



Solicitation Information

23 Jan 06

RFP # B05988

TITLE: On-Site Renewable Energy Program

Submission Deadline: 23 February 06 @ 2:00 PM (EST)

Questions concerning this solicitation may be e-mailed to the Division of Purchases at questions@purchasing.state.ri.us no later than **6 Feb 06 at 12:00 Noon (EST)**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP / LOI # on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No

BOND REQUIRED: No

**Jerome D. Moynihan, C.P.M., CPPO
Administrator of Purchasing Systems**

Vendors must register on-line at the State Purchasing Website at www.purchasing.ri.gov

Note to Vendors:

Offers received without the entire completed three-page RIVP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

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Introduction

The Rhode Island Renewable Energy Fund (the Fund) announces the availability of grants of up to \$25,000 to eligible new renewable projects located in Rhode Island. A total of \$100,000 is available through this program in FY 2006 (July 2005 through June 2006). This incentive program is designed to assist hosts of proposed on-site wind, biomass and hydroelectric renewable energy projects to evaluate the economics and viability of specific projects. Applicants must be end-users of electricity in Rhode Island taking service from either Narragansett Electric or Pascoag Utility District, proposing supply installations in excess of 100 kW nameplate capacity. Eligible technologies produce electricity from the wind, small hydro facilities, biomass facilities using eligible biomass fuels and maintaining compliance with current air permits, and fuel cells using the renewable resources aforementioned. See Attachment 2 for a definition of eligible technologies for the Rhode Island RES which are also the eligible technologies for this solicitation, with the exception that **solar energy installations are excluded from this solicitation**. The Fund may fund multiple projects as a result of this request for proposals (RFP) and bidders may submit more than one proposal.

The deadline for submission of proposals is **February 23, 2006**. A second deadline will occur in **Q2 2006**. Proposals received by February 23, 2006 will be reviewed and considered for funding by the Advisory Board to the Fund at the March 13, 2005 meeting. In addition, all recommendations of the Advisory Board must be approved by the Fund's Steering Committee. Up to 4 proposals will be funded in FY 2006. The Fund reserves the right to fund no proposals as well as to provide additional program funding in order to fund more than 4 proposals.

INSTRUCTIONS AND NOTIFICATIONS TO OFFERORS:

- Potential offerors are advised to review all sections of this Request carefully, and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
- Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this Request will be rejected as being non-responsive.
- All costs associated with developing or submitting a proposal in response to this Request, or to provide oral or written clarification of its content, shall be borne by the offeror. The State assumes no responsibility for these costs.
- Proposals are considered to be irrevocable for a period of not less than sixty (60) days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
- All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.
- Proposals misdirected to other State locations or which are otherwise not present in the Division of Purchases at the time of opening for any cause will be determined to be late and may not be considered. The "Official" time clock is in the reception area of the Division of Purchases.
- In accordance with Title 7, Chapter 1.1 of the General Laws of Rhode Island, no foreign corporation shall have the right to transact business in the state until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This will be a requirement only of the successful bidder (s).

- Offerors are advised that all materials submitted to the State of Rhode Island for consideration in response to this Request for Proposals will be considered to be public records, as defined in Title 38 Chapter 2 of the Rhode Island General Laws, without exception, and will be released for inspection immediately upon request, once an award has been made.
- It is intended that an award pursuant to this Request will be made to a prime contractor, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered, but subcontracts are permitted, provided that their use is clearly indicated in the offeror's proposal, and the subcontractor(s) proposed to be used are identified in the proposal.
- **The State of Rhode Island has a goal of ten per cent (10%) participation by MBE's in all State procurements. For further information, visit the web site www.rimbe.org. To speak with an M.B.E. Officer, call (401) 222-6253.**
- Interested parties are instructed to peruse the Division of Purchases web site on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP / LOI

Equal Employment Opportunity (RIGL 28-5.1)

§ 28-5.1-1 Declaration of policy. – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies in all areas where the state dollar is spent, in employment, public service, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Employment Opportunity Office, at 222-3090

This solicitation, and subsequent contract award (s), is governed by the State's General Conditions of Purchase, available at www.purchasing.ri.gov

Background

The State Energy Office is responsible for administering the Rhode Island Renewable Energy Fund. The mission of the Fund is to promote projects and programs that increase the production and consumption of clean renewable energy for the benefit of Rhode Island's residents and businesses. Goals and objectives of the Fund pertinent to this RFP include:

- Develop sustainable markets for clean, renewable energy by supporting the successful implementation of Rhode Island's Renewable Energy Standards (RES) Law in both the near- and long-term, and supporting voluntary market activities;
- Increase the fraction of energy dollars that stay in RI (and secondarily, in the region) by pursuing renewable energy opportunities that capture both the (i) direct benefits, through growing RI renewable-related businesses and in-state renewable installations; and (ii) indirect benefits, through contributing to stabilizing (and potentially reducing) electricity and fuel prices, and taking advantage of diverse portfolio benefits;
- Increase the reliability and self-sufficiency of the RI energy supply;
- Distribute the benefits and burdens of Fund activities equitably across all segments of Rhode Island's contributing ratepayer population;

- Increase the number of successful renewable energy installations both inside Rhode Island, as well as those outside Rhode Island but that serve Rhode Island consumers, by reducing barriers, including, but not limited to: (i) siting; (ii) lack of information; (iii) financing availability at reasonable rates; and (iv) regulatory risk; and
- Clean the environment by increasing reliance on renewables, thereby reducing air pollutants and greenhouse gases associated with electricity generation.

This program is supported under the Fund's "RES Support" and "Voluntary Markets Support" program areas. As a result, the success of this incentive program will be measured by both its success in leading to the installation of renewable energy facilities within Rhode Island, and its contribution toward either making the implementation of the RES successful, or supporting the expansion of voluntary markets. Toward this end, projects that receive grants under this program will be required as a condition of Funding to sell the New England Power Pool Generation Information System Certificates, often referred to as renewable energy certificates (RECs), within Rhode Island, either into the voluntary market or into the compliance market (RES).

Solicitation Details

Objectives

The objective of this RFP is to put eligible renewable generation projects into operation to serve Rhode Island electric customers, as well as to provide a source of RECs for the RES or voluntary markets. It is the Fund's purpose to encourage the development of a sustainable market for renewable resources.

Project and Proposal Eligibility

Applicants

Applicants shall be end-users proposing supply installations in excess of 100 kW nameplate capacity.

Eligible Technologies

Eligible technologies produce electricity from: wind, small hydro facilities, biomass facilities using eligible biomass fuels and maintaining compliance with current air permits, and fuel cells using the renewable resources aforementioned. Solar energy installations are excluded from this solicitation. Eligible biomass fuel means fuel sources including brush, stumps, lumber ends and trimmings, wood pallets, bark, wood chips, shavings, slash and other clean wood that is not mixed with other solid wastes, agricultural waste, food and vegetative material, energy crops, landfill methane, biogas, or neat bio-diesel and other neat liquid fuels that are derived from such fuel sources. Eligible biomass fuels may be co-fired with fossil fuels, provided that only the renewable energy portion of the project feasibility study of multi-fuel facilities shall be considered eligible for funding under this RFP.

New Projects

An eligible generation project must be a *new* generation facility, not having first achieved commercial operation prior to the date of application for funding from this RFP.

Physical Location and Interconnection

Facilities must be *customer-sited*. Customer-sited projects are those that are interconnected behind a customer's retail meter. The generator must be installed in the service territory of The Narragansett Electric Company or Pascoag Utility District to be eligible for funding. Customer-sited generation will require backup service under tariff from the applicable distribution company (for projects in Narragansett Electric Company's service area customers are subject to the backup rate when the aggregate renewable energy self-generation in RI reaches 3 MW.)

Distribution of funds will be contingent upon a commitment by the project host of sale of RECs to Rhode Island retail customers or into the RES. The NEPOOL Generation Information System ("GIS") (www.nepoolgis.com) will be the primary means for documenting that generation attributes are associated with Rhode Island customers, and all evidence must be consistent with the GIS and its Operating Rules. Under some conditions, additional documentation may be required as discussed further below.

By applying for funds under this RFP, applicants agree to open their RECs sales records to inspection by representatives of the Fund or the Rhode Island Public Utilities Commission under confidential conditions to verify their sale to Rhode Island, upon request.

As an alternative to providing RECS to the Rhode Island market, the applicant shall have the option to return the amount of the grant *plus* provide 25% of the RECs to the Fund for 10 years.

Funding Structure

The method of distributing available funds will be in the form of a grant for up to \$25,000. In addition, applicants must disclose in the application any other state funds received or applied for to fund this project, including the potential use of Federal incentives such as the Production Tax Credit or Renewable Energy Production Incentive (available to government entities), if applicable.

