



## **ADDENDUM #2**

**August 24, 2020**

**RFP #7607803**

**TITLE: Renewable Energy Project Procurement and Finance Consultant -  
DOA**

**Submission Deadline: September 2, 2020 10:00 AM (Eastern Time)**

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**ATTACHED ARE VENDOR QUESTIONS WITH STATE RESPONSES, NO  
FURTHER QUESTIONS WILL BE ANSWERED.**

*Interested Parties should monitor this website on a regular basis, for any  
additional information that may be posted.*

**Robert DeAngelis**

**Senior Buyer**

Attached are the vendor questions regarding RFP 7607803 Renewable Energy Project Procurement and Finance Consultant:

### **Vendor A**

Has the State contracted with any other firms to perform the scope of services included in this RFP? Please identify those firms.

Answer: No.

What is the total demand the State is looking to net meter?

Answer: The State of Rhode Island, defined here as the Executive, Judicial, and Legislative Branches plus CCRI & RIC, consumed approximately 102,860,000 kWh in FY20. The quantity targeted to be net metered will be determined based upon discussion with the consultant.

Has the State entered into any net metering agreements?

Answer: No, the state has not entered into any virtual net metering agreements.

Is the State mandating that there is no floor price which can prevent credits if the net metering rate falls below a certain price?

Answer: That will be determined after discussions with the selected clean energy finance consultant.

Is there a minimum percentage credit, for example 30% that the State is targeting?

Answer: That will be determined after discussions with the selected clean energy finance consultant.

### **Vendor B**

Can we submit electronic copies only via email (and NOT send physical copies of proposals via mail or in person to RI Dept. of Administration)? If not, can Technical/Cost Proposals be on a flashdrive?

Answer: As outlined in Section 7 - Proposal Contents, only printed paper copies are allowed. Electronic versions must be on CD-R's.

Can electronic copies of Technical/Cost proposal be uploaded to the same device (USB/CD-R) be submitted if the answer to the above question is no?

Answer: Electronic versions must be on CD-R's.

What volume of Net Metering offtake, in either MWdc or MWh-year, does the State anticipate procuring?

Answer: That will be determined after discussions with the selected clean energy finance consultant.

Will the State require engineering assessments/resources in its due diligence of project proposals?

Answer: That State will not be reviewing *detailed* engineering of specific renewable projects and submitted proposals. Consultants should demonstrate their capabilities to analyze any financial proposal received, the experience of the developer and past projects, and the status of utility interconnection and local permitting of the proposed projects. The consultant will be asked to support the State in determining ultimate project viability based upon these and other factors.

## **Vendor C**

Will the client accept USBs instead of CDR for the electronic copies of the proposals?

Answer: Electronic versions must be on CD-R's.

How many facilities will be included as part of this project?

Answer: That will be determined after discussions with the selected clean energy finance consultant. However, it is possible (and, perhaps, may be preferred in order to diversify development and other project risks) that more than one virtual net metering project will be selected.

So as to remain dedicated to providing an impartial, unbiased analysis and feasibility recommendation per this contract, will the firm hired for this scope of work be precluded from performing the future implementation of the projects identified under this contract?

Answer: Yes. The selected clean energy finance consultant shall have no actual or perceived conflicts of interest with potential renewable energy developers and/or projects under development which may be submitted as part of any future State RFP.

## **Vendor D**

What is the State government's total annual average electricity usage (MWh) and annual peak demand (MW)? Please provide the estimates that will be the basis for the VNM solicitation.

Answer: The State of Rhode Island, defined here as the Executive, Judicial, and Legislative Branches plus CCRI & RIC, consumed approximately 102,860,000 kWh in FY20. The quantity targeted to be net metered will be determined based upon discussion with the consultant. The portfolio of facilities that the state manages consists of 2,052 accounts with different rates (C-06, G02, G32, S10, S16). The G02 and G32 accounts that report demand charges have demand usage that ranges monthly from 15.5 MW (March) to 23.1MW (September).

