

Request for Proposals

for

**280 MW of
New, On-Island, Renewable Capacity and Energy**

Issued by

Long Island Power Authority



**Issued October 18, 2013
Proposals Due March 31, 2014**

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1.0 INTRODUCTION

1.1 Company Overview

The Long Island Power Authority (the “Authority”) is a corporate municipal instrumentality and political subdivision of the State of New York. The Authority has a wholly-owned subsidiary, the Long Island Lighting Company d/b/a LIPA, which is a New York corporation. The Authority and LIPA are jointly referred to herein as “LIPA”. LIPA provides electric service to approximately 1.1 million customers in its service area, which includes Nassau County, Suffolk County, and the portion of Queens County known as the Rockaways in the State of New York.

Commencing in 2014, LIPA’s new service provider, PSEG Long Island, LLC, (“PSEG-LI”) will be assuming the responsibility of operating and managing LIPA’s transmission and distribution system and other utility business functions through the Operation Services Agreement. LIPA will continue to be responsible for its wholesale market operations, including purchasing power, though PSEG-LI and its affiliates will be providing certain services to LIPA related to these responsibilities. Additional information about LIPA and PSEG-LI is posted on LIPA’s website, www.lipower.org.

1.2 Description of Solicitation

LIPA’s 2010-2020 Electric Resource Plan (the “Resource Plan”) was approved by the Trustees in February 2010.

By resolution dated October 25, 2012, the Trustees set forth the strategy for LIPA to execute on its Resource Plan, which set forth, among other things, a pathway to further diversify the supply portfolio available for its customers, and includes continued efforts to enhance existing renewable energy programs; future renewable energy procurements; replacing inefficient peaking units and other actions and investments that might be necessary and/or feasible to reliably and economically meet future load.

At the July 25, 2013 meeting of the Trustees, LIPA set forth its plan to, among other things, seek to add 400 MW of new renewable energy generation to LIPA’s resource portfolio by 2018 through an expanded feed-in-tariff program and a competitive procurement.

LIPA is issuing this Request for Proposals for up to 280 MW of New, On-Island, Renewable Capacity and Energy (“RFP” or “280 MW RFP”) for the addition of up to 280 MW of renewable energy, including all associated capacity and environmental attributes. While LIPA does not fall under the jurisdiction of New York State’s renewable portfolio standard (“RPS”), LIPA has adopted a goal to strive toward incorporating a larger percentage of renewable resources in its resource portfolio.

1.3 Confidentiality

- 1.3.1 As a corporate municipal instrumentality of the State of New York, documents in LIPA’s possession are presumptively available to the public under New York’s Freedom of Information Law (“FOIL”), Public Officers’ Law (“POL”) Article 6. Respondents are strongly encouraged to familiarize themselves with the obligations and requirements of FOIL.

- 1.3.2 Respondents shall indicate in their proposals, consistent with Section 87(2) of the POL, what information, if any, should not be made publicly available by marking such information as confidential.
- 1.3.3 Information marked confidential will be treated as such to the extent consistent with LIPA's obligations under FOIL, other applicable law, regulation, or legal process, and will not be disclosed by LIPA except as required by law, or as necessary for the evaluation of proposals.
- 1.3.4 In the event that LIPA receives a FOIL request for any or all proposals submitted in response to this RFP, LIPA will notify the submitting entity of the FOIL request pursuant to Section 89(5) of the POL.

2.0 GENERAL TERMS

2.1 Product Definition

- 2.1.1 Technologies being proposed must be considered as "renewable", per the criteria established by the New York State RPS as defined in [NY PSC Order, Case 03-E-0188](#) as of the execution date of the Power Purchase Agreement (PPA). Moreover, the proposed technology must be considered both proven and commercially available at the time of submittal. LIPA retains the right to determine in its sole discretion whether a specific proposed technology qualifies as "renewable".
- 2.1.2 For the purpose of clarity, all MW values discussed in this RFP are measured at the revenue meter.
- 2.1.3 The minimum renewable energy generating capacity for each project or point of interconnection is 2 MW nameplate capacity (AC).
- 2.1.4 The maximum renewable energy generating capacity is 280 MW, with the exception of fuel-based renewables (e.g., biomass and fuel cells) which are limited to a maximum capacity of 40 MW. LIPA will not award any more than 40 MW of contracts under this solicitation for fuel-based renewables.
- 2.1.5 Projects must follow and adhere to the interconnection procedures associated with the applicable Project capacity:
 - (1) Projects less than 20 MW must adhere to LIPA's Small Generator Interconnection Procedures ("SGIP") which are posted on LIPA's website, www.lipower.org.
 - (2) Projects 20 MW or larger must follow and adhere to the NYISO Large Generator Interconnection Procedures ("LGIP").
- 2.1.6 Projects must follow and adhere to LIPA's interconnection requirements, as provided on the RFP Website. Projects must successfully complete the LIPA interconnection process prior to interconnection. For further information on interconnection requirements Respondents should contact Steve Cantore of LIPA's Power Asset Management Department at: (516) 545-4820.

