

West Chester Area Council of Governments

REQUEST FOR INFORMATION

for

***Renewable Energy Development
for the West Chester Area Municipalities
Electricity Load***

DUE DATE: Friday, November 13, 2020

RFI NUMBER:

Requests for information related to this solicitation should be directed to:

Will Williams, Sustainability Director, at: wwilliams@west-chester.com

Issue Date: 10/5/2020

REQUEST FOR INFORMATION

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Renewable Energy Development for Area Municipalities Electricity Load

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1. INTRODUCTION

The West Chester Area Council of Governments, Pennsylvania, (“WCACOG”) is issuing this Request for Information (“RFI”) pursuant to the provisions of the member municipalities’ enabling legislation and relevant procurement laws from parties (“Respondents”). Respondents are requested to provide information regarding project structures and indicative pricing to supply solar energy to the WCACOG, to offset the participating municipalities electrical consumption for their facilities. While this RFI is structured around solar energy, other forms of renewable energy and energy storage may be considered as well, should it prove to be most advantageous to the WCACOG. For solar energy options, the requirement is to be met through off-site solar installations. The WCACOG prefers solar installations located within the SE Region of Pennsylvania (“SE PA”) and ideally within the PECO distribution service area; however, it recognizes that to provide an offer with the best economic terms for the WCACOG, it may require the development of solar systems outside of SE PA. The primary focus of this RFI is to select from the options presented a preferred approach for a Power Purchase Agreement (“PPA”) and to inform development of a potential Request for Proposals (“RFP”) for a contracting opportunity. The PPA would provide the WCACOG with a source of renewable energy generation for the WCACOG municipal facility loads, but should indicative pricing be attractively low, the WCACOG may elect to secure additional generation capacity to serve electricity loads for other local government entities in the area, which includes the West Chester Area School District, additional local municipalities, Sewer Authorities and Chester County government facilities and include their demand in an RFP.

West Chester Area Council of Governments Annual Electricity Purchase		
Municipality or Entity	Annual Consumption (MWH)	Estimated Solar Array* for SE PA (MW)
East Bradford	101	0.08
East Goshen Township	1,949	1.50
West Chester Borough	5,345	4.11
West Goshen Township	6,083	4.68
Westtown Township	847	0.65
WEGO Police Admin	346	0.27
West Whiteland Township	1,874	1.44
Other Local Government Entities	TBD	
Total	16,545	12.73

*Based on 1300 hrs per year solar power generation

The goals of this project are to utilize the WCACOG’s aggregated annual electricity purchase to ensure new renewable generation assets are constructed to supply the power grid, at no additional cost to the tax payer, enabling the WCACOG to reduce its carbon footprint, support improved air quality, create jobs, and lower its cost of electricity purchases. The WCACOG will entertain a variety of contracting structures and electricity delivery mechanisms to achieve these goals.

2. GENERAL BACKGROUND AND INFORMATION

The municipalities comprising the WCACOG are interested in transitioning to renewable electricity, with several committed to achieving 100% renewable electricity for their communities by 2035 as part of a Ready For 100% renewable energy pledge. The WCACOG will be looking to make this transition in a fiscally sound manner that lowers the cost of electricity that the WCACOG municipalities purchase. The WCACOG municipalities have current contracts for their full requirement for electricity supply through a variety of utility suppliers. Existing contracts have various termination dates. This project will **not** include any distributed electricity generation, behind the meter at WCACOG Facilities. The Responden's are requested to determine the likely off-site locations needed to meet the WCACOG's goal of a renewable energy supply.

The areas of expertise being solicited related to renewable energy development, installation, and operation include the following:

- 1) Demonstrated experience developing renewable energy projects. Special emphasis on markets and energy regulations within Pennsylvania, PJM RTO and the PECO Energy Pennsylvania Service Territory.
- 2) Complete comprehension of the construction of renewable energy facilities at off-site facilities. This includes but is not limited to design, engineering, permitting, interconnection, and long-term operation/maintenance of the facilities.
- 3) Knowledge of renewable energy financing and ownership structures for public-private ownership structures of off-site renewable generating facilities for large businesses and municipalities.

