

# **Solar Proposal Evaluation Report**

**Morris County Improvement Authority  
Sussex County Renewable Energy Program,  
(County of Sussex Program) Series 2011  
Proposals of October 13, 2011**

**Prepared for  
Morris County Improvement Authority  
and Sussex County**

Prepared by:  
Sussex County Evaluation Team  
October 24, 2011

# Evaluation Report

## Table of Contents

<u>Report Sections</u>	<u>Page</u>
1. Executive Summary	4
2. Overview of the Sussex County Renewable Energy Program	11
3. Financial Structure for the Sussex County Renewable Energy Program	13
4. RFP Preliminary Solar System Size	15
5. PPA Pricing Design	15
6. Respondent Response to RFP	18
7. Proposal Evaluation Matrix	19
8. Financial Benefits Evaluation	20
9. Technical Design/Approach	23
10. Respondent Experience	25
11. Financial Strength	26
12. Phase III Evaluation	28
13. Recommendation – Successful Respondent	29

### Attachments

Sussex Program Solar Savings Summary

ATT. 1

Evaluation Matrix	ATT. 2
Savings by Local Unit Facility	ATT. 3
Load Served by Solar for Each Local Unit Facility	ATT. 4
Sensitivity Analysis	ATT. 5
Interview Questions	ATT. 6

# **Morris County Improvement Authority Sussex County Renewable Energy Program (County of Sussex) Series 2011**

## **1. Executive Summary**

This Report is being provided pursuant to the requirements of the competitive contracting provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-4.1(k)), Public School Contracts Law, specifically, (N.J.S.A. 18A:18A-4.1(k)); Local Finance Board Notice 2008-20, December 3, 2008, *Contracting for Renewable Energy Services* (LFB Notice 2008-20); the Board of Public Utilities (BPU) protocol for measuring energy savings in PPA agreements (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines, Dated February 20, 2009*), and Local Finance Board Notice 2009-10, dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements* (LFB Notice 2009-10).

Attached is a Service Agreement ("Agreement"), regarding the Sussex County Renewable Energy Program, between the County of Sussex, New Jersey ("Sussex") and the Morris County Improvement Authority ("Authority"). The Agreement has been entered into pursuant to the interlocal services act and county improvement authority law. Pursuant to the Agreement, Sussex, which has not created its own county improvement authority, has determined to use the services of the Authority, which has developed and implemented a renewable energy program for Morris County, to develop and implement a renewable energy program for Sussex County. The Authority will act as the conduit for issuing bonds to finance the Sussex Renewable Energy Program and Sussex will provide the guaranty regarding the repayment of those bonds.

On September 8, 2011, the Authority issued a Request for Proposals (RFP), as amended, for a Power Purchase Agreement (PPA) for the design, acquisition, installation, tax ownership, commissioning, operation, and maintenance of solar systems (Solar Systems) to be located at certain county and local government facilities (Local Unit Facilities) across Sussex. Below is a complete list of all participating Local Units included in the RFP:

1. Byram Township School District
2. County of Sussex
3. Frankford Township Board of Education
4. Franklin Borough Board of Education
5. Fredon Township
6. Green Township Board of Education
7. Hardyston Board of Education
8. High Point Regional Board of Education

9. Kittatinny Regional School District
10. Lenape Valley Regional Board of Education
11. Newton Board of Education
12. Sussex County Technical School
13. Town of Newton

The goal of Sussex is to implement solar renewable energy projects that are environmentally responsible and economically beneficial to the County, its Local Units, and its citizens.

The Authority, on behalf of Sussex, intends to enter into a long-term (fifteen (15) year) PPA with the Successful Solar Respondent (Successful Respondent) to purchase solar electric power produced from installed renewable energy projects located at certain Local Unit Facilities for the Local Units identified above. Under a PPA, a developer designs and installs solar projects and the site energy user purchases the electricity produced at a fixed rate per kilowatt hour (kWh). A county or local government can only enter into a PPA if the PPA price is lower than the delivered cost of power from the local electric utility company. In a typical PPA, a Local Unit will, for a portion of its energy needs, save on its energy bills, and will be, to the greatest extent possible, insulated from energy market fluctuation, construction risks, operational risks, and financial risks.

Pursuant to the Agreement, Sussex has determined to use the professional services of the Consultants that administered the Morris County renewable energy program to provide those same services to Sussex in the development and implementation of its Renewable Energy program. The Sussex Evaluation Team (Evaluation Team) is comprised of: John Eskilson, Dennis McConnell and Bernard Re of Sussex; Steve Pearlman, Esq. and Deborah Verderame, Esq. of Inglesino, Pearlman, Wyciskala & Taylor, LLC; Tom Brys and Gerry Genna, of Birdsall Services Group; Douglas Bacher and Heather Litzebauer of NW Financial Group, LLC; and Steven Gabel, Richard Preiss and Cadence Bowden of Gabel Associates. The Evaluation Team assisted in developing and implementing the RFP, and administered the procurement process as well as a comprehensive evaluation of qualified proposals on the basis of price and non-price criteria.

This process was undertaken in accordance with competitive contracting provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-4.1(k)) and on behalf of the board of education Local Units, the Public Schools Contracts Law (N.J.S.A. 18A:18A-4.1(k)) of the State of New Jersey (the "State"), all pursuant to (i) Local Finance Board Notice 2008-20, December 3, 2008, Contracting for Renewable Energy Services, (ii) the Board of Public Utilities protocol for measuring energy savings in PPA agreements (Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines, Dated February 20, 2009), (iii) Local Finance Board Notice 2009-10 dated June 12, 2009, Contracting for Renewable Energy Services: Update on Power Purchase Agreements and applicable law.

Sussex received a proposal from one (1) Solar Respondent (Respondent): SunLight General Capital and Power Partners MasTec (SunLight/MasTec). In addition, shortly after the time for submission of proposals (i.e. 1:00 PM, Eastern time, October 13, 2011), a second Respondent arrived to submit a proposal. When informed that the submission period had closed and Sussex could not accept the second proposal, the second Respondent inquired as to the publicly announced PPA price submitted by SunLight/MasTec. When informed of the subject PPA price, the second Respondent indicated that their proposal was not competitive with the proposal of SunLight/MasTec, declined to leave their proposal and left.

The one (1) Respondent submitted the required RFP documents and, based on Phase I requirements (compliance with the minimum terms of the RFP), was deemed compliant. The SunLight/MasTec proposal, therefore, qualified to be further evaluated under Phase II (technical and economic evaluation) requirements. The Evaluation Team has undertaken an economic and technical review of the proposals to evaluate them in accordance with established criteria under Phase II evaluation. The Evaluation Team considered and weighed the following:

- Financial benefits;
- Technical design;
- Project experience;
- Vendor qualifications; and,
- Financial strength.

The SunLight/MasTec team possesses high quality management, installation capabilities, and sound solar development experience. In addition, the SunLight/MasTec proposal provides Sussex benefits in the following key areas:

1. It provides substantial direct energy cost savings;
2. It provides the Local Units the potential for additional savings through the sharing of revenues from the sale of Solar Renewable Energy Certificates (SRECs) and other environmental benefits;
3. Due to SunLight/MasTec's proposed capital investment, which reduces the required size of the Authority bonds, it provides a strong level of protection for Sussex from financial risk;
4. It provided additional financial protection for Sussex in the form of a Debt Service Reserve Fund; and,
5. It includes a restoration security providing for additional Local Unit protection at the end of contract.

