBE/WBE) Procurement Program (City Code Chapters 2-9A, 2-9B, 2-9C and 2-9D), Rules, and the Third Party Resolution (20120112-058) for the purchase, design and construction costs associated with the award and completion of the project. (see attachment 2a- SMBR requirements and 2b- Availability List for Professional Services). The requirements, standards and principles of the MBE/WBE Program will become a part of the contract agreement. The successful Proposer will be required to meet the annual ethnic-specific design and construction goals specified in the agreement or in the Code, or demonstrate a good faith effort to meet the goals as defined by the Program. Currently, the Code specifies the goals are as follows, but may vary depending on the scope of work that is subject to the MBE/WBE Program:

	Professional Services Participation Goals Chapter 2-9B	Construction Participation Goals Chapter 2-9A
African American	1.9%	1.7%
Hispanic	9.0%	9.7%
Asian/Native American	4.9%	2.3%
WBE	15.8%	13.8%

Proposers should contact the Small & Minority Business Resources Department (SMBR) at 512-974-7600 to discuss MBE/WBE Program requirements, request availability lists, forms, and report submission deadlines prior to commencing any work subject to the MBE/WBE Program.

- b. Proposer shall have at least 5 years of experience in solar PV and shall have constructed or been involved in the construction of at least two medium scale PV facilities (>= 200kW) in the last 2 years.
- c. Due to safety concerns, the medium voltage electrical contractor shall have at least 5 years of documented experience with medium voltage cable and terminations.

6. Development and Staffing. Proposer must provide a) development plan to timely construct the facility with minimal environmental impact b) staffing and maintenance plan to support long-term operations.

7. Other. Austin Energy reserves the right to award a renewable energy contract in order to

satisfy its requirements, or make no contract award. Austin Energy shall have the right to resell all or part of the energy and environmental attributes acquired in this Solicitation.

B. Delivery Conditions

- 1. Location.** Generating facility will be located on Austin Energy's Kingsbury site located on Sara Drive in Austin, Texas (see Attachment #3- TCAD Property ID 193744). An aerial site map showing clearances for the substation and all transmission assets will be made available at the mandatory site visit(s). Clearances will be staked off for site visits. Successful proposer will be responsible for providing site survey prior to final design.
- 2. Point of Delivery.** Austin Energy will take delivery of energy produced at the interconnection point(s) of the Austin Energy approved and supplied metering cabinet at 12.47 kV with ownership of said cabinet being transferred to the customer for future operation, maintenance, and replacement. Facility must comply with requirements outlined in the Austin Energy Distribution Interconnection Guide for Customer Owned Power Production Facilities less than 10 MW (see Attachment #4) and the Austin Energy Design Criteria Manual for Primary Voltage Services (1.5.2.7). The exact location of the metering cabinet will be provided at the mandatory site visit(s). The location will be approximate to the Kingsbury substation located on the site. The customer shall make a submission to Austin Energy for approval of the primary metering cabinet adhering to the minimum service requirements attached.
- 3. Metering.** Austin Energy shall provide a revenue meter enclosed in an Austin Energy approved and provided but customer owned metering cabinet to be used for revenue metering and ERCOT reporting. Energy delivered at the Point of Interconnection will be metered in compliance with ERCOT's procedures and standards in Section 10 of the Nodal Protocols and the Settlement Metering Operating Guide (SMOG). The revenue meter will be dedicated solely for the measurement of energy sold and purchased under the PPA. Austin Energy will not consider proposals containing split or allocated meter arrangements. Austin Energy will adhere to responsibilities as outlined in the primary service requirements attached for services up 600 primary amps with the exception that the cabinet will be provided by Austin Energy with ownership transferred to the customer at time of energization.
- 4. Communication.** The Austin Energy supplied metering cabinet will include communication equipment to allow Austin Energy to read the Austin Energy owned meter in real time. The communication equipment will meet Austin Energy's equipment and data communication requirements including a fiber-optic connection. Austin Energy shall provide the communication equipment and raceway to the Austin Energy owned meter to provide real time data to the educational kiosk. See section 2. C. 13