As the next phase of this transition, the WCACOG will potentially issue an RFP to procure a minimum, combined amount of 12.75 MW of renewable energy. For the RFP process, the WCACOG will partner with a consulting firm to serve as the WCACOG's solar representative and assist with the procurement and contracting process.

The WCACOG is open to several contractual arrangements provided the WCACOG is able to meet its electricity needs with beneficial impact to the WCACOG's overall electrical expenditures. Given these parameters, the WCACOG is likely to enter into a contractual arrangement with a third-party Project Developer ("Developer") selected through an RFP process. The Developer will be a firm with expertise in renewable energy project development, engineering, large scale solar installations, project management, renewable energy financing, and the operation and maintenance of renewable energy systems. The WCACOG would purchase the produced electricity or guarantee a price the electricity would receive on the electricity market should the power be sold directly to the market. The Developer would be responsible for all elements necessary for a turn-key project, including rebate applications, grid connection agreements, all permits and approvals from governing agencies and all labor, taxes, services and equipment.

Typical contractual arrangements the WCACOG anticipates considering include: Power Purchase Agreement (PPA), Virtual Power Purchase Agreement (VPPA), Solar Lease, or a sleeved PPA within a full requirements electricity contract.

The selected Developer(s) will develop solar generation facilities to serve, at a minimum, the WCACOG facility load of 15,352 MWH annually and may develop additional project(s) to serve other local government load provided it is financially feasible. The RFI Responses must offer development of at least 12.75 MW of generating capacity (AC) through off-site installations, specifying the proposed optimal contractual arrangement. The WCACOG would not pay up-front fees to the selected Developer and would not be financially responsible should the proposed solar array produce less energy that Developer's projected goals.

The Developer will execute with the WCACOG the necessary contract to allow the WCACOG to claim the benefits from development of an additional solar installation to the grid. However, the WCACOG desires to understand the impact of the environmental attributes including Renewable Energy Credits (RECs) and/or carbon credits on the project economics and specifically the electricity pricing. Therefore, Responses should provide pricing information for both the option where the REC's are retained by the Developer to minimize the price paid for electricity by the WCACOG, and also the option where they are passed on to the WCACOG.

The Developer will be responsible for all operation and maintenance over the life of the renewable generation asset. This includes equipment replacement and grounds maintenance (including but not limited to equipment preventative and corrective maintenance, replacements due to defects, failures and storm damage, vegetation management and cleaning).

The WCACOG may ultimately contract with more than one Developer in order to meet a combined generating capacity of at least 12.75 MW, or if it determines that it is in its best interest.

3. SUBMISSION REQUIREMENTS

As part of a collective municipal effort to complete a minimum of 12.75 MW of renewable energy generation to serve WCACOG electricity accounts in the PECO Energy Pennsylvania service area under the current rules and regulations in Pennsylvania, we are seeking information from knowledgeable, experienced renewable energy development firms who can provide a turnkey solution and meet the WCACOG's renewable energy goals.

Each Respondent who submits a Response to the RFI shall include the following items:

- 1) Company Profile: Respondent must provide a profile of its company's operations including:
 - (a) Name, business address, telephone number, website address, incorporation location(s), and list of Pennsylvania and/or Philadelphia business licenses currently held.
 - (b) The number of years the company has been in the business of developing, designing and/or installing renewable energy generation systems.
 - (c) A primary contact for the Respondent, including name, job title, address, telephone and fax numbers, and email address.
 - (d) A description of Respondent's business background and any other information about Respondent's business organization that Respondent deems pertinent to the RFI.
 - (e) Financial Strength and Stability. Provide information to indicate the Respondent has the financial strength in terms of capital and liquid assets sufficient to successfully complete the solar project.