Does OER anticipate more than one solicitation in the first 12 months? If so, how many?

Answer: Unknown. The State is interested in exploring the viability of issuing a solicitation in 2020. The results of that solicitation may inform future actions.

The RFP mentions there may be three potential 6-month extensions. What anticipated activities are likely to take place in these extensions?

Answer: State RFPs generally provide extensions with contracted consultants due to unforeseen events (ex: COVID) or agency delays with original target dates.

Is the “not-to-exceed” cost proposal limited to the first 12 months of the engagement? Or does it include the three potential 6-month extensions?

Answer: The need for extensions would relate to unexpected delays by the state agencies (issuing the RFP or selecting a renewable energy project) and would not require additional funds to carry out the tasks outlined in this RFP.

If the cost proposal includes the three potential 6-month extensions, can they be priced on a “time-and-materials” basis?

Answer: See answer above.

If the OER has issued similar request for offers from developers in the past, what has the response to such offers been in terms of number of proposals received? If no past solicitations been issued, how many proposals (rough estimate is fine) does the OER expect to receive?

Answer: No, OER has not issued similar RFPs in the past. OER cannot speculate on the number of clean energy finance consultant proposals that we may receive from this RFP solicitation.

What generation technologies are eligible for virtual net metering? Is OER also interested in evaluating the technical feasibility of emerging technologies if such technologies are eligible?

Answer: Eligible technologies include solar, wind, anaerobic digestion, and small-scale hydropower and possibly energy storage connected with an eligible renewable energy resource. Based upon other activity in the marketplace, OER anticipates that the proposals will be predominantly solar.

What other constraints exist (e.g. system size caps, project size caps, transfer of ownership of RECs to customer, etc.) for the eligible VNM projects?

Answer: The constraints are the VNM project proposals following state law and associated tariffs approved by the state Public Utilities Commission. Consultants should demonstrate their thorough understanding of Rhode Island state laws and requirements as they relate to net metering.

Do you expect behind-the-meter resources to also participate in the solicitation? If so what is the expected proportion (providing a rough range is fine) of such resources among the total offers received?

Answer: No.

Are there any geographic preferences or limitations regarding the location of the solicited resource e.g. connected to the ISO-NE system, in-state, etc.?

Answer: Projects proposals will need to be located in Rhode Island and interconnected to National Grid distribution system.

Does the OER have any budget limitation for this scope of work? If so, please specify.

Answer: Please see the proposal evaluation criteria in the RFP. Bidders should expect a competitive procurement and submit their best possible proposal to conduct the specific tasks listed.

Are there any more ambitious goals that OER is trying to achieve with its VNM portfolio in addition to the state RPS requirements? If so, please explain.

Answer: Any RFP for VNM proposals issued by the State will seek to balance several policy goals, including, but not limited to, securing market-competitive pricing and electricity cost savings for State government, promotion of renewable projects that are responsibly sited, and local economic development benefits. Specific bidding/project and evaluation criteria will be developed with the consultant's input.

Due to the COVID-19 Stay at Home orders, would the State consider electronic submission and/or electronic signatures?

Answer: Electronic signatures are allowed however the proposal may not be an electronic submission.

## **Vendor E**

What is the approximate Peak Load and annual energy usage of the State government facilities that the VNM contracts are proposed to serve?

Answer: The State of Rhode Island, defined here as the Executive, Judicial, and Legislative Branches plus CCRI & RIC, consumed approximately 102,860,000 kWh in FY20. The quantity targeted to be net metered will be determined based upon discussion with the consultant. The portfolio of facilities that the state manages consists of 2,052 accounts with different rates (C-06, G02, G32, S10, S16). The G02 and G32 accounts that report demand charges have demand usage that ranges monthly from 15.5 MW (March) to 23.1MW (September).

How many different State government accounts would be included in the VNM program? Which rate classes do these accounts fall under?