C. Project Concept and Operation

Proposers must provide a detailed description of the solar technology and proposed facility that will be used to provide the renewable energy and capacity to Austin Energy. In addition, proposers must provide sufficient information on the qualified solar renewable resource to provide assurance to Austin Energy that the generating facility will be able to meet its projected

production estimates for the duration of the generating facility life. All facilities must meet applicable regulatory and industry safety, environmental and operational standards, including but not limited to the applicable Public Utility Commission of Texas, ERCOT, Texas Reliability Entity (TRE) and North American Electric Reliability Corporation (NERC) standards and requirements. Plant and grounds maintenance will be included within the scope. At a minimum, proposers shall specify the following:

1. Layout of the proposed facility at the site.
2. Technical information for the facility including:
 - make and model numbers for inverters and solar panels, step-up transformer and/or skid information including manufacturer and vendor warranties
 - configuration, general layout diagrams, plant layout including methodology to minimize voltage variability
 - one-line diagram to interconnection
 - net plant nameplate capacity rating (AC and STDC ratings), annual net output, projected capacity factor, in-service date or projected in-service date, estimated service/design life, etc.
3. Expected annual hourly output profile (8760 hours) so that the proposal may be evaluated in an economic dispatch model. Include net AC output rating, capacity factors, forced outage rate, de-ratings, production schedule, reasons for maintenance, etc.
4. Solar irradiation data for the site, expressed both as hourly irradiation and daily irradiation over the course of a year. Description of sources of irradiation data.
5. Vegetation and grounds maintenance will be included within the scope of the project.
 - Describe plan/provision for drought tolerant, native groundcover to ensure visibility of site for visitors and viability of system production.
 - Designed and maintained using City of Austin best practices for waterwise design and low carbon maintenance.
6. Procurement/construction schedule demonstrating critical path and major development milestones.
7. Public involvement plan for planning and construction to engage neighbors of facility before and during construction of facility. Successful Proposer shall work with Austin Energy Public Involvement and Real Estate Services group on final development and execution of public involvement plan.
8. Description of metering arrangement, if available. Austin Energy will not consider proposals containing split or allocated meter arrangements.
9. Identification of major equipment suppliers and description of manufacturers' and vendors' warranties, if any, in effect for the facilities.
10. Description and confirmation of proposer's ability to procure an adequate supply of panels to support its proposal. Documentation to assure Austin Energy that proposer has procured or will procure such panels.
11. If possible, a description of any options proposer can provide that would allow for

installing/energizing panels in installments between Q2 2015 and Q4 2016 to track the pace of Austin Energy customer subscriptions, and any pricing adjustment related to such options.

12. Description of the environmental, tree and erosion as well as geotechnical/soil analysis compliance plan and all regulatory permits, licenses or approvals required by the facility to supply renewable power.
13. Verification that the facility will conform to ERCOT Protocol Requirements including those relating to resource testing and qualifications.
14. Renderings and specifications for a visitor center and visitor parking. Austin Energy plans to use the project as an educational showpiece highlighting the potential for solar generation within the community. Design plans should accommodate project visibility and public education. At a minimum, the proposal should adhere to the following requirements:
 - The visitor center will include an educational kiosk containing a flat screen TV that scrolls through an educational piece developed by the successful Proposer regarding the construction of the plant and the Austin Energy Community Solar Program. Names of participants in the community solar program will scroll at the end providing recognition to those participants. The list of names will be provided by Austin Energy and updated quarterly. Visitor center will be powered by retail power.
 - Real time production data from the customer-owned meter shall be displayed at the kiosk and on the Austin Energy website for marketing purposes.
 - A webcam will be located at the site prior to and during construction. The webcam output will be available on the Austin Energy website for marketing purposes.
 - A toilet will be supplied and maintained by the selected proposer for use by visitors to the site.
 - Visitor access and parking must be accommodated within the design of the project, for both unattended viewing through the fence and for (Austin Energy) guided tours. Access and parking for guided tours must be able to accommodate a minimum of one full sized school bus in addition to parking for other vehicles. Austin Energy requires un-regulated access to educational facilities to prepare for and conduct tours. The entire facility must be securable when unattended.
 - Update, refresh or replace flat screen display and content at a minimum of 5 year intervals and or as needed to keep in operating condition.
 - Maintenance plan for the visitor center.
15. Any other significant information, maps, or drawings regarding the facility.