Over the fifteen (15) years of the PPA, the SunLight/MasTec proposal yields nominal benefits of \$5.6 million or net present value (NPV) benefits of \$4.0 million. These

benefits have been calculated under the conservative assumption that bond interest rates will be at 5.0%. The RFP also required Respondents to submit an adjustment factor to the PPA Price to account for a change in the bond rate from the assumed level of 5.0% to the actual bond issuance rate. Based upon SunLight's adjustment factor and the current expectation for the bond issuance rate (4.6%), the SunLight/MasTec proposal would yields nominal benefits of \$5.9 million or net present value (NPV) benefits of \$4.3 million.

The Respondent provided a financial structure limiting the financial risk to Sussex (as the guarantor of the bonds) and the mitigated risk to the Authority as the conduit bond issuer. By offering to self-finance a substantial portion of the overall cost of the renewable energy projects in the amount of \$7.6 million, the SunLight/MasTec proposal allows the Authority, on behalf of Sussex, to significantly reduce its bond size. The Authority's \$26 million in bonds will be combined with SunLight/MasTec's \$7.6 million self-financing to finance the total project cost (\$33.6 million). The SunLight/MasTec proposal also protects Sussex from the potential risk of reductions in the price of SRECs. Moreover, by self-financing a portion of the total cost of the project this protection has a very high degree of certainty. In addition, SunLight/MasTec proposed to post a \$1.5 million reserve, funded with an equity contribution from the company, to provide additional financial protection to Sussex.

The Evaluation Team recognizes the value of the financial provisions of the SunLight/MasTec proposal in terms of the protection of Sussex, its guaranty and its bond rating. The preservation of this bond rating provides future economic benefits to Sussex and its citizens and businesses by allowing Sussex, through the Authority, to borrow money at low interest rates due to its Aa2 rating. Accordingly, a high premium is placed on its protection. The financial protections of the SunLight/MasTec proposal, including a significant reduction in the size of the Authority bond amounts, on behalf of Sussex, provides a strong and distinguishing level of protection which, in combination with other factors considered, lead to the recommended selection.

The RFP reserves the right for Sussex to conduct interviews with qualified Respondents. After reviewing all aspects of the submitted proposals, in particular the savings in energy costs preferred by Sussex and as required under applicable law (see the details in Section 8(a) and as reflected in the Evaluation Matrix through Phase II), the Evaluation Team decided to conduct an interview with SunLight/MasTec to better understand their proposal. Based on the results of the Phase II and Phase III evaluation, the Evaluation Team recommends that the proposal of SunLight/MasTec be accepted (see **Attachment 2** for the Evaluation Matrix). The SunLight/MasTec proposal results in significant savings on energy costs for the participating Local Units, and strong financial protections for the Authority and Sussex.

Members of the Sussex Evaluation Team have significant experience in evaluating proposals from solar developers submitted in response to similarly structured solar renewable energy programs. That experience has been drawn upon in the evaluation of the SunLight/MasTec proposal. The scoring in the Evaluation Matrix (see

**Attachment 2)** identifies SunLight/MasTec as a well qualified Respondent providing great overall value to Sussex. SunLight/MasTec’s proposal scored 94 out of 100 points.

Given that there was only one (1) proposal officially received (as mentioned above a second proposal (which was withdrawn) arrived after the closing time for submission of proposals and could not be accepted), the Evaluation Team considered the possibility of rejecting the SunLight proposal and rebidding the RFP. For the following reasons, the Evaluation Team recommended not to rebid the RFP:

1. A major element supporting the financing and pricing of solar projects is the ability of the solar developer to capture the Federal benefit of the 1603 Grant. Since the 1603 Grant expires at the end of calendar year 2011, the timing of the RFP process was such to allow the solar developer the opportunity to capture this benefit. The Evaluation Team judged that there was not sufficient time to rebid the RFP and provide this opportunity. Without the benefit of the 1603 Grant, the Evaluation Team believes there would be a negative impact on the proposal pricing.
2. The SREC market has experienced a significant downturn in pricing and an increase in volatility. Given the current SREC market, the Evaluation Team judged the pricing of the SunLight proposal to be consistent with that market.
3. SunLight/MasTec is known to be a quality solar team with a successful security structure as part of their proposals. They have been the successful solar team on several county renewable energy programs. As such, SunLight/MasTec is familiar with the documentation required to close and execute the transaction, which is critical to realizing the 1603 Grant.
4. The SunLight/MasTec proposal provides a significant level of energy cost savings for the Local Units, while providing Sussex with important financial protections through its equity contribution which reduces the amount of the bonds required to be issued and its debt service reserve fund, which taken together virtually eliminate the potential for a Sussex deficiency should SunLight/MasTec default.

**Accordingly, the Evaluation Team recommends that the Authority select SunLight/MasTec as the Successful Respondent, subject to clarification of the SREC sharing issue discussed in Section 12, page 28.**

The evaluation of “price and non-price” factors allowed by law permits and supports this recommendation.

SunLight/MasTec has proposed to install and operate solar systems at seventeen Local Unit Facilities. The basic terms and benefits of the SunLight/MasTec proposal are as follows:

1. A fifteen (15) year PPA, with a first year rate of \$0.099 per kWh and annual escalation of 3% which results in a final price of \$0.150 in Year 15.
2. A 6.678 MW solar system. This is expected to generate approximately 8.0 million kWh per year. The solar energy will serve approximately 46% of the combined load for all Local Unit Facilities (see **Attachment 4**) based, conservatively, on the guaranteed level of solar generation.
3. Based upon the PPA Price in the SunLight/MasTec proposal, participating Local Unit Facilities will realize, in aggregate, an annual energy cost savings of approximately \$280,000 in the first year and these savings are expected to grow to approximately \$488,000 in the last year of the PPA (see **Attachment 3**). When based upon a less conservative, current bond issuance rate, with an adjusted PPA Price, the participating Local Unit Facilities would realize, in aggregate, an annual energy cost savings of approximately \$301,000 in the first year and these savings are expected to grow to approximately \$516,000 in the last year of the PPA.
4. Based upon the PPA Price in the SunLight/MasTec proposal, over the fifteen year term of the PPA, the Local Units, in aggregate, will realize \$5.6 million in energy cost savings on a nominal basis (\$4.0 million on a NPV basis) (see **Attachment 5**). When based upon a less conservative, current bond issuance rate, with an adjusted PPA Price, over the fifteen year term of the PPA, the Local Units, in aggregate, would realize \$5.9 million in energy cost savings on a nominal basis (\$4.3 million on a NPV basis).
5. Participating Local Unit Facilities will realize an average rate reduction, for the portion of their electricity purchased through this program, of 28% relative to utility delivered power in the first year.
6. A significant reduction in the amount of Authority bonds required to fund the renewable energy projects, on behalf of Sussex, to an amount of approximately \$26.0 million; which creates significant financial security to Sussex and the Authority.
7. A \$1.5 million reserve fund, funded with an equity contribution from the company, provides additional financial protection to Sussex and the Authority.
8. A stable and known cost of electricity for fifteen years allows for budgetary certainty for the participating Local Units.
9. Potential use of the locally manufactured solar panels of MX Solar, a New Jersey based solar panel company.