- 2.1.7 Projects must be commercially operable and providing renewable energy and related capacity to LIPA on or before December 31, 2018.
- 2.1.8 Projects must be electrically connected to the LIPA transmission and distribution system or provide a new transmission line or new transmission capacity onto Long Island.

2.2 Contracting

- 2.2.1 The selected Respondent(s) will be required to execute a 20-year power purchase agreement (“PPA”) with LIPA. A form of PPA will be available on the RFP website. Each Proposal shall provide a “red-line” mark-up to the form of PPA with any comments, insertions, deletions, or other proposed changes, which must include proposed text, as applicable.
 - (1) Redlines shall only be provided using “Track Changes” in Microsoft Word.
 - (2) Respondent modifications that are not clearly identified using “Track Changes” will not be negotiated in the contract.

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3.0 COMMUNICATIONS

3.1 Communications During RFP Process

- 3.1.1 Pursuant to State Finance Law sections 139-j and 139-k, this RFP includes and imposes certain restrictions on communications between LIPA and Respondents during the procurement process. A Respondent is restricted from making contacts (i.e., an oral, written or electronic communications which a reasonable person would infer as an attempt to influence the award, denial, or amendment of a contract) with any LIPA representative, other than as designated herein, from date of issuance of the RFP through the final award and approval of the resulting Procurement Contract (as that term is defined under State Finance Law) by LIPA and the Office of the State Comptroller (the “Restricted Period”), unless it is a contact that is included among certain statutory exemptions as set forth in State Finance Law sections 139-j(3) (a). LIPA staff and Board of Trustees, and advisors are required to obtain certain information when contacted during the Restricted Period and make a determination of the responsibility of the Respondent pursuant to these two statutes. Certain findings of non-responsibility may result in rejection for contract award, and in the event of two findings within a four-year period, the Respondent is debarred from obtaining governmental Procurement Contracts.
- 3.1.2 LIPA’s Designated Contacts for this RFP include Michael Standridge, Director of Corporate Contracts and Procurement (516-719-8620) and Edmund Petrocelli, Director of Project Management. Please use Mr. Standridge as the primary point of contact. Designated contacts will be updated and/or supplemented as needed and all such changes will be posted on the RFP website.
- 3.1.3 Other than as provided for in this RFP, any contact with LIPA’s Board of Trustees, staff, or advisors regarding the RFP during its pendency may be grounds for disqualification from the RFP process.
- 3.1.4 Further information about these requirements can be found in the Lobbying Guidelines Regarding Procurements, Rules, Regulations or Ratemaking, which is posted on the RFP website.

3.2 RFP Website

- 3.2.1 The RFP website <http://www.lipower.org/company/proposals/> is a public site, accessible to anyone at any time and does not require a password or login information to view the RFP contents. The RFP website allows Respondents to download documents referenced in the RFP. The RFP website also includes the RFP Schedule, as well as announcements and other information pertaining to the RFP. Any modifications to the RFP Schedule or to the RFP or the supporting documents will be published on the RFP website. The RFP website contains a Questions and Answers (“Q&A”) section.
- 3.2.2 Request for Transmission Data: Respondents may request certain transmission system data to assist them in developing their proposals. LIPA will provide interested Respondents a load flow, contingency list, and a one-line diagram around an electrical bus at a proposed interconnection point. Respondents should submit a request via the RFP website and will be required to execute a non-disclosure agreement.

3.3 Questions about the RFP

- 3.3.1 All questions and clarifications concerning these RFP Documents shall be electronically submitted to the RFP email address. Such questions or clarifications must be submitted by the “RFP Question Submittal Deadline”, as specified in the RFP Schedule, in order to be considered. All inquiries should be asked via the following email address: 280mwrfp@lipower.org.
- 3.3.2 All questions and answers concerning this RFP will be publically available (on an anonymous basis) to all potential Respondents through the RFP Website.