- 2) Experience and Case Studies:
 - (a) Respondent should provide a description of the Respondent's experience implementing relevant large-scale renewable energy projects. Project case studies and examples for local governments or institutions are of particular interest. Where possible, project descriptions should include the type of project, location of the generation, fee and payment structure, simple payback timeline, photographs of the project, web links to project information, and any other relevant project details.
 - (b) Solar Photovoltaic Development Experience/References. Provide information on: Respondent's project team qualifications and recent and related experience developing, owning, operating, and maintaining similar solar PV projects that meet power production specifications over significant terms. Respondent's relative experience in Pennsylvania or the mid-Atlantic region with similar climate as West Chester, PA and experience of Solar Power Purchase Agreements for similar type of government / municipal facilities in similar metropolitan locations managed by the firm over the last five years. Respondent's experience in delivering contracts and projects on time and on budget. Ability to meet required construction and regulatory approval milestones. Respondent's approach to encouraging investment in solar PV systems by industries and businesses within the region.

- 3) General Information: Respondent should provide information and ideas on project options that would make a large-scale renewable energy project feasible for the WCACOG. The WCACOG requests that Respondents provide a narrative on each of the following:
 - (i) Suggestions about the ownership models including descriptions about how the project would be structured. It is expected the Developer would develop an ownership structure that allows the solar project to utilize all available financial incentives including but not limited to: federal tax credits, advanced depreciation, clean energy bonds, and Renewable Energy Credits. The narrative should include discussion of different contract terms and the impact on pricing, inclusive of the following:
 - a. 10, 15 and 20 year term

- b. Buyout options at year 10 and year 15 by the WCACOG or another entity on behalf of the WCACOG
 - c. Full no cost decommissioning at year 20 or other potential options and considerations at the end of the contract term
- (ii) Suggestions about the type of issues that need to be considered in locating potential sites. Potential limitations or restrictions that could impact a project such as interconnection limitations. Proposed likely generation site locations. Respondents may submit more than one siting option or combination as part of their response. The Developer would apply for and obtain all necessary permits and approvals required by the WCACOG municipalities and all regulatory agencies including Federal, State, and Local jurisdictions. This includes but is not limited to the WCACOG, State of Pennsylvania, PA DEP, PECO Energy, PJM and the FAA. All fees required by other jurisdictions would be the responsibility of the Developer.
- (iii) The Developer would be required to keep the solar PV system compliant with all current and future local, state, and federal requirements. As such, it is encouraged that all systems proposed contain smart inverters for potential controllability to comply with Recent IEE 1547-2018 standards.
- (iv) Approximate size (in terms of MW or MWh) that would make a project cost-effective, including optimal size combinations of multiple solar arrays at different locations (if recommended and applicable).
- (v) Proposed PPA terms and arrangement (sleeved/virtual/other). The indicative unit costs (\$ per KWh) for electricity with and without Alternative Energy Portfolio Standard Credits (if applicable), buyout cost, guaranteed generation, exclusions, cost for routine maintenance, cost for any other services that may be required, etc.
- (vi) Specific information on the type and form of contract. Provide a sample PPA.

4. Use of Responses

The Responses submitted by Respondents to this RFI may be used by the WCACOG in the process of preparing an RFP in order to award an organization with a contract to implement a renewable energy project for the WCACOG. All Respondents may submit proposals to the potential RFP opportunity. A Response to this RFI is not a requirement to submit a proposal for the potential RFP contracting opportunity.

While each RFI response will be considered objectively, the WCACOG assumes no obligation to take action on any RFI response. The WCACOG assumes no liability for any costs incurred in preparing or submitting any RFI response.

5. Submission Deadline and How to Submit

An electronic copy of the complete Response must be submitted no later than November 13th, 2020 ("Submission Deadline") to wwilliams@west-chester.com and jaltshul@eastgoshen.org, and no individual document submitted must be larger than 10MB to ensure delivery.