10. Restoration Security of \$375,000 to provide additional protection to the Local Units that will be set aside to cover the cost of system removal at the end of the term if such option is selected.
11. Sharing of SREC revenue benefits.
12. An educational component including an educational program, with the ability to access operational data for the solar systems via a web enabled system.

The above benefits may be recalculated after the sale of the Authority bonds if materially different from the estimate in this report.

## 2. Overview of the Sussex County Renewable Energy Program

The following is a brief synopsis describing the Morris County Improvement Authority, Sussex County Renewable Energy Program, Series 2011 (Solar Initiative) as outlined in the RFP.

On September 8, 2011, the Authority issued a Request for Proposals (RFP), as amended, for a Power Purchase Agreement (PPA) for the design, acquisition, installation, tax ownership, commissioning, operation, and maintenance of solar systems (Solar Systems) to be located at certain county and local government facilities (Local Unit Facilities) across Sussex County (Sussex). See Section 4 for a list of the final participating Local Units and Local Unit Facilities.

The goal of Sussex is to implement Renewable Energy Projects including Solar Systems that are both environmentally responsible and economically beneficial.

The RFP's total size (kW dc) of the Solar Systems at Sussex's thirteen (13) local units and seventeen (17) Local Unit Facilities was estimated to be 6.7 MW, thus reducing the carbon footprints of the Local Unit Facilities for the term of the agreement and, potentially, beyond.

Sussex intends to enter into a long-term (fifteen (15) year) PPA with the Successful Respondent to purchase solar electric power produced from installations located on some, or all, of the Local Unit Facilities identified above. Sussex does not intend to enter into a PPA unless the cost of the PPA is lower than the delivered cost of power from the local electric utility company.

In evaluating proposals, the Evaluation Team used a Proposal Evaluation Matrix (Matrix) to rank Respondents (see **Attachment 2**). The Matrix includes a three step process:

1. Phase I is a checklist to determine if the Respondent has included all required documentation and information in their proposal. Once all requirements have been met, a Respondent is deemed compliant and qualifies to move to the Phase II of the evaluation. As the RFP makes clear, if a Respondent does not meet the Phase I requirements, it does not receive further consideration.
2. Phase II is a weighted rating of the value provided by the proposal across several categories (financial benefits, technical design, experience, qualifications and financial strength) and evaluation factors within those categories.
3. Phase III is an interview of the Respondents and final evaluation.

The Respondent with the top ranking in Phase II and III, after being determined to be in compliance with the requirements of Phase I, will be recommended for award as the

Successful Respondent. The purpose of this Evaluation Report is to provide the Authority and Sussex with a full evaluation of qualified proposals, and to recommend which proposal provides the greatest value to the Authority, Sussex County and the Local Units.

### **3. Financial Structure for the Sussex County Renewable Energy Program**

The following is a brief synopsis of the financial structure as provided in the RFP.

The Authority will issue taxable bonds, on behalf of and guaranteed by Sussex County, to finance the solar systems to be designed and installed by a private solar developer for the benefit of the Local Units. This structure offers the opportunity for the Successful Respondent to maintain the tax ownership of the investment and will allow them to access the low cost of capital available in the public markets, through Sussex County's "Aa2" credit rating.

The benefits of the federal tax benefits (which Sussex cannot take as a public entity) and low cost county debt have been combined in Sussex's Solar Initiative.

This structure provides the Successful Respondent with the opportunity to take advantage of federal tax benefits (such as the 1603 Treasury Grant or the 30% renewable energy investment tax credit and five year accelerated depreciation). The Successful Respondent will also own and monetize SRECs realized through New Jersey's Renewable Portfolio Standard (RPS) Program. The value realized from the sale of SRECs in the competitive market is a major component supporting the financing of a solar project. The Successful Respondent will take on the responsibility and risk of managing SREC sales.

The Authority will enter into a series of license agreements with the local governments that desire renewable energy, to gain access to their roof and/or ground space and parking lots for the installation of solar panels. After the Authority issues the Sussex County guaranteed bonds, on behalf of Sussex, to finance the solar projects, the Authority will lease the solar panels to the competitively procured Successful Respondent, structuring that lease in such a way as to provide the Successful Respondent with an opportunity to become the tax owner of the solar projects.

The Successful Respondent, in turn, makes lease payments to the Authority to fully pay the debt service on the Authority bonds. Through a PPA, the Successful Respondent sells the electricity generated by the solar projects through the Authority back to the local government entities at a rate below the local utility tariff. The Successful Respondent must either provide some form of security to Sussex, or eliminate the need for it. As part of the RFP process, the Respondents had to include either a County Security Amount (CSA), or an alternate structure that would minimize or eliminate the CSA, to provide security that the lease payments will be made and that the Authority and Sussex have adequate financial protection.<sup>1</sup> The CSA calculates the difference between the lease payments and the revenue the Successful Respondent earns through SREC sales and PPA payments. This is to ensure that if the Successful Respondent

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<sup>1</sup> See page 9 of the RFP Section 1.3.

defaults in any year during the fifteen year contract, Sussex will have sufficient reserve in the form of the CSA, together with remaining SREC and PPA revenues, to pay the remaining debt service (assuming the continuation of PPA payments and conservatively estimated SREC revenue streams).

The RFP also permitted Respondents to propose alternate structures using their own sources of financing.

This financing structure, in effect, allows the Successful Respondent to design, construct, own and operate the solar systems, assume the burdens of the project (pay the debt service and provide security), and embed its costs and revenue streams into a fixed, indexed sales price for the solar energy generated.

The program allows Local Units to demonstrate environmental responsibility while realizing economic benefits. The PPA offers a reduction in current energy costs for a portion of the Local Units energy needs and long term stability of energy prices.

## 4. RFP Preliminary Solar System Size

The original RFP, as released on September 8, 2011, contained the results of a preliminary feasibility assessment, as performed by Sussex's Energy Consultants. This assessment estimated the technical potential for Solar Systems at fourteen (14) Local Units and eighteen (18) Local Unit Facilities. Released on September 20, 2011 Addendum 1, provided changes to the original Local Unit Facility list and system sizes.

The tranche list as included in the original RFP was as follows:

LU #	Local Unit	Facility	Local Unit Facility Solar KW Size			TOTAL
			Roof Mounted	Parking Canopy	Ground Mounted	
1	Byram Township School District	Byram Lakes Elem./ Int. School	38	455	0	493
2	County of Sussex	SC Judicial Center - Parking Deck	0	468	0	468
		Wheatsworth Facility	0	0	149	149
		Main Library	0	0	100	100
3	Frankford BOE	Frankford Township School	0	0	309	309
4	Franklin Borough BOE	Franklin Elementary School	123	104	0	227
5	Fredon Township	Civic Center	61	0	0	61
6	Green Township	Green Hills School	157	0	0	157
7	Hardyston Township	Hardyston Middle School	0	0	612	612
8	High Point Regional BOE	High Point Regional High School	453	0	0	453
9	Kittatinny Regional SD	Kittatinny Regional High School	187	173	0	360
10	Lafayette Township BOE	Lafayette Township School	49	0	206	255
11	Lenape Valley BOE	Lenape Valley High School	0	393	774	1,167
12	Newton BOE	Merriam Avenue School	105	242	0	347
		Newton High School	222	124	0	346
13	Sussex County Technical School	Main Building and Parking Lots	112	290	792	1,194
14	Town of Newton	DPW Complex	73	0	0	73
		Wastewater Treatment - Moran Street	0	0	109	109
<b>TOTAL</b>			<b>1,580</b>	<b>2,249</b>	<b>3,051</b>	<b>6,880</b>