3. PROPOSAL FORMAT

A. Proprietary Data in Proposal. The proposer shall identify the page number(s) in which proprietary information is presented. All materials submitted to the City of Austin (City) become public property and are subject to the Texas Public Information Act upon receipt. If a proposer does not want proprietary information to be disclosed, each page must be identified and marked **Proprietary** at the time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Attorney General of Texas. Failure to identify proprietary information will result in all unmarked pages being deemed non-proprietary and available to the public upon request.

B. Proposal Format

1. Term Sheet – A summary of the principal features of the Proposal, including offered pricing, term length and/or a financing structure as well as critical development and operational aspects of the proposal.

2. Proposer's Financial Strength and Structure – Proposer must present sufficient documentation fully supporting financing and development of the proposed solar facility to assure its successful construction, commissioning and long-term operation. The Proposal shall, at a minimum, provide:

- a. Full name and address of the proposing organization. Identity of parent company if the entity is a subsidiary;
- b. Company ownership structure, form of organization (partnership, corporation, joint venture, limited partnership, limited liability company, or sole proprietor, etc.);
- c. Names of principal officers of the organization and general partner, if any;
- d. Description of the financial structure of the company;
- e. Description of the financial capability of the company to meet its obligations in the Proposal, including relevant information on the proposer, any parent company and any partners involved in the Proposal;
- f. Evidence of ability to obtain and secure financing for the project, sources of equity and long-term debt, bank/financial institution references (including, if applicable, letters of interest from investment banking firms, private investors or other financial or lending institutions);
- g. Profile of qualifications to do business in the State of Texas;
- h. Primary contact information for individuals responsible for the Proposal and authorized to manage contract negotiations; and
- i. Other information deemed appropriate by proposer.

This information will be used by Austin Energy to assess the financial strength of the proposer.

3. Corporate and Professional Experience – The amount of corporate and professional experience in the design, development, construction and maintenance of generation facilities,

and particularly solar technologies, will be a determining factor in the evaluation process. The Proposal shall at minimum address the following:

- a. Experience with the proposed technology, development, management, operating and maintenance experience with projects of a similar type, size and scope. Include third-party vendors and/or sub-contractor qualifications and experience;
- b. Description of the generating facilities of the same technology type (including nameplate, gross and net capacities) that have been constructed, owned and/or operated by proposer and/or parent company that are in service, projected to be constructed and/or to be placed into commercial operation;
- c. Permitting, engineering, construction, operating and environmental team qualifications that will be assigned to the project; including experience working with ERCOT, municipal, co-op and investor-owned electric utilities in the development of renewable facilities;
- d. Description of previous experience operating similar facilities, including an organization chart detailing key personnel involved with the administration and day-to-day management;
- e. A list of personnel that would be involved in the project with their names, qualifications and experience; and
- f. Other pertinent information deemed appropriate by proposer.

4. Project Concept and Operation – Proposer must present supporting documentation/references describing the reliability of the proposed solar technology, its commercial application, its operational viability, speed of implementation and expected production. In addition to the items listed in section 2.C proposers shall provide: a) development plan to timely construct the facility with minimal environmental impact; b) staffing and maintenance plan to support long-term operations; and c) letters of intent from proposed vendors providing major equipment and confirmation of proposer’s ability to secure options to purchase all principal renewable equipment and components to support the commercial operation date.