Co-funding Requirement

There is a minimum co-funding requirement of 25%. **In-kind support, grant funds from other sources or cash contributions may** all be used to satisfy the co-funding requirement.

Applicants may request a **waiver of co-funding requirement if they are non-profit, institutional or government entities**.

Magnitude of Overall Funding

The Fund has dedicated at least \$100,000 from its Fiscal Year 2006 budget to feasibility studies of customer sited renewable supply projects through this RFP. The Fund is not obligated to fund any proposals and likewise may fund additional monies if it deems appropriate.

Evaluation Criteria

Minimum Requirements

1. The applicant and the project proposed must meet the minimum eligibility criteria:

- a. The applicant must be an end user in Rhode Island interconnected with either Narragansett Electric Company or Pascoag Utility District facilities;
 - b. The project must be wind, hydro or biomass meeting the stated eligibility requirements and have nameplate capacity in of at least 100 kW;
 - c. The project must commit to selling RECs into the Rhode Island market into either the voluntary or compliance (RES) market segments or otherwise commit to repaying the grant and providing 25% of the RECs to the Fund.
 - d. A final report must be submitted to the Fund and accepted before total funding of the grant is made.
2. Activities funded must include (unless already performed):
- a. Site evaluation
 - b. Resource assessment (Note: The Fund will pay for the carrying costs only of anemometers for wind resource assessment, i.e, rental and/or first cost minus salvage value, plus set up and decommissioning. Applicants for wind feasibility studies are encouraged to contact Dr. Lefteris Pavlides at Roger Williams University regarding loans of anemometers as well as photosimulations.)
 - c. Regulatory analysis
 - d. Analysis of technical feasibility
 - e. Financial analysis and identification of viable financing arrangements.
3. The applicant must state the amount of funding requested, up to a maximum of \$25,000.

The following describes the criteria the Fund will use to evaluate proposals received. The Fund will evaluate proposals received and, in evaluating proposals, may ask selected bidders to provide more detailed information on their proposed projects; the Fund may further require a presentation.

1. Commitment and financial capability of applicant to implement the project assuming financial and technical feasibility hurdles are shown to be met. (30%)
2. Practicality of the concept. (30%)
3. Qualifications of individuals performing the tasks. (30%)
4. Applicants must show evidence of having taken advantage of energy efficiency programs available, such as through the local electric utility. (10%)

Proposal Content and Requirements

The Applicant shall submit a written Proposal Application detailing the information requested below. A separate application must be submitted for each project.

Applicant

- 1) Applicant's name, type of business, location, type of facility (commercial, manufacturing, etc).
- 2) Identify the key members of project team (applicant and consultants) for this project, by function or area of responsibility. Include as Attachment 1 the resumes of the consultants. Explain the consultant's qualifications for completing the proposed project.
- 3) What evidence can you give that you have the commitment of senior management and financial and other (human) resources to complete and operate the project as planned?
- 4) Identify relevant renewable energy projects that the Applicant, its related entities and the project team have completed or currently have under development. Identify any other relevant experience that the Fund should be aware of in reviewing this application.
- 5) Identify current and projected (if different) electrical loads (summer, winter, spring and fall; peak/off-peak) and annual energy usage of facility where renewable energy project is to be located.
- 6) Provide evidence of having taken advantage of energy efficiency programs available, such as through the local electric utility.

Proposed New Renewable Project

- 7) Describe the new renewable generation project. Include a project site map if available.
- 8) Describe the generation technology type.
- 9) Describe how the plant qualifies as a new generation facility.
- 10) What is the proposed total nameplate capacity of project in kilowatts or megawatts? A range may be provided in answer to this question.
- 11) What is the preliminary estimate of annual capacity factor and annual energy production, in MWh? Discuss and support how you calculated this figure.
- 12) Provide any known data on the resource availability for the proposed project. For instance, if a wind project, provide TrueWind wind data. For biomass plants or fuel cells, describe the proposed fuel source(s) in as much detail as is available, including type of fuel, sources of the fuel, volumes expected to be available, assumed costs, etc., if known.

Project Economics and Financing

- 13) What are the preliminary estimates of installed capital costs of the project (total and \$/kW) and operating and maintenance costs?

- 14) Summarize the expected sources of financing for the project (if known).
- 15) If applicable, identify the role of other Federal, state or other incentives in the financing of the project (if known).