4.0 RFP SCHEDULE

The following RFP Schedule is based upon LIPA’s expectations as of the release date of this RFP. LIPA reserves the right to modify the RFP Schedule at its sole discretion.

Table 1: RFP Schedule

ACTIVITY	DATE
Release of RFP	October 18, 2013
Question Submittal Deadline	February 16, 2014
Proposal Submittal Deadline	March 31, 2014
Proposal Selection(s) (planned)	December 2014
Execution of Contract(s) (planned)	1 st Quarter 2016
Firm Pricing Required Through	March 31, 2016
Latest COD (planned)	December 31, 2018

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5.0 PROPOSAL PROCESS

5.1 General

- 5.1.1 Complete sets of the RFP Documents may be obtained from the RFP Website.
- 5.1.2 LIPA assumes no responsibility for errors or misinterpretations resulting from the use of incomplete sets of RFP Documents.
- 5.1.3 Proposals shall include, at a minimum, each of the required elements summarized in Section 6.0 herein.

5.2 Interpretation or Correction of RFP Documents

- 5.2.1 Any Respondent who discovers any ambiguities, inconsistencies, omission or error or is in doubt as to the meaning or intent of any part of the RFP documents shall request an interpretation from LIPA. Such interpretation shall be made in writing to LIPA.
- 5.2.2 If a Respondent fails to notify LIPA of a known error or an error that reasonably should have been known prior to the final filing date for submission, Respondent shall assume the risk, and shall not be entitled to alter its proposal after the submission deadline.
- 5.2.3 Modifications to the RFP Documents will be furnished by LIPA via the RFP Website.

5.3 Pre-Bid Conference

- 5.3.1 No pre-bid conference will be held.
- 5.3.2 Respondents are encouraged to submit written questions or other requests for information through the process described herein.

5.4 Notice of Intent to Propose

- 5.4.1 Respondents are encouraged to provide a “Notice of Intent to Propose” to the Designated Contact(s) at any time prior to the Proposal Submittal Deadline. Such notice shall contain the Respondent’s name, corporate address, and phone number as well as the name, address, phone number, and email address for Respondent’s primary point of contact.

5.5 Proposal Expenses

- 5.5.1 Respondents shall bear any and all labor, materials and content costs and expenses required for or in connection with preparation of its Proposal; subsequent actions taken by Respondent up to the execution of the PPA, including clarification of the Proposal and negotiation of the PPA; all taxes, duties, fees, and other charges that may be associated with completion of the Project; and compliance with all local, state, and federal laws that may affect the Project and the PPA.

5.6 Proposal Submittal Fee

- 5.6.1 Each Proposal shall be accompanied by a submittal fee in the amount stipulated below:

- (1) Each Project with nameplate capacity below 20 MW: \$5,000
 - (2) Each Project with nameplate capacity of 20 MW or more: \$20,000
- 5.6.2 Proposals shall be submitted with the applicable submittal fee in the form of a certified check or bank check made payable to the Long Island Power Authority. Proposals without the required fee will be returned to Respondent, and such Proposals will not be considered or evaluated by LIPA.
- 5.6.3 The submittal fee will only be returned in cases where the Proposal is not submitted by the Proposal Submittal Deadline. Otherwise, this submittal fee is non-refundable and will not be returned or credited to any Respondent, including the successful Respondent(s).

5.7 Method for Submitting Proposals

- 5.7.1 Proposals are limited to one point of interconnect. Multiple proposals by a single bidder are permitted.
- 5.7.2 Bidders submitting multiple proposals must identify if any are **mutually exclusive** from other Proposal(s) from that Respondent.
- 5.7.3 Proposals shall be submitted in the complete name of the party expecting to execute any resulting contract with LIPA. The Proposal shall be executed by a person who is duly authorized to bind Respondent to a contract.
- 5.7.4 All Proposals submitted in response to this RFP must be received by the Proposal Submittal Deadline. Proposals received after this deadline will not be opened and will be disqualified from further evaluation.
- 5.7.5 Six (6) bound hard copies of each Proposal and one (1) electronic copy of each Proposal (sent via CD, DVD, or flash drive) shall be submitted to LIPA at the following address:

Maryanne Colabello
333 Earle Ovington Blvd., Suite 403
Uniondale, New York 11553

- 5.7.6 Hard copies of Proposals shall be bound and clearly marked with:
- (1) Project name.
 - (2) Project nominal capacity (MW) and technology type(s).
 - (3) RFP title (280-MW Renewable RFP).
 - (4) Name and address of Respondent.
- 5.7.7 Hard copies of proposals should include clearly-labeled tab dividers between each section.
- 5.7.8 Proposals sent by facsimile or email are not acceptable. Such Proposals will not be evaluated or considered.