The total system size across the above fourteen (14) local units was 6.880 MW. However, Addendum 1 released on September 20, 2011 decreased the system size from 6.880 MW to 6.681 MW. The following Local Unit Facilities were removed or amended as part of Addendum 1:

- Lafayette Township School (49 kW roof mounted system and 206 kW ground mounted system)
- Frankford Township School (309 kW ground mounted system)

The following represents the tranche list as updated through Addendum 1 to the RFP:

LU #	Local Unit	Facility	Local Unit Facility Solar KW Size			TOTAL
			Roof Mounted	Parking Canopy	Ground Mounted	
1	Byram Township School District	Byram Lakes Elem./ Int. School	38	456	0	494
2	County of Sussex	SC Judicial Center -	0	468	0	468
		Parking Deck	0	0	149	149
		Wheatsworth Facility	0	0	100	100
3	Frankford BOE	Frankford Township School	0	0	362	362
		Franklin Borough BOE	Franklin Elementary School	123	104	0
5	Fredon Township	Civic Center	61	0	0	61
6	Green Township	Green Hills School	157	0	0	157
7	Hardyston Township	Hardyston Middle School	0	0	612	612
8	High Point Regional BOE	High Point Regional High School	453	0	0	453
9	Kittatinny Regional SD	Kittatinny Regional High School	187	173	0	360
11	Lenape Valley BOE	Lenape Valley High School	0	393	775	1,168
12	Newton BOE	Merriam Avenue School	105	242	0	347
		Newton High School	223	124	0	347
13	Sussex County Technical School	Main Building and Parking Lots	112	290	792	1,194
14	Town of Newton	DPW Complex	73	0	0	73
		Wastewater Treatment - Moran Street	0	0	109	109
<b>TOTAL</b>			<b>1,532</b>	<b>2,250</b>	<b>2,899</b>	<b>6,681</b>
<b>Percentage</b>			<b>22.9%</b>	<b>33.7%</b>	<b>43.4%</b>	<b>100.0%</b>

Therefore, after the Addendum 1 changes, the total system size of the Sussex County program includes thirteen (13) Local Units and seventeen (17) Local Unit Facilities, with a solar system size of 6.681 MW.

## **5. PPA Pricing Design**

Sussex requested one PPA Price and index from the Respondents for the entire project. Respondents are required to insure that every Local Unit Facility is included in the response. Respondents were provided the option of submitting a proposal based upon public (County) financing, private financing or a combination in accordance with the RFP. Respondents were also required to provide two price adjustment factors to be used to adjust PPA rates upward or downward based on the final project development costs and the final interest rate on the debt service determined at the closing of project financing.

## **6. Respondent Response to RFP**

The Authority received a proposal in response to the RFP from the following one (1) Respondent:

1. SunLight General Capital and Power Partners MasTec (SunLight/MasTec)

The proposal was determined by counsel to Sussex to have met the Phase I requirements of the RFP and was further evaluated under the Phase II evaluation.

Key information from the conforming proposal submitted by SunLight/MasTec is summarized below.

Note: Shortly after the time for submission of proposals (i.e. 1:00 PM, Eastern time, October 13, 2011), a second Respondent arrived to submit a proposal. When informed that the submission period had closed and Sussex could not accept the second proposal, the second Respondent inquired as to the publicly announced PPA price submitted by SunLight/MasTec. When informed of the subject PPA price, the second Respondent indicated that their proposal was not competitive with the proposal of SunLight/MasTec, declined to leave their proposal and left.

SunLight/MasTec proposed a fifteen (15) year PPA term to install solar at all seventeen (17) Local Unit Facilities. The total size of the solar systems to be installed is 6.7 MW dc. The total project cost is \$33.6 million although SunLight/MasTec offered to reduce the bond size to \$26.0 million through a \$7.6 million capital investment in the project. The capital investment would be provided in conjunction with the issuance of the Authority bonds.

SunLight/MasTec's first year PPA price is \$0.099 per kWh. The annual escalation rate is 3%. SunLight/MasTec offered SREC sharing at 50% of the upside on SRECs above \$300 after Year 5 to maturity, a debt service reserve fund of \$1.5 million, and restoration security of \$375,000.

## 7. Proposal Evaluation Matrix

Once proposals are deemed compliant based on Phase I requirements, the proposals are subject to Phase II and III evaluation in accordance with the process defined in the RFP. The evaluation was conducted in accordance with an evaluation matrix, which is based on a total potential score of 100. The Matrix is broken into the following criteria and weighting factors:

Financial Benefits (50)	NPV of Benefits Option - Sharing of Benefits Non-Material Changes to Program Documents
Technical Design/Approach (10)	Output Guarantee (kWh) Design Strategy Project Team Approach O&M Plan and Approach
Respondent Experience (10)	Project Management Contractor Expertise Project Experience New Jersey Experience
Financial Strength (20)	Financial Capability/Strength of Provider Financial Risk
Oral Interview Evaluation (10)	Presentation Explanation Key Factors Understanding Financial Factors/SREC Market

## **8. Financial Benefits Evaluation**

The Sussex County Renewable Energy Program has been developed and implemented with no capital cost to the Local Units. In addition to this benefit, below is a summary of the financial benefits section of the Phase II evaluation. Proposals were evaluated and awarded points in the Matrix based on their responses to the following criteria: NPV of benefits; sharing of benefits; and, non-material changes to documents. Since there was only one compliant bid, Gabel Associates completed the Phase II evaluation based upon their experience with other County solar programs.

### **a. NPV of Benefits**

Local Units realize economic benefits from the installation of renewable energy projects through the savings in energy costs by purchasing electricity from the solar project rather than from the local electric utility.

In calculating energy cost savings, the Evaluation Team compares a forecast of the cost of the local utility tariff rate electricity delivered to the Local Unit Facility that is avoided by purchasing the solar generation from the renewable energy projects at the PPA rate proposed by the Respondent and multiplies the difference by the expected solar output. This yields the projected savings in energy costs realized through the installation of the renewable energy projects.

It is important to note that the energy cost savings are calculated at the guaranteed level of solar generation (90% of the expected level). Thus, the level of energy cost savings are stated on a conservative basis. Actual energy cost savings to the Local Unit Facilities are likely to exceed the levels indicated in this Evaluation Report.

The forecast of the avoided cost of the local utility tariff rate is the result of a detailed analysis of each utility tariff by each of its components over the fifteen year term of the PPA. This detailed analysis takes into account many factors, including the following:

1. Those components of the utility tariff rate that are not avoided as a result of the solar installation. For example, the customer charge and a portion of demand charges are not avoided through the purchase of solar energy generated by the solar systems. In addition, if the local unit facility is purchasing the commodity component of electric supply in the competitive market, it is assumed that the local utility will continue this practice in the development of their non-solar electricity costs.
2. The most recent energy market fundamentals (ex. New York Mercantile Exchange futures, Energy Information Administration long term escalation rates and environmental and RPS programs such as the SREC program) are incorporated to provide the best indication of future energy market costs.

