



Request for Proposals and Specifications for a Community Solar Project

CPS Energy
P.O. Box 1771
San Antonio, TX 78296-1771

October 9, 2014

PR # 10452716



INVITATION TO SUBMIT PROPOSALS

1. Introduction

CPS Energy, the municipal electric and gas utility of San Antonio, Texas, invites the submission of proposals (Proposal(s)) through this Request for Proposals (the “RFP”). This RFP, together with any clarifications or responses to questions provided as part of the RFP process, shall be considered the “RFP Documents”.

CPS Energy wishes to make distributed solar power a viable choice for all of its customer base, regardless of income, location, type of housing structure, or other demographic, and believes this can be accomplished via a community solar program. This RFP is being issued to develop the first megawatt (“MW”) of community solar in the CPS Energy service territory. Additional community solar capacity may be added in the future under separate RFP.

This Community Solar RFP is separate and distinct from CPS Energy’s proposed pilot solar PPA program, which is still under development.

The installation of community solar in the CPS Energy service territory is being driven by two primary factors: 1) Improved customer satisfaction; and 2) Attainment of CPS Energy’s renewable energy goals.

2. General Assumptions

CPS Energy is seeking an innovative approach to providing community solar power to its customers.

- CPS Energy will consider all offers - for the development of up to 1 MW community solar project and its generated output. Examples of offers could include CPS Energy owned facilities, CPS Energy PPA from owner/developer, CPS Energy lease of solar facilities, among others.
- In all cases, CPS Energy must remain the power provider to the customer.
- **CPS Energy requires that the entire amount of solar energy capacity specified in the contract be available no later than March 31, 2015.**
- CPS Energy will select the site(s) within the CPS Energy certificated area for the installation of the solar farm.
- If the Proposal involves CPS Energy ownership of the asset, CPS Energy will negotiate the purchase directly with the owner of the site. If the Proposal is in the PPA format with Respondent owning the asset, CPS Energy will



negotiate with the landowner on behalf of the Respondent. Respondent's RFP pricing and terms will be updated accordingly after site selection.

- The site will be connected to the CPS Energy distribution system with all interconnection costs to be paid by the Respondent.
- For purposes of responding to this RFP, interconnection costs of \$500,000 should be used. Pricing and terms will be finalized after site selection to be reflective of actual costs incurred.
- All sites should be assumed to be ideal for a solar plant siting, of a consistent elevation and clear of trees.
- If the proposal assumes CPS Energy ownership of the asset, Respondents should follow guidelines for tax-exempt entities.

Program Structure

The community solar program should be uniquely tailored to the interests and needs of CPS Energy and its customers. Innovative customer engagement solutions are encouraged. Examples may include a customer education area, realtime visual displays of the site, updates on carbon reductions, energy production, land management practices.

The Respondent shall include recommendations for branding, marketing and administering the program.

Proposals should include Respondent's recommendations for allocating panel or energy blocks to the customer stakeholders in the project. The Proposal should clearly detail the costs CPS Energy's customer will bear, if any, as well as any benefits and/or pass through savings to the CPS Energy customer based on Respondent's program structure.

Each Proposal and any on-site presentation, discussion and/or clarification of the information provided by Respondent in responding to the RFP (an "Interview") will be evaluated by CPS Energy. If CPS Energy chooses to proceed to negotiations for the Project, CPS Energy will negotiate with the Respondent(s) providing the best overall value to CPS Energy customers over the proposed time frame, as determined by CPS Energy in CPS Energy's sole discretion. CPS Energy reserves the right to request additional information from any Respondent as deemed necessary to properly evaluate each Proposal.