6.0 PROPOSAL ORGANIZATION

6.1 General Requirements

- 6.1.1 Proposals shall include each of the required elements summarized herein. This applies to each Proposal that is submitted by Respondent (i.e., each Proposal shall stand alone in satisfying these requirements).
- 6.1.2 Proposals that do not include the required information will be deemed non-responsive and will not be evaluated. Non-responsive proposals include, but are not limited to, those that:
- (1) Are not in conformance with RFP requirements and instructions.
 - (2) Are conditioned on some other act or omission (other than as required by law) whether or not related to this procurement and the resulting contract. Without limiting the generality of the foregoing, by way of example, a proposal that requests extension of an existing contract with the same company is a conditional proposal.
 - (3) Do not include the required Proposal Submittal Fee.
 - (4) Contain any material omission(s).
 - (5) Do not meet the submission requirements set forth herein.
- 6.1.3 Respondent may submit complementary information not explicitly requested within the RFP Documents. Such information shall be provided in addition to, not in lieu of, the requested information.
- 6.1.4 All documents, schedules, and other similar items submitted as a part of a Proposal are to be clearly labeled and organized in a fashion that facilitates easy location and review.
- 6.1.5 Respondent may submit complementary information not explicitly requested within the RFP Documents. Such information shall be provided in addition to, not in lieu of, the requested information.

6.2 Cover Letter

- 6.2.1 The cover letter shall include an “executive summary” of the highlights and special features of the Project or Proposal.
- 6.2.2 The cover letter shall be signed by Respondent’s primary point of contact and the individual(s) that are duly authorized by the Respondent to make a binding offer to LIPA.
- 6.2.3 The cover letter shall include contact information for Respondent’s primary point of contact, including name, title, address, phone, email, and fax.
- 6.2.4 The cover letter shall contain a statement clearly indicating the time period during which the Proposal (including pricing) will remain effective. At a minimum, the Proposal must remain effective through the “Firm Pricing Required Through Date” noted in the RFP Schedule.

6.3 Table of Contents

- 6.3.1 Proposals should include a table of contents that clearly lists all items submitted in response to this RFP.

6.4 Disclosures

- 6.4.1 Respondent shall provide a disclosure of any instances in the last five years where Respondent, any of its officers, directors or partners, any of its affiliates, or its proposed guarantor (if any) defaulted or was deemed to be in noncompliance with any obligation related to the sale or purchase of power (capacity, energy and/or ancillary services), transmission, or natural gas, or was the subject of a civil proceeding for conversion, theft, fraud, business fraud, misrepresentation, false statements, unfair or deceptive business practices, anti-competitive acts or omissions, or collusive bidding or other procurement- or sale-related irregularities.
- 6.4.2 Respondent shall provide a disclosure of any instances in the last five years where Respondent, any of its officers, directors or partners, any of its affiliates, or its proposed guarantor (if any) was convicted of (i) any felony, or (ii) any crime related to the sale or purchase of power (capacity, energy and/or ancillary services), transmission, or natural gas, conversion, theft, fraud, business fraud, misrepresentation, false statements, unfair or deceptive business practices, anti-competitive acts or omissions, or collusive bidding or other procurement- or sale-related irregularities.
- 6.4.3 Respondent shall provide a signed and completed Contractor Disclosure of Prior Non-Responsibility Determinations, MacBride Fair Employment Principles, Contingent Fee Certification, Non-Collusive Bidding Certification and New York State Vendor Responsibility Questionnaire/Certification forms, as available on the RFP website.