Answer: That will be determined after discussions with the selected clean energy finance consultant. The total count of our accounts is approximately 2,052: A-16 rate: 59 accounts - C06 rate: 1,681 accts - G02 rate: 141 accounts - G32 rate: 31 accounts - S10 rate: 33 accounts - S14 rate: 107 accounts.

Will historic usage and/or sample bills for each State government account be available to the selected consultant?

Answer: Yes.

## **Vendor F**

Proposal Format: The RFP states that submissions should be provided:

- a. One (1) Electronic copy on a CD-R, marked "Technical Proposal - Original".*
- b. One (1) printed paper copy, marked "Technical Proposal -Original" and signed.*
- c. Four (4) printed paper copies"*

Given the complexities associated with COVID-19, would it be possible to permit all submissions to be delivered electronically via email. Alternatively, if hard copies are required, would it be possible to either update and/or replace the CD-R requirement with an USB (or equivalent) requirement?

Answer: As outlined in Section 7 - Proposal Contents, only printed paper copies are allowed. Electronic versions must be on CD-R's.

Proposal Format: Will the State accept redacted versions of submitted responses for purposes of any (if applicable) public records distribution?

Answer: Yes.

The RFP states *“The State will be seeking VNM proposals to potentially meet up to 100% of State government electricity demand through VNM contracts with one or more renewable energy developers, subject to the issuance of a separate competitive market procurement.”*

A. What is State’s total (100%) annual government electricity demand (in MWh)?

Answer: The State of Rhode Island, defined here as the Executive, Judicial, and Legislative Branches plus CCRI & RIC, consumed approximately 102,860,000 kWh in FY20. The quantity targeted to be net metered will be determined based upon discussion with the consultant.

B. What is the target amount of annual MWhs that the State seeks to procure through the VNM proposals referenced in this RFP?

Answer: That will be determined after discussions with the selected clean energy finance consultant.

C. What is the maximum amount of annual MWhs that the State seeks to procure through the VNM proposals referenced in this RFP?

Answer: That will be determined after discussions with the selected clean energy finance consultant.

D. Does the State have a schedule of accounts available, demonstrating the State’s electricity demand for review and consideration for potential respondents?

Answer: Yes.

Cost Structure: The RFP states *“Bidders are expected to provide a “not to exceed” budget for this engagement. The Consultant is expected to maintain a clear, up-to-date log of all hours worked and how those hours were spent broken down by task. The Consultant is expected to provide monthly invoices to OER detailing all hours worked by each staff, breakdown of hours by task, hourly billing rate, and total monetary cost associated with each staff’s billable time and overall.”*

We ask if the State would be willing to either consider and/or amend its cost structure for this proposal, in order to ensure an accurate and equivalent comparison between two or more responses. This question and request is primarily driven by two factors:

- E. Without knowing the total MWh volume expected to be contracted under this RFP, it is impossible for RI to know if bidders are making the same assumptions about load, and therefore you may not be able to compare bids on a an “apples-to-apples” basis. For example, a not to exceed bid to satisfy just 25,000 MWh of project capacity, which is sourced from a single developer utilizing a single project and technology would produce a bid that is far less than a not to exceed bid to satisfy 100,000 MWh, which might include multiple projects, developers, and technologies.
  
- F. Utilizing an hourly-rate structure could inadvertently create an incentive for the selected consultant(s) to ensure a process that maximizes engagement hours over incentivizing the most efficient process and project selection.

Given the above, we ask if the State would:

- A. Consider a transaction-based fee, optionally paid by the winning project developer(s) rather than RI, e.g.  $\$0.xx \times 25,000 \text{ MWh} = 25,000X$  as a fee. Alternatively, if the above proposed transaction-fee approach is not accepted by the State, we ask if the State would:
  
- B. Provide a specific MWh transaction goal for this engagement (e.g. 25,000 MWh) so that the not-to-exceed bid can be based on workload assumptions associated with that goal.

Answer: No, the cost proposal structure must be submitted based on State Purchasing Rules outlined within the RFP.