3. General Information Required for Proposal

Each Respondent to this RFP should submit two (2) bound hard copies of the Proposal along with an electronic version in searchable text format. **Proposals must be received by CPS Energy via mail, courier, or hand delivery to CPS Energy by 5 p.m. Central Standard Time (CST) on October 31, 2014, the "Proposal Due Date."** Each final Proposal shall be submitted in a sealed envelope or sealed container, each endorsed on the outside with the Respondent's name, CPS Energy's RFP Name, and the title "Proposal for Community Solar Development." Proposals should be addressed as follows:

Proposal for Community Solar Project
c/o Procurement – Amanda Saucedo, 110901
CPS Energy
145 Navarro
P.O. Box 1771
Mail Drop: 110901
San Antonio, Texas 78296-1771

Each Proposal shall contain complete and detailed responses to the information requested in this RFP.

- A. Each Respondent should submit a copy of the Proposal containing complete identification and qualifications of the supplier, specifications regarding energy supply, and pricing structure.
- B. Identification of the party or parties making the Proposal shall include the following information:
 - 1) Name, business address, and telephone number of party or parties submitting the Proposal.
 - 2) Form of organization, corporation, partnership, joint venture, individual, etc. For corporations, each Proposal must include the name of each director and principal officer and place of incorporation; for partnerships, joint ventures, or individuals, the name and address of each principal should be included.
 - 3) Principal business in which engaged and products produced or manufactured.



- 4) Description of previous renewable energy supply experience, especially community solar projects if any.
- 5) Evidence of financial soundness, including, but not limited to audited financial statements and credit ratings.
- 6) Economic Development Plan containing a description of the use of local suppliers, small and diverse, and historically underutilized and minority contractors and CPS Energy's New Energy Economy Partners (NEEP). See Exhibit A for a full list of current NEEPs.

Addenda to this RFP, for purposes of clarification or modification, may be issued from time to time by CPS Energy prior to the deadline for submission of Proposals. Copies of any such addenda will be forwarded to all parties who have requested or received these solicitation materials. All such addenda become part of this Proposal Invitation.

CPS Energy assumes no liability or responsibility for costs incurred by each Respondent for any materials, efforts or expenses required in preparation of the Proposal.

4. Specific Information Required in Proposal

Please include the following information in responding to this RFP:

- A. The capacity in MW of the facility along with associated capacity factor. For purposes of this RFP, assume the site is located within the certificated service territory of CPS Energy and interconnects with CPS Energy's distribution system.
- B. A brief description of the major components that comprise the solar farm, to include solar panel and inverter manufacturers and models, tracking or non-tracking, and tracker manufacturer, if applicable. Security details for the solar farm should also be included. Examples of security features include fencing, lighting, access limitations.
- C. The minimum and maximum amounts of electric energy available annually in MW and in MWh, as well as annual insolation expectation. Include any relevant data along with a power output curve from the generating equipment in use or proposed to be installed (along with information on electric line losses), so that an independent analysis of the projected output of the facility can be accomplished.



- D. The expected monthly minimum availability factor and projected maintenance schedule for the project.
- E. The proposed sales, marketing and billing recommendations and services, if any, to promote and integrate the community solar program.
- F. The list and description of completed similar projects for the last 3 years, including reference names and current contact information.
- G. Documentation and process to work with CPS Energy's IT team to implement recommended billing system changes.
- H. A description of the operational control scheme proposed for the facility if ownership is not transferred to CPS Energy. CPS Energy will be the Qualified Scheduling Entity (QSE) for facilities located within CPS Energy's distribution system.
- I. A description of the system for metering and communication at the facility, specifically the location and type of meters used for measuring the gross output of the facility, the net energy delivered to the grid, the control system for the facility, and the communication systems between the facility and any control function.
- J. A description of performance guarantees under a PPA model, or system warranties under the CPS Energy ownership model.
- K. Proposed timeline of major milestones and expected go-live date of both the solar facility and the community solar program by March 31, 2015.

5. Price

If Respondent proposes a PPA model of transferring power to CPS Energy, the quoted price should be in the form of dollars per MWh (\$/MWh). The price will be fixed for the term of the contract structure (25 years). This price will cover all costs to produce the energy exclusive of the land costs and deliver it to the CPS Energy service area through the CPS Energy distribution system, as well as periodic maintenance.