6.5 Company Data and Relevant Experience

- 6.5.1 Proposals must contain:
- (1) Company name, address and telephone number (and name, address, telephone number, and e-mail address of the contact person for Proposer in connection with its Proposal);
 - (2) Legal status (e.g., corporation, partnership, limited liability company), date formed, jurisdiction of organization, and identification of any relevant affiliates;
 - (3) Ownership status (e.g., privately held or publically traded);
 - (4) Guarantor information (same information as subparagraphs A and B in this section) if applicable;
 - (5) If a consortium submits a Proposal in response to this RFP, the consortium will clearly provide information on its legal form and each of its members, and identify the member responsible for providing all financial security, executing the PPA, and providing Products to LIPA (the "Lead Member").

- (6) Company history and experience in the areas of development, financing, construction, and operation of electric generating plants;
- (7) Familiarity and experience with NYISO requirements; and
- (8) Existing electric generating plants owned and/or operated by Proposer.

6.6 Project Description

- 6.6.1 Provide a full and complete description of the proposed Project including technology, nominal capacity, size (acreage), existing site conditions, nearby structures and facilities, and environmental conditions or requirements.
- 6.6.2 Provide a full and complete description of the businesses surrounding the location of the proposed Project, if any.
- 6.6.3 The proposed Project shall be located on a site controlled by Respondent through either fee ownership, a land lease, option to lease or purchase, or equivalent demonstration of site control. Respondent shall provide evidence of such site control or its plan to obtain site control in its Proposal.
- 6.6.4 Site characteristics (including identification of the zoning for the site and a description of whether the proposed project is a permitted use under the local zoning code; a discussion of any known sensitive environmental features on or adjacent to the site such as wetlands, historic properties, ongoing hazardous materials remediation, residences or other sensitive noise receptors; and a discussion of storm resistant features and other reliability features);
- 6.6.5 Storm Resistant Location/Facilities: All project facilities and interconnection facilities must be designed to withstand 130 mph winds and to elevate equipment to accommodate updated one-in-500 year flood zones.

6.7 Technical Response

- 6.7.1 Technology Description:
 - (1) Provide a full and complete description of the technology being proposed. Respondent shall include a listing of all Projects in which Respondent has previously incorporated this technology, including the size (MW), location, and commercial operation date of each.
 - (2) Provide projected availability factor, or the percent of time during a specified period that the facility is capable of providing service. All assumptions (including periods of exclusion or carve-out) in deriving this availability factor should be specified.
 - (3) Provide a summary of planned outages, or the percent of time during a year that the facility is scheduled to be out of service for routine maintenance.

- (4) Describe to what extent the Project can provide/absorb MVARs to control voltage.

6.7.2 One-Line Diagram:

- (1) Provide a comprehensive one-line diagram describing the electrical equipment and point of interconnection or deliverability to LIPA's electric system.
- (2) Compliance with LIPA's SGIP or the NYISO's LGIP requirements (as applicable) is required.
- (3) Respondents may request certain transmission system data to assist them in developing their proposals. LIPA will provide interested Respondents a load flow, contingency list, and a one-line diagram around an electrical bus at a proposed interconnection point. Respondents should submit a request via the RFP website and will be required to execute a non-disclosure agreement.

6.7.3 Site Layout:

- (1) Provide a layout of the Project site using a white background, including site boundaries, access, location of equipment and buildings, and routing of the transmission line from the Project to the point of interconnection.
- (2) Provide a layout of the Project using an aerial background, including site boundaries, access, location of equipment and buildings, and routing of the transmission line from the Project to the point of interconnection.

6.7.4 Data Sheet:

- (1) Complete the appropriate data sheet for the technology being proposed. The data sheets are included on the RFP Website in a Microsoft Excel file.
- (2) Provide Dependable Maximum Net Capability ("DMNC") according to NYISO Standards including (i) expected seasonal peak capacity (MW) for summer and winter and (ii) expected output at ISO conditions.
- (3) Print the data sheet(s) and include a hard copy within the Proposal as well as submit the completed data sheet(s) electronically in Excel format.

6.7.5 Annual Energy Production Forecast:

- (1) Provide an average (P50) *annual* net energy production forecast (MWhs). This forecast shall represent the average net annual energy delivered to LIPA at the point of interconnection.
- (2) Provide an average (P50) *hourly* net energy production forecast. This forecast shall represent the average hourly net energy delivered to LIPA at the point of interconnection. The 8760 forecast shall be submitted electronically to the Designated Contact(s) using the Excel format specified in the corresponding attachments available on the RFP Website. Do not submit the full 8760 forecast in hard copy format.