3. The impact on future energy costs of national, state and regional environmental initiatives currently being considered (ex. carbon credits). The forecast includes the low Environmental Protection Agency estimate for carbon legislation originally slated to start in 2012 but pushed out to 2015.
4. The impact that general energy market escalation will have upon long-term energy prices.

To calculate the NPV benefits provided by each proposal, guaranteed production values were used. In addition, a 5.00% discount rate was assumed to calculate NPV of benefits; which was the assumed interest cost of the Authority bonds in the RFP. This also assumes an average retail electric escalation of 3.6%.

**Attachment 1** summarizes the PPA pricing (first year PPA price and annual escalation) proposed by the conforming Respondents.

Sussex's energy cost savings are also shown in **Attachment 1**. The savings calculations in **Attachment 1** are shown in both NPV and nominal dollars, however, the most appropriate way to compare the value of projects is on a NPV basis to recognize the time value of money and the opportunity cost of capital.

Over the fifteen (15) years of the PPA, the SunLight/MasTec proposal yields nominal benefits of \$5.6 million or net present value (NPV) benefits of \$4.0 million. These benefits have been calculated under the conservative assumption that bond interest rates will be at 5.0%. The RFP also required Respondents to submit an adjustment factor to the PPA Price to account for a change in the bond rate from the assumed level of 5.0% to the actual bond issuance rate. Based upon SunLight's adjustment factor and the current expectation for the bond issuance rate (4.6%), the SunLight/MasTec proposal would yields nominal benefits of \$5.9 million or net present value (NPV) benefits of \$4.3 million.

The Respondent with the highest NPV of benefits (SunLight/MasTec) earned the maximum number of points (40) in the Matrix for this criterion.

A sensitivity analysis of the NPV benefits was also conducted by evaluating changes in the average electric rate escalation and is provided in **Attachment 5**. The results show that the SunLight/MasTec proposal will provide significant levels of energy cost savings, even assuming no escalation in the average electric rate.

#### **a. Option – Sharing of Benefits**

The RFP asked the Respondents whether they would be willing to share additional benefits with Sussex. As an example of such benefits, the RFP listed (a) sharing of SREC market revenues, (b) sharing in any Federal or State tax benefits, (c) sharing in other financial / environmental market value, (d) end on contract provisions beyond

those identified in the RFP and (e) any other additional services that would provide value to Sussex.

As it relates to the sharing in SREC market revenues, the level of this potential benefit and the probability of it occurring are very difficult to determine since it depends on future SREC prices. SREC prices will depend on the level of SREC supply and the cost and efficiency of new solar projects at that time. Scoring was based on whether or not SREC sharing was proposed and how beneficial the sharing would be to Sussex.

### **SunLight/MasTec**

SunLight/MasTec offered the following additional benefits:

1. SREC sharing in the amount of 50% of the upside of SRECs above \$300 after Year 5.
2. Should other environmental attributes arise in the future from these projects, SunLight/MasTec proposed to share in the proceeds from the sale of such attributes.
3. Should a change in law result in significantly more favorable tax treatment, SunLight/MasTec would use best efforts to share with Sussex.
4. Finally, they would deliver an educational program about the science and benefits of solar systems, including solar energy science kits, teacher training about renewable energy, the ability to access operational data and personnel to promote the educational program.

SunLight/MasTec was awarded the maximum value of five (5) points for this sharing proposal.

### **b. Non-Material Changes to Program Documents**

SunLight/MasTec proposed no changes to the program documents and received the maximum number of points in this section of the Matrix.

## 9. Technical Design/Approach

The evaluation of the technical design/approach has several elements including output guarantees, construction schedules, project team approach, and operation and maintenance plans. Below is a technical review of the proposal. The Proposal was evaluated and awarded points in the Matrix based on the responses to the following criteria: output guarantee, design strategy, project team approach, and operations and maintenance (O&M) plan and strategy.

### a. Output Guarantee (MWH)

The Respondent provided the output guarantees required in the RFP and were therefore awarded maximum points for this requirement. Below is a description of the Respondent's design strategy including their total system size and output.

#### **SunLight/MasTec**

Total System Size	Total System Output
6.678 MW	7.998 MWh

SunLight/MasTec's proposed capacity was compared with the conceptual site plans provided in the RFP. SunLight/MasTec based their proposal 100% on the Birdsall conceptual layouts without exception. The total system size is within 3kw of the conceptual site plans due to round-off differences. The SunLight/MasTec proposal will provide a 4.5% increase in kWh, over Birdsall's calculated production numbers. All system sizes and productions are within 90% of consumption at the facilities with the exception of Lenape Valley that will generate 90.5%. This is acceptable.

### b. Design Strategy

Below is a description of the proposal design strategy. The Respondent was evaluated based on the major system components and design of the systems. The Respondent received the maximum points for this requirement.

#### **SunLight/MasTec**

SunLight/MasTec's PV design followed the Birdsall concept layout exactly. This includes roof mounted PV panels, ground mounted PV panels, and parking canopies. Below is a description of the Major system components proposed by Sunlight/MasTec. All information was not included in the proposal but was provided in the oral interview. They are using quality products in all areas. The evaluation team accepts SunLight/MasTec's design and system components.

System Component	Manufacturer
PV Modules	Trina/Canadian/ MX Solar
Inverters	SMA/PV Powered
Mounting Systems	Allied Building, Panel Claw, Grizzly Bear
Canopy System	Baja/Protek/ Solar Ventures
DAS	Noveda or Deck

### c. Project Team Approach

Below is a description of the proposer’s project team approach. Based on their responses, they were awarded the maximum points for this requirement.

Sunlight/MasTec’s project team approach seemed well organized and complete. They have an experienced team which has completed similar large solar projects. In addition, they have also been the successful proposer at Somerset County Improvement Authority Tranche 2, Mercer County Improvement Authority for Mercer County Community College and Morris County Improvement Authority Tranche 2. All of the design and engineering will be completed by MasTec. They are a national energy contractor with experience, and technical depth to complete this project successfully. They have a plan to schedule installations with minimal disruptions, will be staffing locally, and plan on bringing in experienced solar contractors. They plan on meeting with local units for communications sessions, to assess the best time to schedule installations, and will be open on canopy designs to meet the needs of local units.

### d. Operations and Maintenance Plan and Approach

Below is a description of the proposal’s O&M plan and approach. Based on their response, the respondent was awarded the maximum points for this requirement.

The operations and maintenance will be monitored on a daily basis by an inverter level monitoring package. This will provide the latest data for system performance and availability. It will also provide any error messages from the inverters, regarding the system operation, mal-function, and inverter status or system fault. The data acquisition system (DAS) will be designed for remote web based operation and the data will be transferred to a third party server via the internet.

SunLight MasTec also provided a comprehensive Operation and Maintenance procedures document at the oral interview. They have an acceptable approach for O&M.

## **10. Respondent Experience**

The evaluation of respondent experience has several elements including: project management, contractor experience, project experience, and New Jersey experience. Below is a summary of the SunLight/MasTec proposal.

### **a. Project Management**

SunLight/MasTec demonstrated their ability to successfully manage the project through the involvement of well qualified/experienced management, supervisory, and key staff. The respondent was awarded the maximum points for this requirement.