5. Proposal Cost

Proposers must identify all pricing elements that are included and will determine the cost of supplying the renewable capacity and energy to Austin Energy. Austin Energy prefers a fixed, non-escalating price for the term of the agreement for all energy and associated capacity delivered at the Point of Delivery. Proposer should state a fixed price in U.S. dollars per megawatt-hour (\$/MWh) for renewable energy including all environmental attributes/renewable energy credits for the term of the contract. If an escalation is provided, the price shall be stated as a schedule of annual prices or adjusted using the Gross Domestic Product Implicit Price Deflator, an index published by the U.S. Department of Commerce Bureau of Economic Analysis.

4. PROPOSAL SUBMITTAL

Proposer must submit a pdf (*portable document format*) of the proposal together with

supporting documentation and information requirements to the email address specified in Section 1.D. on or before the RFP response deadline. Please do not submit any single email containing more than 20MB of data. If the proposal and supporting documentation contains more than 20 MB of data, please divide and submit multiple emails in order to stay below the 20 MB data limit. As an alternative, proposers may provide proposals and/or supporting documentation and information requirements via an FTP (File Transfer Protocol) site. In such case, you will still need to submit an email by the RFP response deadline that contains access instructions to the FTP site.

Please Note: Proposers will receive an automatic email reply that the Energy Supply mailbox received your proposal. If you do not receive one, please contact Stephanie Ritter at Stephanie.Ritter@austinenergy.com immediately to investigate.

All proposals must include a statement that they are valid for a minimum period of ninety (90) days subsequent to the RFP response deadline.

5. EVALUATION FACTORS AND AWARD

A. Competitive Selection/Evaluation Factors: This procurement will comply with applicable City of Austin procurement policies. The evaluation factors outlined below shall be applied to all eligible, responsive proposers. Qualifying proposals will be assessed in order to identify the best proposal in Austin Energy's discretion. Austin Energy may choose to award a contract under this solicitation or may choose to not award any contract.

B. Evaluation Factors: 100 point scoring basis

- (1) Corporate and Professional Experience: 10 Points
- (2) Proposer's Financial Strength & Structure: 15 Points
- (3) Project Concept and Operation: 15 Points
- (4) Total Evaluated Cost: 60 Points

Factors considered in determining the "Total Evaluated Cost" of a proposal shall include:

- The Proposal Cost
- The facility's operational flexibility
- The energy profile of the facility's output
- The design and service life of the facility
- The annual and net present value of facility's energy output
- The availability of warranties, guaranties, collateral security and other financial support

C. Proposal Recommendation:

Austin Energy shall evaluate all Proposals in accordance with the above evaluation factors and make a recommendation to the executive management of Austin Energy. Upon their concurrence, Austin Energy may seek approval from the Austin City Council to execute an agreement.

Austin Energy reserves the right to consider any other factors that it deems relevant and to request additional information or supplemental materials from proposers to thoroughly evaluate proposals submitted in response to this RFP. Such other relevant factors may include, but are not limited to previous dealings and business relationships of the proposer or any parent, subsidiary, affiliate, joint venture, or partner of the proposer with Austin Energy, and such factors as determined by Austin Energy in its sole discretion.

6. NEGOTIATION AND AWARD OF CONTRACT(S)

Contract documents will be prepared by Austin Energy, incorporating all applicable provisions of the best evaluated proposal(s) and which will include terms and provisions subject to ERCOT Protocols and Operating Guides. Under the terms of the PPA, the Seller will be expected to agree to minimum performance thresholds and will be required to post sufficient performance security for the term of the PPA as well as maintain adequate property insurance coverage for the value of the project covered by the PPA. Any executed PPA may not be assigned without the express consent and approval of Austin Energy.