Project Site

- 16) Provide a description of the project site, including size and ownership, as well as applicant's control over the site.
- 17) What are the existing land uses of the site and of adjacent properties?
- 18) Identify any other on-site generation (size and amount of annual energy supplied and peak load.)

Scope of Work and Budget

- 19) Provide a detailed scope of work for the feasibility study and budget by task and subtask. Refer to feasibility study report requirements (Attachment1.)
- 20) Indicate amount of grant funding being requested.

Co-Funding

- 21) Describe in detail how the Applicant will meet its minimum co-funding requirement.
- 22) Will Applicant seek a waiver from the co-funding requirement? If so, describe the justification for this waiver.

Submittal Conditions

Proposal Disposition

All material submitted with each proposal shall become the property of the DOA and will not be returned.

Proposal Preparation Costs

All direct and indirect costs related to preparation of a Bidder's response to this RFP, preparing or making any oral presentations, or participation in contract negotiations, are the sole responsibility of the Bidder, and proposals are submitted with the express understanding that there will be no claims whatsoever from the DOA or the Energy Office with respect to such costs.

Proposal Changes or Withdrawals

Proposals are considered to be irrevocable for a period of not less than sixty (60) days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.

Right to Reject Proposals

This RFP is not a contractual offer or commitment to purchase. The DOA reserves the right to reject any or all proposals and to waive any technical defects or formality in proposals received, to accept any or all of the items in a proposal, and to make an award in whole or in part if it is deemed in the best interest of the State of Rhode Island, for any and all reasons at its sole discretion. Those who submit proposals do so without any recourse against the DOA or the Energy Office for either rejection of any specific proposal or proposals, or failure to choose any proposal.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further.

The DOA reserves the right not to make an award or to award on the basis of cost alone, to accept or reject any or all proposals, and to award in its best interest.

Proprietary Material & Confidentiality

The DOA will not accept proposals or other documents that are marked to indicate the entire document is the confidential or proprietary information of the sender. Normal business practices will be observed in handling proposal materials. Bidders should assume that the price and other terms and conditions of their bid will become part of the public record.

Publicity

The Bidder shall not release for publication any information in connection with the bid or resulting award without the prior written permission of the DOA.

Treatment of Proposals

Proposals will be confidentially reviewed by members of the Fund and its consultants. The Fund reserves the right to not select any submitted bid. The costs incurred for preparation of the bidders' proposals will not be reimbursed. Unsuccessful applicants will be notified that their proposals were not accepted and the reasons for non-acceptance. At the sole discretion of the Fund, applicants may be given the opportunity to amend their proposal for resubmission.

Submission Requirements:

Responses **(an original plus four (4) copies)** should be mailed or hand-delivered in a sealed envelope marked **"RFP #B05988: On-Site Renewable Energy Program"** to:

RI Dept. of Administration
Division of Purchases, 2nd floor
One Capitol Hill
Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or which are otherwise not presented in the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed or emailed to the Division of Purchases may not be considered. The official time clock is located in the reception area of the Division of Purchases

Proposals should include the following:

1. A completed and signed three-page RIVIP Bidder Certification Cover Form, available at www.purchasing.state.ri.us.
2. A Cost Proposal reflecting the hourly rate, or other fee structure, proposed for this scope of services,
3. A *separate* Technical Proposal describing the qualifications and background of the applicant and experience with similar programs, as well as the work plan or approach proposed for this requirement.
4. A completed and signed W-9 (taxpayer identification number and certification). Form is downloadable at www.purchasing.ri.gov.
5. In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposal in electronic format (CDRom or Diskette). Microsoft Word / Excel OR PDF format is preferable. Only 1 electronic copy is requested.

Attachment 1- Feasibility Study Outline

1. Project Description
 - a. Technology, installed nameplate capacity, estimated annual energy production
 - b. Related infrastructure requirements
 - c. Estimate of project cost
2. Site evaluation
 - a. Physical characteristics as they relate to Project implementation
 - b. On-site energy use opportunity/ Current energy usage and supply characteristics:
 - i. Annual energy (kWhr) usage and kW peak demand summer/winter/spring/fall; peak/offpeak
 - ii. Cost of energy displaced by Project generation
3. Environmental Impacts and Regulatory analysis
 - a. Required permits, licenses and approvals
 - b. Environmental impacts and required environmental assessments
 - c. Proposed mitigation procedures
4. Economic feasibility analysis
 - a. Project proforma cash flow analysis
 - i. Estimated installed capital costs of the project (total and \$/kW)
 - ii. Annual generation
 - iii. Outline of major assumptions
 - b. Expected sources of financing for the project.
 - c. Use of ownership structure to utilize tax incentives (if applicable.)
 - i. Federal Production Tax Credits (PTC) in the financing of the project.
 - ii. Renewable Energy Production Incentive (REPI)
 - d. Sale of Renewable Energy Credits
5. Summary and Recommendations
 - a. Issues requiring further study
 - b. Proposed plan for Project implementation and next steps