6. Response Calendar

Posting of RFI	October 5 th , 2020
Deadline for questions, requests for clarification, or requests for additional information	October 16 th , 2020
Posting of responses to Respondents questions	October 23 rd , 2020
Response Due Date	November 13 th , 2020

7. RFI Contact Information

All initial questions or requests for clarification must be submitted in writing via email no later than 11:00 a.m. ET on Friday, October 16th, 2020 to Will Williams at wwilliams@west-chester.com.

Any responses to such questions and requests shall be at the WCACOG's sole discretion and provided in writing via Addendum.

All communications regarding this RFI must be made to the WCACOG's contact person, Will Williams at wwilliams@west-chester.com.

Oral responses by any employee or agent of the WCACOG municipalities are not binding and shall not in any way be considered as a commitment by the WCACOG.

If a Respondent finds any inconsistency or ambiguity in the RFI or an addendum to the RFI issued by the WCACOG, the Respondent is requested to notify the WCACOG in writing by 5 pm, EST on October 30th, 2020.

8. Confidentiality and Public Disclosure

By submitting this RFI response, the Respondent acknowledges that the WCACOG is governed by the Pennsylvania Public Records Laws.

Respondents agree to indemnify and hold harmless the WCACOG, its municipal officials and municipal employees, from and against all liability, demands, claims, suits, losses, damages, causes of action, fines and judgments (including attorney's fees) resulting from any use or disclosure of such confidential and/or proprietary information by any Respondent or any person acquiring such information, directly or indirectly, from any Respondent.

The Respondent recognizes and agrees that the WCACOG will not be responsible or liable in any way for any losses that the Respondent may suffer from the disclosure of information or materials to third parties.

Respondents shall treat all information obtained from the WCACOG which is not generally available to the public as confidential and/or proprietary to the WCACOG. Respondents shall exercise all reasonable precautions to prevent any information derived from such sources from being disclosed to any other person. No other party, including any Respondent, is intended to be granted any rights hereunder.

9. Rights and Options Reserved

In addition to the rights reserved elsewhere in this RFI, the WCACOG reserves and may, in its sole discretion, exercise any or more of the following rights and options with respect to this RFI if the WCACOG determines that doing so is in the best interest of the WCACOG:

1. To decline to consider any response to this RFI ("Response"); to cancel the RFI at any time; to elect to proceed or not to proceed with discussions or presentations regarding its subject matter with any Respondent and with firms that do not respond to the RFI; or to reissue the RFI or to issue a new RFI (with the same, similar or different terms);
2. To waive, for any Response, any defect, deficiency or failure to comply with the RFI if, in the WCACOG's sole judgment, such defect is not material to the Response;
3. To extend the Submission Date/Time and/or to supplement, amend, substitute or otherwise modify the RFI at any time prior to the Submission Date/Time, by providing notice thereof.
4. To require, permit or reject amendments (including, without limitation, submitting information omitted), modifications, clarifying information, and/or corrections to Responses by some or all Respondents at any time before or after the Submission Date/Time;
5. To require, request or permit, in discussion with any Respondent, any information relating to the subject matter of this RFI that the WCACOG deems appropriate, whether or not it was described in the Response to this RFI;
6. At any time determined by the WCACOG, to discontinue discussions with any Respondent or all Respondents regarding the subject matter of this RFI, and/or initiate discussions with any other Respondent or with vendors that did not respond to the RFI;
7. To do any of the foregoing without notice to Respondents or others, except such notice as the WCACOG, in its sole discretion, may elect to provide.

This RFI and the process described are proprietary to the WCACOG and are for exclusive benefit of the WCACOG. Upon submission, Responses to this RFI shall become the property of the WCACOG, which shall have unrestricted use thereof. Responses may be subject to public

disclosure under the Pennsylvania Right-to-Know Law. However, a “record that constitutes or reveals a trade secret or confidential proprietary information” is exempt from access by a requester under that law. Ultimate determination of the application of that exemption cannot be assured, but Respondents are advised to mark clearly any portion(s) of any submittal believed to qualify for that exemption. By submitting its Response, the Respondent agrees to the terms.