- (3) Provide an uncertainty forecast for the net energy production estimates. This forecast shall present a summary of all estimated uncertainties. Proposals shall include corresponding estimates for P90, P95, and P99 net annual energy production.
- (4) Provide a description of the assumptions, data, and calculations used to prepare these forecast.

6.8 Project Execution Plan

- 6.8.1 Respondents shall provide a brief description of how they intend to complete the Project and deliver renewable energy to LIPA.
- 6.8.2 A description of the major engineering, procurement, and construction (“EPC”) contractors the Respondent intends to utilize shall be included. Describe the nature of its labor force and how they expect to complete the Project without labor delays.
- 6.8.3 Respondents shall describe the status of development and permitting, including a detailed list of all permits received and any permits needed prior to achieving commercial operation of the Project.
- 6.8.4 Respondents shall be required to keep LIPA informed of Project progress during development; therefore, Respondents shall provide a description of the process that would be used to update LIPA on Project progress and changes in the projected installation schedule.
- 6.8.5 Respondents shall provide a community outreach plan, including evidence of community support, if any, for the proposed project, which can be in the form of correspondence from local elected officials and community groups.
- 6.8.6 The Respondent should identify any New York State or Long Island based companies that will be involved in this project.

6.9 Financial Plan

- 6.9.1 Proposals must contain evidence of Respondent's and any Guarantor's financial condition and financial capacity to complete and operate the proposed project as evidenced by a “Financing Plan.” Proposals must provide:
 - 6.9.2 A detailed description of proposed short- and long-term financing arrangements.
 - 6.9.3 A list of all equity partners, sources of equity and debt, debt structure.
 - 6.9.4 Demonstrate that financial arrangements are sufficient to support the project through construction and the PPA term.
 - 6.9.5 Describe proposed capital structure for the project.
 - 6.9.6 A schedule showing all major projects developed and financed by Respondent in the past 10 years.

- 6.9.7 Provide details of any events of default or other credit issues associated with all major projects listed in subparagraph E above.
- 6.9.8 Identify proposed Guarantor(s) for the Project and provide documentation of the Guarantor's creditworthiness including the three most recent audited financial statements of the Guarantor).
- 6.9.9 Information concerning the Respondent's financial condition and evidence of creditworthiness including:
- 6.9.10 Audited financial statements for its three most recent fiscal years; or
- 6.9.11 Audited financial statements from Respondent's parent, if Proposer does not have such financial statements; or
- 6.9.12 Statement describing why the statements in either H.1 or H.2 cannot be provided and provide alternate information to demonstrate Respondent's financial capacity to complete and operate the proposed project.
- 6.9.13 Include four references from prior projects developed by the Respondent that employed financing arrangements similar to the arrangements contemplated by the Proposer for the project.

6.10 Pricing

- 6.10.1 All proposed contract pricing must be firm and all terms and conditions must be open for acceptance by LIPA through March 31, 2016. Firm pricing may include fixed prices and prices that are subject to adjustment based on publicly available indices. Costs that cannot reasonably be forecasted may be subject to "pass-through", provided they are adequately defined in the contract.
- 6.10.2 A detailed description of the pricing terms, conditions, and assumptions shall be included.
- 6.10.3 All fuel-based renewable sources (e.g., fuel cells) shall submit the formula that Respondent proposes to convert from the fuel price to its proposed MWh pricing.
- 6.10.4 The Cost of Developer Attachment Facilities recovered through the price shall be disclosed.
- 6.10.5 Proposals must comply with the NYISO Large or Small Generator Interconnection Procedures, as applicable. In keeping with LIPA's policy of non-discriminatory access to its transmission system, Respondents will be responsible for reimbursing LIPA (as Connecting Transmission Owner) for all attachment facilities and system upgrades constructed and owned by LIPA. Respondents may seek to recover such costs through PPA charges.
- 6.10.6 Proposed pricing shall be all-inclusive, including all necessary development, design, procurement, permitting, financing, construction, and operational costs as further described in this RFP. Further, pricing for fuel-based renewable energy technologies shall include a formula for converting fuel price into a \$/MWh price for electricity.

6.11 Schedule

6.11.1 Proposals shall include a proposed Project development schedule (e.g., permitting, environmental review, financing, construction, testing and commercial operation), including, but not limited to:

- (1) Timing for all permits and milestone dates;
- (2) Transmission interconnection process and milestone dates;
- (3) Financing milestone dates;
- (4) Engineering and design timing and dates;
- (5) Major equipment purchase dates;
- (6) Contracting dates and milestones;
- (7) Construction timing; and
- (8) Commercial operation date.