Attachment 2 – Eligibility for the Rhode Island Renewable Energy Standard

5.0: Eligibility

5.1 Eligible Renewable Energy Resources are either:

(i) Generation Units in the NEPOOL control area using:

- (a) direct solar radiation;
- (b) the wind;
- (c) movement of or the latent heat of the ocean;
- (d) the heat of the earth;
- (e) Small Hydro Facilities¹;
- (f) biomass facilities using Eligible Biomass Fuels and maintaining compliance with current air permits; Eligible Biomass Fuels may be co-fired with fossil fuels, provided that only the renewable energy fraction of production from multi-fuel facilities shall be considered eligible, or
- (g) fuel cells using the renewable resources referenced in this section.

(ii) Generation Units located in a control area adjacent to NEPOOL, provided the associated Generation Attributes shall be applied to the Renewable Energy Standard only to the extent that the energy produced by the Generation Unit is actually delivered into NEPOOL for consumption by New England customers. The delivery of such energy from the Generation Unit into NEPOOL must be generated by:

- (a) a unit-specific bilateral contract for the sale and delivery of such energy into NEPOOL; and
- (b) confirmation from ISO that the renewable energy was actually settled in the ISO Market Settlement System; and
- (c) (1) confirmation through the North American Reliability Council tagging system that the import of the energy into NEPOOL actually occurred; or
(2) any such other requirements as the Commission deems appropriate.

¹ Small Hydro Facility: means a facility employing one or more hydroelectric turbine generators and with an aggregate capacity not exceeding thirty (30) megawatts. For purposes of this definition, “facility” shall be defined in a manner consistent with Title 18 of the Code of Federal Regulations Section 292.204(a)(2)(i) and (ii) as of the date of enactment of the Rhode Island Renewable Energy Standard Legislation (June 29th, 2004); provided, however, that the size of the facility is limited to no greater than thirty (30) megawatts, rather than eighty (80) megawatts. For a Small Hydro Facility to be eligible as a New Renewable Energy Resource it must in no case involve any new impoundment or diversion of water with an average salinity of twenty (20) parts per thousand or less.

(iii) Furthermore, any party using Generation Attributes from a Generation Unit located in a control area adjacent to NEPOOL must provide documentation satisfactory to the Commission that the Generation Attributes have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island such as a report from a neighboring Generation Attribute accounting system or an affidavit.

5.2 Waste-to-energy technologies or processes of any sort or manner, whether thermal or non-thermal, whether aerobic or non-aerobic, shall in no instance be considered an eligible fuel or resource. Waste-to-energy technologies or processes include, but are not limited to, oxidation of waste, anaerobic treatments, and thermal treatments such as pyrolysis, gasification or plasma processes or treatment of inorganic and/or organic wastes with or without the recovery of the combustion heat generated. Eligible Biomass Fuels removed from the waste stream are eligible only if used after being fully separated from other waste. Gas resulting from the anaerobic digestion of sewage or manure is considered to be a type of biogas, and therefore an Eligible Biomass Fuel that has been fully separated from the waste stream. Landfill gas, which is an Eligible Biomass Fuel, means only that gas recovered from inside a landfill and resulting from the natural decomposition of waste, and that would otherwise be vented or flared as part of the landfill's normal operation if not used as a fuel source.

5.3 NEPOOL GIS Certificates associated with energy production from Off-grid Generation and Customer-Sited Generation Facilities certified by the Commission as Eligible Renewable Energy Resources may also be used to demonstrate compliance, provided that the facilities are physically located in Rhode Island.

Initial title to tradable emission credits under existing programs from all Eligible Renewable Energy generation facilities shall accrue to the owner of such a Generation Unit, unless such title has been explicitly deemed transferred pursuant to contract or regulatory order.

END