### **b. Contractor Experience**

SunLight/MasTec has teamed with very experienced and technically qualified EPC's. The maximum number of points for this section in the evaluation matrix is awarded.

### **c. Project Experience**

SunLight/MasTec has demonstrated extensive project experience with respect to similar types of projects in New Jersey and other States. Maximum number of points awarded for this section.

### **d. New Jersey Experience**

The SunLight/MasTec team has won other County Renewable Energy Program awards to implement solar systems. They and their contractors are well experienced in New Jersey. SunLight/MasTec has established an office in NJ to implement solar systems and will establish a second office in Sussex County, to maintain and enhance their NJ experience. The maximum number of points have been awarded for evaluation in this section.

## **11. Financial Strength**

The evaluation of the financial strength of the proposals has two (2) elements including financial capability/strength of provider and financial risk to Sussex. Below is a summary of the Respondent's proposal.

### **a. Financial Capability/Strength of Respondent**

Below is a description of the financial capability and the financial strength of the Respondent. The Respondents received the maximum amount of points for this section.

#### **SunLight/MasTec**

SunLight has financed 3.7 MW of projects since 2009 and has an additional 12.1 MW scheduled over the next year. SunLight's current equity is over \$10 million and they recently launched the SunLight General Solar Fund Two in the amount of \$30 million. Power Partners MasTec, LLC is a wholly-owned subsidiary of MasTec, Inc. a minority business enterprise with over 9,000 employees and annual revenues of \$2.3 billion (2010). MasTec has over \$500 million in bonding capacity. MasTec will provide the construction bond for the project installation. SunLight/MasTec has provided sufficient financial information and an adequate finance package.

### **b. County Security/Deficiency Amount**

Financial risk to Sussex specifically concerns proposals where the Authority is committing funds to the solar project and Sussex is committing its guaranty on those funds. A second, but much less significant, financial risk involves whether the solar developer is willing to offer a restoration security.

SunLight/MasTec has proposed to use the public financing approach which imposes a financial risk upon Sussex, however, their proposal to self-finance a substantial portion of the overall cost of the renewable energy projects has significantly reduced that risk by effectively eliminating the need to fund a County Security Amount (CSA). The SunLight/MasTec proposal has been structured such that, using the conservative SREC assumptions provided by the Authority, a CSA of approximately \$1.0 million exists only during the first year. For the majority of the program (years 2 through 15) there is no CSA and, in fact, a cushion is provided in each of the subject years.

In addition, SunLight/MasTec has proposed a \$1.5 million reserve fund to provide additional financial protection to Sussex. This reserve fund exceeds the annual bond service requirements. Finally, the SunLight/MasTec proposal offered a performance security of \$375,000 which would be built up through setting aside \$75,000 a year for five years beginning in Year 11 (a positive for Sussex). The SunLight/MasTec proposal allows the bond size to be significantly reduced and limit its associated risk to Sussex with a very high degree of certainty. Since there is still some financing risk to the

Sussex, the SunLight/MasTec proposal has been awarded less than the maximum number of points in this rating category.

The SunLight/MasTec Proposal reduced the bond size from \$33.6 million to approximately \$26.0 million by proposing to self finance \$7.6 million. This approach reduces financial risk to Sussex by reducing the amount of the Authority bonds required to be issued to approximately \$26.0 million. The smaller size of the Authority bond reduces the Sussex exposure and provides strong SREC price risk protection as the balance of transaction revenues (i.e. SRECs and PPA payments) should this Respondent default, are estimated to be fully sufficient to make all debt service payments on the bonds in all but the first year. In addition, the SunLight/MasTec proposal includes a \$1.5 million reserve fund to provide additional financial protection to Sussex.

## 12. Phase III Evaluation

The RFP reserves the right for Sussex to conduct interviews with qualified Respondents. After reviewing all aspects of the submitted proposals, in particular the savings in energy costs preferred by Sussex and as required under applicable law (see the details in Section 8(a) and as reflected in the Evaluation Matrix through Phase II), the Evaluation Team decided to conduct an interview with SunLight/MasTec to explore all aspects of their proposal.

Prior to the interview, the Evaluation Team provided a list of issues (see **Attachment 6**) that they wanted SunLight/MasTec to address at the interview. SunLight/MasTec did an excellent job during their presentation and was able to explain all key issues as well as demonstrating an understanding of financial matters. Additionally, during the interview, the potential for the monetized sharing of SREC value in the early years (year 1 through 5) was discussed. The possible tax implications of such sharing will be reviewed. Pending the result of that review, SunLight/MasTec indicated that they would be open to the monetized sharing of SREC value in the early years. SunLight/MasTec received the maximum number of points for this criterion of the Evaluation Matrix.

### **13. Recommendation – Successful Respondent**

In recommending a Successful Respondent, the Evaluation Team uses the Proposal Evaluation Matrix to rank the Respondents.

The SunLight/MasTec team possesses high quality management, installation capabilities, and sound solar development experience. In addition, the SunLight/MasTec proposal provides Sussex benefits in the following key areas:

1. It provides substantial direct energy cost savings;
2. It provides the Local Units the potential for additional savings through the sharing of revenues from the sale of Solar Renewable Energy Certificates (SRECs) and other environmental benefits;
3. Due to SunLight/MasTec's proposed capital and in kind equity investment, which reduces the required size of the Authority bond issuance, it provides a strong level of protection for Sussex from financial risk;
4. It provided additional financial protection for Sussex in the form of a Debt Service Reserve Fund; and,
5. It includes a restoration security providing for additional Local Unit protection at the end of contract.

Over the fifteen (15) years of the PPA, the SunLight/MasTec proposal yields nominal benefits of \$5.6 million or net present value (NPV) benefits of \$4.0 million. These benefits have been calculated under the conservative assumption that bond interest rates will be at 5.0%. The RFP also required Respondents to submit an adjustment factor to the PPA Price to account for a change in the bond rate from the assumed level of 5.0% to the actual bond issuance rate. Based upon SunLight's adjustment factor and the current expectation for the bond issuance rate (4.6%), the SunLight/MasTec proposal would yields nominal benefits of \$5.9 million or net present value (NPV) benefits of \$4.3 million.

The Respondent provided a financial structure limiting the financial risk to Sussex. By offering to self-finance a substantial portion of the overall cost of the renewable energy projects in the amount of \$7.6 million, the SunLight/MasTec proposal allows the Authority, on behalf of Sussex, to significantly reduce its bond size. The Authority's \$26.0 million in bonds will be combined with SunLight/MasTec's \$7.6 million self-financing to finance the total project cost (\$33.6 million). The SunLight/MasTec proposal also protects Sussex (which will be providing its guaranty on the Authority bonds) from the potential risk of reductions in the price of SRECs. Moreover, by self-financing a portion of the total cost of the project, this protection has a very high degree of certainty. In addition, SunLight/MasTec proposed to post a \$1.5 million

reserve, funded with an equity contribution from the company, to provide additional financial protection to Sussex.

The Evaluation Team recognizes the value of the financial provisions of the SunLight/MasTec proposal in terms of the protection of Sussex, its guaranty and its bond rating. The preservation of this bond rating provides future economic benefits to Sussex and its citizens and businesses by allowing the Authority to borrow money at low interest rates due to its "Aa2" rating. Accordingly, a high premium is placed on its protection. The financial protections of the SunLight/MasTec proposal, including a significant reduction in the size of the Authority bond amounts, on behalf of Sussex, provides a strong and distinguishing level of protection which, in combination with other factors considered, lead to the recommended selection.