If Respondent proposes a CPS Energy ownership model, the price should be quoted in terms of dollars per watt, with CPS Energy paying Respondent in lump-sums after commercial operation is achieved.



The proposal must also detail the net cost, if any, to the CPS Energy customer, as previously described under Program Structure.

Regardless of structure, the price quoted should be all inclusive of power and program administration costs.

Under any model, Respondent should assume no local incentives or rebates in the pricing.

6. Additional Information

- A. CPS Energy requests price proposals be firm for one hundred twenty (120) days from the proposal due date.
- B. Any exception to the scope of Specifications or requirements of this Solicitation must be clearly acknowledged and inserted in tracked-change (red-lined), and must accompany the Proposal. If there are no exceptions, the words, "NO EXCEPTIONS," must be stated.
- C. CPS Energy requires real-time ERCOT Polled Settlement (EPS) meters for energy output verification.
- D. The City Public Service Board is a municipal board of the City of San Antonio, Texas, which, pursuant to Chapter 1502, Texas Government Code, operates and manages the City of San Antonio electric and natural gas distribution systems. Effective March 21, 2005, the City Public Service Board became commonly known as CPS Energy. CPS Energy is a "municipally-owned utility" under the Texas Public Utility Regulatory Act (Title II, Texas Utilities Code) and is not generally a "public utility" subject to the regulatory jurisdiction of the Public Utility Commission of Texas (PUCT) for purposes of retail rate-making. Likewise, CPS Energy is a "non-regulated utility" under the Federal Public Utility Regulatory Policies Act of 1978.
- E. Any power provider ultimately awarded a contract through CPS Energy's procurement process will be responsible for connecting its facility to CPS Energy's distribution system. The project owner is responsible for any and all required registration documents associated with the community solar project to be submitted to the proper entities such as the PUCT, the



Electric Reliability Council of Texas (ERCOT), and CPS Energy. All installations and operations will be in accordance with applicable sections of the prevailing issue of the ERCOT Operating Guide. The supplier shall design the facility in accordance with, but not limited to, good engineering practice, the National Electric Code, the National Electric Safety Code, and any other applicable local, state or federal codes or standards.

- F. Interconnection to the CPS Energy distribution system requires the power provider to maintain and operate the interconnection facilities in accordance with the Technical Requirements for Distributed Generation on the CPS Energy Distribution System and the Operating Requirements for a Distributed Generator on the CPS Energy Distribution System. Download the above referenced documents at the following website www.cpsenergy.com for guidelines to connect to CPS Energy's distribution system. Respondent also is responsible for all costs associated with an interconnect study to determine the Project's impact to the distribution system.
- G. Any Respondent contemplating building a new facility in the CPS Energy service area requiring CPS Energy electric or gas service may receive copies of appropriate CPS Energy rate schedules upon request.

7. Criteria For Evaluation

In evaluating Proposals, CPS Energy will use the information listed in sections 2 through 6, above, including or in addition to capacity and energy supply specifications, costs and financial benefits, financial status and experience of Respondent, performance guarantee or system warranty, economic development and environmental attributes. Proposals should accordingly provide the following detail, at a minimum:

- A. **Cost.** As a municipal corporation and political subdivision, CPS Energy has a statutory obligation to obtain services and products from the best qualified providers at the lowest reasonable cost. As such, the proposal must provide specific detail on pricing, costs, and benefits (net cost), as described in section 5 and under Program Structure.
- B. **Customer Focus.** Proposals will be evaluated based on the simplicity of the offer and the value to the CPS Energy customer.
- C. **Economic Development**



- a. Preference will be given to Proposals that provide for local jobs and/or Proposals utilizing qualified local suppliers, small and diverse, and historically underutilized and minority contractors.
- b. Preference will also be given to Proposals that utilize CPS Energy's NEEPs.