6.11.2 The following guidelines shall be used in preparation of the proposed Project schedule:

- (1) Include Respondent name prominently on each page of the schedule.
- (2) Utilize monthly timescales.
- (3) Prepare the schedule in graphic format as horizontal bar charts (i.e., Gantt) in landscape orientation.
- (4) Provide task name, duration, start date, completion date, and predecessors for each task.
- (5) Identify clearly all critical path activities.
- (6) Utilize sheet sizes no larger than 11x17 inches.

6.12 Power Purchase Agreement

6.12.1 As set forth in Section 2.2 above, each Proposal shall include a “red-line” of the form of PPA with any comments, insertions, deletions, or other changes, which must include proposed alternative text, as applicable. Alternatively, if the Proposer accepts the Form of PPA “as is”, provide a statement accepting the LIPA form of PPA.

- (1) Redlines shall be provided using “Track Changes” in Microsoft Word.
- (2) Respondent modifications that are not clearly identified using “Track Changes” will not be evaluated.

6.13 Conditions Precedent for PPA/Contract

6.13.1 For a proposed project subject to Article 10 of the New York Public Service Law, a condition precedent to the PPA becoming effective is that the Proposer must receive a certificate of environmental compatibility and public need from the New York State Board on Electric Generation Siting and the Environment. For a proposed project that is subject to the New York State Environmental Quality Review Act ("SEQRA"), LIPA cannot execute the PPA until the SEQRA review is complete.

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7.0 PROPOSAL EVALUATION AND SELECTION

7.1 Evaluation Process

- 7.1.1 LIPA may select one or more proposals for contract award.
- 7.1.2 LIPA reserves the right to waive non-material deviations in a proposal. Non-material deviations are deviations and/or omissions the waiving of which, at LIPA's sole discretion, do not disadvantage LIPA, do not provide a competitive advantage to the Respondent and/or will not prejudice other Respondents or potential Respondents.
- 7.1.3 Proposals determined to be responsive will be evaluated by a Selection Committee consisting of LIPA staff (assisted by advisors) that will evaluate such proposals based on the evaluation criteria set forth below.
- 7.1.4 The Selection Committee may request Respondents to clarify proposals for the purpose of assuring LIPA a full understanding of their response to the RFP. LIPA may choose to conduct interviews and/or site visits with Respondents to further clarify aspects of their Proposals. If interviews and/or site visits are conducted, LIPA will notify the affected Respondent(s) of the scheduled date(s).
- 7.1.5 The Selection Committee may designate more than one potential selection (each a "Finalist") and may request each Finalist to submit a Best and Final Offer prior to making its selection recommendations.
- 7.1.6 Prior to award of any contract, the Selection Committee will conduct a vendor responsibility determination and may require eligible Respondents to answer questions and provide additional information to supplement the information provided in the NYS Vendor Responsibility Questionnaire posted on the RFP website to assist the Selection Committee in making such a determination.

7.2 Evaluation Criteria

- 7.2.1 The Selection Committee will evaluate the Proposals in accordance with the following "Quantitative Evaluation Criteria" and "Qualitative Evaluation Criteria" (items not necessarily listed in the order of importance) for each.
- 7.2.2 Quantitative Evaluation Criteria includes the "all-in" costs of the Proposal to LIPA's customers. This evaluation includes an assessment of the net present value and annual costs that the proposed project would impose on the Authority's customers, taking into consideration factors including, but not limited to:
 - (1) PPA charges, including a listing of all pass through costs and fuel costs, where applicable
 - (2) Costs for required transmission reinforcements

- (3) System impacts including, but not limited to impact on Operating Reserve Requirements, Transmission Transfer Capability, Reserve Requirements, NYISO capacity requirements, IR-5 gas rules, deliverability, and ancillary services
- (4) Beneficial system impacts from demonstrating the ability to meet a 2016 or 2017 or earlier COD
- (5) An assessment of the financial impact of the Proposal on LIPA's purchases and sales from the capacity and energy markets including operating reserves