The overall Matrix scoring identified SunLight/MasTec as the Respondent providing the greatest value. Based on the above discussions, the evaluation indicates that SunLight/MasTec's proposal scored 94 out of a total of 100 points. The proposal scoring is shown in **Attachment 4**.

**Accordingly, the Evaluation Team recommends that the Authority select SunLight/MasTec as the Successful Respondent, subject to clarification of the SREC sharing issue discussed in Section 12, page 28.** This will result in estimated aggregate annual benefits of approximately \$280,000 in the first year, total savings of \$4.0 million (NPV) over the life of the PPA, and average rate reductions for electricity purchased through this program of 35% relative to utility delivered power. These benefits will be recalculated after the sale of bonds and may likely increase due to the conservative assumptions used in this analysis.

The evaluation of "price and non-price" factors allowed by law permits and supports this recommendation.

# **Attachment 1**

## Sussex County Program Solar Savings Summary

### **Sussex County Renewable Energy Program**

**Proposal Evaluation  
October 20, 2011**

<b>Respondent</b>	<b>KW</b>	<b>PPA Rate</b>	<b>Escalation</b>	<b>Solar Savings</b>	
				<b>Nominal (\$)</b>	<b>NPV (\$)</b>
<b>Sunlight General Capital/Power Partners MasTec</b>	6.678	\$0.099	3.0%	\$5,565,316	\$3,979,057

# Attachment 2

## Evaluation Matrix

### Sussex County Renewable Energy Program Proposal Evaluation Matrix

**Phase I - RFP Requirements Checklist**  
**Phase II - Proposal Evaluation**  
**Phase III - Short List Evaluation**

**Attachment 2**  
**Page 1 of 2**

October 18, 2011

<b>Requirement Checklist</b>	<b>SunLight/MasTec</b>
PPA Price Quotation Sheet (Form A-1):	
- PPA Price & Escalation	Y
- Total Project Cost	Y
- Amortization Schedule	Y
- Structural/Interconnection Adjustment Factor	Y
- Additional Economic Benefits	Y
Appendix D Forms:	
- Respondent Information (Form A-2)	Y
- Proposal Security in lieu of Bond (Form A-4)	Y
- Proposal Bond (Form A- 5)	Y
- Ownership Disclosure Statement (Form A-6)	Y
- Non-Collusion Affidavit (Form A-7)	Y
- Consent to Investigation (Form A-8)	Y
- Relevant Experience	Y
- Respondent's Qualifications (Form A-9)	Y
- Receipt of Addenda (Form A-10)	Y
- Sealed Proposal Checklist (Form A-11)	Y
- County Deficiency Amount (Exhibit F)	Y
Form of PPA (Private Option Only)	Y
Business Registration Certificate	Y
<b>QUALIFY (Y/N)</b>	<b>Y</b>

**Sussex County Renewable Energy Program  
Proposal Evaluation Matrix**

**Phase I - RFP Requirements Checklist  
Phase II - Proposal Evaluation  
Phase III - Short List Evaluation**

October 20, 2011

<b>Phase II Category</b>	<b>Evaluation Factor</b>	<b>WEIGHTING</b>	<b>SunLight/MasTec</b>
Financial Benefits (50)	NPV of Benefits	40	40
	Option - Sharing of Benefits	5	4
	Material Changes to Program Documents	5	5
Technical Design / Approach (10)	Output Guarantee (KWH)	3	3
	Design Strategy	3	3
	Project Team Approach	2	2
	O&M Plan and Approach	2	2
Proposer Experience (10)	Project Management	2	2
	Contractor Expertise	3	3
	Project Experience	3	3
	New Jersey Experience	2	2
Financial Strength (20)	Financial Capability / Strength of Provider	5	5
	Financial Risk to the County	15	10
<b>TOTAL PHASE II</b>		<b>90</b>	<b>84</b>

<b>Phase III Category</b>	<b>Evaluation Factor</b>	<b>WEIGHTING</b>	<b>SunLight/MasTec</b>
Short List Evaluation (10)	Presentation	2	2
	Explanation Key Factors	3	3
	Understanding Financial Factors / SREC Market	5	5
<b>TOTAL PHASE III</b>		<b>10</b>	<b>10</b>

<b>Overall Evaluation</b>			
<b>TOTAL PHASE II and III</b>		<b>100</b>	<b>94</b>

# Attachment 3

## Savings by Local Unit Facility

Bidder	Local Unit Facility		Life of Project		Life of Project		Annual Savings		Nominal Savings on Solar Energy Purchased		Nominal Savings Total Electric Costs	
	Project	NPV Savings	Project	NPV Savings	Year 1	Year 15	Year 1	Year 15	Year 1	Year 15	Year 1	Year 15
	Nominal Savings	NPV Savings	Nominal Savings	NPV Savings	Year 1	Year 15	Year 1	Year 15	Year 1	Year 15	Year 1	Year 15
	Byram Tp BOE- Byram Lakes Elementary School	\$443,936.15	\$326,109.32	\$22,496.69	\$38,227.21	28.20%	31.96%	15.92%	16.82%			
	Frankford Twp BOE- Frankford Twp School	\$344,058.20	\$252,250.31	\$17,099.34	\$30,033.51	26.33%	31.14%	18.69%	20.60%			
	Franklin Borough BOE- Franklin Elementary School	\$204,122.99	\$149,964.68	\$10,350.07	\$17,559.27	29.50%	33.14%	10.71%	11.22%			
	Fredon Township Civic Center	\$63,597.32	\$46,787.94	\$3,205.27	\$5,418.41	28.79%	33.13%	21.66%	23.24%			
	Green Twp SD BOE- Green Hills School	\$159,462.79	\$117,807.49	\$8,442.03	\$13,147.96	32.58%	34.10%	7.20%	7.02%			
	Hardyston SD BOE- Hardyston Middle School	\$619,969.72	\$455,985.72	\$31,718.19	\$52,897.39	27.75%	31.36%	17.29%	18.22%			
	High Point Reg SD BOE- High Point Regional HS	\$443,764.35	\$327,635.22	\$23,374.44	\$36,778.34	32.68%	34.41%	8.00%	7.86%			
	Kittatinny Reg SD BOE- Kittatinny Regional HS	\$367,529.54	\$271,620.18	\$19,511.36	\$30,223.64	33.03%	34.30%	5.79%	5.61%			
Sunlight/PPM	Lenape Valley Reg BOE- Lenape Valley Regional HS	\$308,179.72	\$215,439.62	\$14,571.57	\$35,783.88	7.50%	13.07%	10.00%	10.00%			
	Newton Public Schools BOE- Merriam Ave School	\$288,872.85	\$211,563.43	\$14,264.24	\$25,420.50	25.82%	30.78%	20.44%	22.71%			
	Newton Public Schools BOE- Newton HS	\$304,081.28	\$223,268.46	\$15,339.68	\$26,263.55	27.69%	31.81%	15.92%	17.05%			
	Sussex County Judicial Center	\$498,706.59	\$367,063.50	\$25,611.06	\$42,477.65	34.16%	37.33%	11.91%	12.13%			
	Sussex County Main Library	\$113,542.99	\$83,445.21	\$5,742.53	\$9,773.74	30.34%	34.54%	22.49%	23.87%			
	Sussex County Technical School	\$1,062,236.16	\$777,386.72	\$51,834.31	\$93,898.12	25.89%	31.22%	20.76%	23.34%			
	Sussex County Wheatworth Facility	\$176,674.89	\$129,795.72	\$8,941.10	\$15,258.83	31.96%	36.02%	16.38%	17.21%			
	Town of Newton- Departement of Public Works 1	\$54,098.26	\$39,376.82	\$2,049.40	\$4,849.31	17.00%	27.00%	13.00%	20.00%			
	Town of Newton- Wastewater Treatment Plant	\$112,482.70	\$82,851.12	\$5,819.52	\$9,489.32	32.56%	34.83%	5.39%	5.37%			
	<b>Total</b>	<b>\$5,565,316.50</b>	<b>\$4,078,351.45</b>	<b>\$280,370.80</b>	<b>\$487,500.62</b>	<b>28.00%</b>	<b>31.00%</b>	<b>15.00%</b>	<b>16.00%</b>			