D. Operating Characteristics & Billing Integration

- a. Component and system warranties, capacity factor of the facility, historical trends in renewable energy availability, peak generation and timing, and ability for CPSE to control inverters will also be considered.
- b. CPS Energy will evaluate Proposals based on the simplicity of the billing integration solution. CPS Energy will retain control of the customer billing process and reserves the right to accept or modify any software solutions at its sole discretion to maintain the integrity of the customer billing process.

E. Experience & Financial Status. Proposals will be evaluated on the demonstrated ability of Respondent to develop functioning community solar programs with operational customer billing interfaces. In addition, the Respondent must provide evidence of financial soundness, including, but not limited to audited financial statements and credit ratings.

F. Timing. CPS Energy desires the community solar program to go live no later than March 31, 2015.

8. Proposal Selection

CPS Energy may, in its sole discretion, do any, all or none of the following:

- A. Appoint evaluation committees to review Proposals, make recommendations to CPS Energy, seek the assistance of outside technical experts and consultants in Proposal evaluation, and seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFP.



- B. Revise and modify, at any time before the Proposal Due Date, the factors it will consider in evaluating Proposals and to otherwise revise or expand its evaluation methodology. If such revisions or modifications are made, CPS Energy shall circulate an addendum to all Respondents, or short-listed Respondents as determined by CPS Energy in its sole discretion, setting forth the changes to the evaluation criteria or methodology. CPS Energy may extend the Proposal Due Date if such changes are deemed by CPS Energy, in its sole discretion, to be material and/or substantive.
- C. Hold Interviews and meetings to conduct discussions and exchange correspondence with either all or only short-listed Respondents relating to the RFP or with individual Respondents in order to seek an improved understanding and evaluation of an individual Respondent's Proposal.
- D. Issue a new request for Proposals.
- E. Cancel or withdraw the entire RFP or any part thereof.

9. Confidentiality Limitation

As a public entity subject to the provisions of the Texas Public Information Act and to the extent allowed by law, CPS Energy will maintain the confidentiality of all Proposals submitted until the time of final award of a contract or contracts or until all Proposals are rejected formally. Thereafter, Proposal terms, including terms of unsuccessful proposals, may be subject to disclosure unless an exception is established under the Texas Public Information Act.

10. Questions

Questions may be directed to solar@cpsenergy.com regarding this RFP.

CPS Energy will initially evaluate all Proposals based upon evaluation criteria found in the RFP or as further clarified throughout the evaluation process. Based on CPS Energy's initial evaluation of Respondent Proposals, CPS Energy may make a final decision for award or may prepare a short list of apparent qualified Respondents who will be asked to conduct initial presentations of the services offered and demonstrations for discussion, evaluation, and clarification. Following this evaluation and clarification, CPS Energy will select one or more potential Respondents as candidates for a contract award. During this period, CPS Energy will enter into discussions and negotiations with each short-listed, Respondent after which each may be required to prepare a "Best and Final" offer to the Proposal.



During the solicitation period, Mrs. Amanda K. Saucedo shall be the sole contact for any inquiries from Respondents. Any questions from Respondents shall be submitted in writing by electronic mail to solar@cpsenergy.com. Respondents are prohibited from communicating with CPS Energy staff (other than Mrs. Amanda K. Saucedo in the above-described manner), or Board Members regarding this solicitation during the period in which submittals have been solicited or are being evaluated, with the exception of responses to questions posed during interviews scheduled after responses are received and opened. Violation of this provision by Respondents and/or their agents may lead to disqualification of Respondent's submittal from consideration.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS RFP, CPS ENERGY MAY WAIVE IRREGULARITIES AND INFORMALITIES IN ANY PROPOSALS AND REJECT ANY AND ALL PROPOSALS AT ITS SOLE DISCRETION, AND CPS ENERGY RESERVES THE RIGHT TO MAKE NO AWARDS AND/OR NOT TO NEGOTIATE OR EXECUTE ANY CONTRACT DOCUMENTS FOR ANY OR NO REASON.