7.2.3 Qualitative Evaluation Criteria:

- (1) Feasibility of the fuel supply plan, where applicable
- (2) Development and schedule risk
- (3) Site Control
- (4) Site Characteristics
- (5) Ability to Permit Project
- (6) Ability to Meet Proposed In-Service Date
- (7) Exceptions to PPA, if any
- (8) Quality of Proposal
 - Financing Plan
 - Financial Qualifications
 - Management Experience
 - Experience with development on Long Island
 - Equipment selection
 - Contractor experience
- (9) Feasibility, timing and cost of electric and/or gas system interconnections and upgrades
- (10) Integration with LIPA System, including ability to meet a COD earlier than December 31, 2018
- (11) Demonstrated record and depth of experience in developing, owning, and operating renewable or other power generation systems
- (12) Price certainty and risk of price increases
- (13) Community acceptance
- (14) Environmental impacts

- (15) Use of suppliers and subcontractors in New York State (particularly on Long Island).

7.3 Notice of Award

- 7.3.1 All Respondents will be notified in writing once the successful Respondent(s) has been selected.

7.4 Contract Approval

- 7.4.1 LIPA's selection of the successful Respondent(s) shall not be binding until it has been approved by LIPA's Board of Trustees. Upon approval of LIPA's selection by its Board of Trustees, LIPA and the selected Respondent(s) will negotiate and execute contracts for selected amount of power associated with the renewable resource(s). Any such contract(s) shall not be valid, effective or binding until approved by the New York Attorney General and Office of State Comptroller and filed in his office, in accordance with Section 112 of the New York State Finance Law. No payment for services rendered can be made under the contract until such approval is obtained.

7.5 Debriefing of Unsuccessful Respondents

- 7.5.1 Upon written request to the Designated Contact(s), an unsuccessful Respondent may request a debriefing with LIPA staff. Debriefings will be scheduled after LIPA has provided notice of its selection of the successful Respondent(s).
- 7.5.2 Discussions during any such debriefing will be limited to an analysis of the evaluation of the Proposal submitted to LIPA by the Respondent requesting the debriefing. Comparisons between Proposals or evaluations of the other Proposals will not be discussed.
- 7.5.3 Debriefings may be conducted in person or by telephone, at LIPA's discretion.

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8.0 RESERVATION OF RIGHTS

8.1 General

- 8.1.1 This RFP is not an offer or commitment but rather an invitation to make an offer and is not capable of being accepted to form a binding agreement.
- 8.1.2 All material submitted in response to this RFP will become the sole property of LIPA.
- 8.1.3 Following selection, a Respondent may be required to participate in negotiations and to submit any price, technical or other revisions to its Proposal which may result from such negotiations.
- 8.1.4 LIPA reserves the right to procure renewable resources through other means in addition to this RFP.

8.2 Right to Reject

- 8.2.1 This RFP does not commit LIPA to award a contract, pay any costs associated with the preparation of a proposal, or procure or contract for any project whatsoever. LIPA reserves the right, in its sole discretion, to accept or reject any or all responses to this RFP, to negotiate with any and all Respondents susceptible of being selected for award, or to cancel this RFP in whole or in part and to pursue other resource alternatives which may include negotiating with entities that were not Respondents.

8.3 Limitations

- 8.3.1 Respondents may be requested to clarify the information in their proposals, but they may not alter their proposals or otherwise submit any additional information after the proposal due date.
- 8.3.2 While LIPA has endeavored to supply useful information in this RFP and the associated website, LIPA makes no representation or warranty, express or implied, as to the accuracy or completeness of any information contained herein or otherwise provided to any Respondent by or on behalf of LIPA. Respondents are encouraged to conduct their own investigation and analysis of any and all information contained herein or otherwise provided by or on behalf of LIPA.

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9.0 MWBE PARTICIPATION/ EQUAL EMPLOYMENT OPPORTUNITY

- 9.1.1 While there are no Minority and Women Owned Business Enterprise (“M/WBE”) participation goals in this RFP, Respondents are encouraged to use M/WBEs in connection with the its proposed project. Areas for consideration include procuring engineering, design, installation, equipment and materials or any other purchase of goods or services from a New York State certified M/WBE. The New York State directory of certified M/WBEs may be accessed at <http://www.esd.ny.gov/MWBE.html>.
- 9.1.2 All selected Proposers will be required to comply with requirements regarding Equal Employment Opportunity (“EEO”), including any related certifications regarding EEO and MWBE policies, EEO Staffing Plans and Workforce Employment Utilization Reports. Respondents should refer to the RFP website for Supplement 1, Exhibit B (Standard Clauses for LIPA’s Contracts).

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