# Attachment 4

## Load Served by Solar by Local Unit Facility

### Sussex County Renewable Energy Program

#### Local Unit Facility - Solar Statistics October 20, 2011

Local Unit	Annual Electric Metered Load* (KWH)	Sunlight General Capital/Power Partners MasTec			Electric Load Served by Solar Generation**
		Expected kW	Expected kWh	Guaranteed kWh	
Byram Twp BOE- Byram Lakes Elementary School	906,080	493	568,442	511,598	56%
Fredon Township Civic Center	83,771	61	70,045	63,040	75%
Frankford Twp BOE- Frankford Twp School	579,200	362	456,677	411,009	71%
Franklin Borough BOE- Franklin Elementary School	669,667	227	261,757	235,581	35%
Green Twp SD BOE- Green Hills School	747,360	157	183,426	165,083	22%
Hardyston SD BOE- Hardyston Middle School	1,395,427	612	774,471	697,024	50%
High Point Reg SD BOE- High Point Regional HS	1,938,792	453	513,808	462,427	24%
Kittatinny Reg SD BOE- Kittatinny Regional HS	2,225,026	360	417,047	375,344	17%
Lenape Valley Reg BOE- Lenape Valley Regional HS	1,586,751	1167	1,436,317	1,292,686	81%
Newton Public Schools BOE- Merriam Ave School	447,360	347	393,380	354,043	79%
Newton Public Schools BOE- Newton HS	784,465	346	392,673	353,405	45%
Sussex County Technical School	1,626,600	1194	1,449,254	1,304,328	80%
Sussex County Judicial Center	1,381,120	468	534,829	481,346	35%
Sussex County Main Library	153,600	100	126,514	113,863	74%
Sussex County Wheatsworth Facility***	346,840	149	197,492	177,743	51%
Town of Newton- Departement of Public Works	183,778	73	84,024	75,621	41%
Town of Newton- Wastewater Treatment Plant	751,200	109	138,121	124,309	17%
<b>total</b>	<b>15,807,037</b>	<b>6,678.00</b>	<b>7,998,277</b>	<b>7,198,450</b>	<b>46%</b>

\* Metered load is based on total consumption at the site, including meters that solar energy will not be interconnected to.

\*\* Electric Load Served by Solar Generation is based on Guaranteed kwh production

\*\*\*Sussex County's Wheatsworth Facility's electric consumption is estimated

# Attachment 5

## Sensitivity Analysis

### Sussex County Renewable Energy Program

#### Estimated Savings Summary October 20, 2011

Discount Rate of 5%, Average Retail Electric Rate of 3.6%

Respondent	Solar Savings	
	Nominal (\$)	NPV (\$)
Sunlight General Capital & Power Partners MasTec	\$5,565,316	\$3,979,057

Discount Rate of 5%, Average Retail Electric Rate of 6%

Respondent	Solar Savings	
	Nominal (\$)	NPV (\$)
Sunlight General Capital & Power Partners MasTec	\$10,492,725	\$7,144,229

Discount Rate of 5%, Average Retail Electric Rate of 0%

Respondent	Solar Savings	
	Nominal (\$)	NPV (\$)
Sunlight General Capital & Power Partners MasTec	\$1,403,826	\$1,340,664

# **Attachment 6**

## **Interview Questions**

### **Sussex County Solar Program Interview Questions**

#### **SunLight General Capital / Power Partners MasTec October 19, 2011**

Sussex County would like to have a general discussion on the following items to better understand the basis for the Response to Request for Proposals:

1. Financial strength of Proposer.
2. Proposed solar project financing approach. Specific discussion regarding:
  - a. Equity contribution of \$7.6 million.
  - b. Debt Service Reserve Fund account of \$1.5 million.
  - c. CDA calculation:
    - i. O&M value.
3. Discuss plans to realize 1603 grant.
4. Proposer view of current and future SREC market.
5. Expected solar production - basis for expected output.
6. Guaranteed solar production.
  - a. How and when measured.
  - b. Financial implications of production shortfall.
7. Additional economic benefits:
  - a. SREC sharing:
    - i. 50% sharing above \$300 per SREC after year 5.
    - ii. How and when measured.
    - iii. Financial sharing mechanism
  - b. Refund bonds for savings
    - i. 50% sharing resulting from refunding
    - ii. Financial sharing mechanism
  - c. Other currently unidentified environmental benefits - Discuss potential
8. Fair market value purchase option tax implications and potential formula approach.
9. Proposer experience and qualifications.

10. "Technical Drawings and Specifications" section of the proposal, section 1.3.1 (Clarifications and Assumptions): Discuss items - 3 (module pricing timing), 7 (work schedule requirement) and 12 (Construction impediments and impact on PPA price).

The following are technical questions to be discussed that will help Sussex County better understand the basis for the Response to Request for Proposals:

1. I reviewed all of the proposed system productions estimates and compared them to the facilities consumption data. All system sizes and productions are within 90.5% of total consumption. Lenape Valley was the highest at 90.5%, all other were less than 90%.
2. Under Section 4 of the Sunlight Proposal (Technical Drawings and Specification) Power Partners MasTec Section 1.3.1 Item 13. Power Partners assumes the rooftop sites do not require any upgrades and are structurally sufficient to accept ballasted racking system.

Our Technical specification: Appendix C, Part 3 Section H. Roof installations: states contractor shall maintain roof integrity with installation.

3. Power Partners MasTec's List of contracts underway states "see attached". Is the attached the meant to be SunLight's list of projects underway or is there another list?
4. The proposal includes Business registrations forms for Pfister Energy Inc., Helios Solar Energy, LLC, and Lighton Elec, Inc. Please describe how these firms will be involved in this project?
5. Describe your installation strategy to minimize disruptions at schools and other facilities? What is the construction schedule you plan of follow for the project timeline?
6. **What specific manufacturer are you using for?**

System Component	Manufacturer
PV Modules	
Inverters	
Mounting Systems	
Canopy System	
DAS	

7. How will the operations be monitored after installation is completed? What is the response time for error messages? Problems with the system? Who do you plan on using? What is the maintenance plan you have for all site?