



# **The Delaware Municipal Electric Corporation, Inc.**

On behalf of

**Town of Middletown, DE**

issues a

## **Request for Proposals**

for Solar Energy Resources

July 9, 2019

**INSTRUCTIONS TO BIDDERS**  
“DEMEC/Middletown Solar RFP”

Contents

**PART 1 – INTRODUCTION ..... 3**

1.1 COMPANY BACKGROUNDS .....3

1.2 PURPOSE OF RFP .....3

1.3 RFP COMMUNICATIONS.....3

1.4 NOTICE OF INTENT TO BID .....4

1.5 THE DELAWARE MUNICIPAL ELECTRIC CORPORATION WEBSITE .....4

1.6 RESPONSES TO INQUIRIES.....4

1.7 SUBMITTAL INSTRUCTIONS.....5

1.8 WITHDRAWAL OF PROPOSALS .....5

1.9 CONFIDENTIALITY AND COMPLIANCE .....5

1.10 SCHEDULE .....6

**PART 2 – PROJECT DETAILS ..... 6**

2.1 RESPONDENT REQUIREMENTS.....6

2.2 RESPONDENT REQUIREMENTS .....6

**PART 3 – BID FORMAT AND CONTENTS ..... 8**

3.1 INTRODUCTION.....8

3.2 EXECUTIVE SUMMARY .....9

3.3 SUPPLEMENTAL INFORMATION.....9

3.4 RESPONDENT ACKNOWLEDGMENT OF RESPONSIBILITIES.....11

**PART 4 – DEMEC/MIDDLETOWN RESERVATION OF RIGHTS AND DISCLAIMERS..... 11**

**PART 5 – BID EVALUATION AND CRITERIA ..... 12**

5.1 EVALUATION OF PROPOSALS .....12

5.2 STEP ONE INITIAL SCREENING.....12

5.3 STEP TWO EVALUATION .....12

5.4 STEP THREE EVALUATION .....14

5.5 AWARD.....14

5.6 CONTRACTUAL TERMS AND CONDITIONS .....14

**Appendices**

- Appendix A – NOTICE OF INTENT TO BID
- Appendix B – RESPONDENT ACKNOWLEDGMENTS
- Appendix C – SITE MAPS

## PART 1 – INTRODUCTION

### 1.1 COMPANY BACKGROUNDS

The Town of Middletown, Delaware (“Middletown”) is a municipal electric utility that provides electric distribution services to its customers. Middletown’s service territory covers approximately 11.6 square miles in southern New Castle County Delaware and is within the DPL zone in the PJM Interconnection.

The Delaware Municipal Electric Corporation, Inc. (“DEMEC”) was incorporated in 1979 as a public corporation constituted as a Joint Action Agency and a wholesale electric utility. DEMEC represents and serves the nine municipal electric distribution utilities located in the state of Delaware. DEMEC is a generation owner and the PJM Load Serving Entity (“LSE”) for eight of these municipal utilities (except Dover) and provides 100% of their wholesale power supply requirements.

Middletown is a member of DEMEC. DEMEC is the issuer and the facilitator of this RFP.

### 1.2 PURPOSE OF THE REQUEST FOR PROPOSALS (“RFP”)

This RFP requests responses (“Proposals”) from capable providers (“Respondents”) ready to develop up to 50 acres for a solar project (“Phase I”). There is the possibility that an additional 150 acres will be made available bringing the total development site to 200 acres (“Phase I Expanded”). Respondents are to provide a solar development solution for Phase I. Respondents are encouraged but not required to provide a solar development solution for both Phase I and Phase I Expanded. Phase I and Phase I Expanded will be referred to herein as (“Project”).

DEMEC is interested in procuring from the Project Renewable Energy Products (“REPs”) which includes all energy, capacity, and associated environmental attributes (now and in the future including, but not limited to, Solar Renewable Energy Credits (“SRECs”) and requests Power Purchase Agreement (“PPA”) pricing on a flat \$/MWh basis (“PPA Rate”) with no escalation for 20 or 25 year terms.

This RFP describes DEMEC’s request and provides information and instructions for Respondents. Proposals are due no later than 4:00pm Eastern Standard Time (“EST”) Monday, **August 26, 2019**.

### 1.3 RFP COMMUNICATIONS

All questions or other communications regarding this RFP should be directed to DEMEC.

| DEMEC            |  |
|------------------|--|
| Address:         | P.O. Box 310<br>Smyrna, Delaware 19977                       |
| Attention:       | Scott V. Lynch, CEM<br>VP – Asset Development                |
| Phone:           | 302-653-2733   |
| Email:           | <a href="mailto:slynch@demecinc.net">slynch@demecinc.net</a> |
| Subject Heading: | DEMEC/Middletown Solar RFP                                   |

#### 1.4 NOTICE OF INTENT TO BID

In order to identify Respondents and enable them to receive any subsequent information distributed in the RFP process, Respondents shall submit a Notice of Intent to Bid on or before the due date, via email to [slynch@demecinc.net](mailto:slynch@demecinc.net) with the subject heading: **DEMEC/Middletown Solar RFP**. Failing to submit a Notice of Intent to Bid by the due date of **Friday, July 26, 2019** could result in a negative score against the Respondent's Proposal. The Notice of Intent to Bid form is available as Attachment A in this RFP and can be downloaded from DEMEC's website.

#### 1.5 THE DELAWARE MUNICIPAL ELECTRIC CORPORATION WEBSITE

RFP materials will be hosted on DEMEC's website. The site is administered by DEMEC and will be updated accordingly through DEMEC's role as facilitator for Middletown for this project. To gain project documents from the DEMEC website, please go to:

<http://www.demecinc.net/corporate/request-for-proposals/>

#### 1.6 RESPONSES TO INQUIRIES

Respondents who have submitted a Notice of Intent to Bid may send questions to DEMEC via email to [slynch@demecinc.net](mailto:slynch@demecinc.net) with the subject heading: **DEMEC/Middletown Solar RFP**. DEMEC may prepare written responses to emailed questions and will reply via email from Scott Lynch at [slynch@demecinc.net](mailto:slynch@demecinc.net) to Respondents. Questions will not be addressed from Respondents that **do not** submit a Notice of Intent to Bid.

Questions must be formatted as follows:

- Clearly identify the document language or section in question
- Sequentially number each question in each submittal

Questions must be submitted timely to allow for proper consideration and response. Questions a Respondent believes to be commercially sensitive or confidential must be individually marked as "Confidential". Questions marked "Confidential" will not be shared with other Respondents unless DEMEC, in its sole discretion, determines that the question is a general, non-sensitive technical or commercial question.

Neither DEMEC nor Middletown make any commitments to respond to other communications received via telephone, fax, text messaging, or other media. Additionally, Respondents may not rely on any oral representation or oral modification made by any DEMEC/Middletown employees or agents of DEMEC/Middletown. In order to preserve one line of communication, Respondents may not contact any other DEMEC/Middletown employees or agents of DEMEC/Middletown regarding this RFP unless instructed to do so. Any such contact could be grounds for disqualification of this RFP.

## 1.7 SUBMITTAL INSTRUCTIONS

One electronic package of the Respondent's Proposal must be sent via one email to [slynch@demecinc.net](mailto:slynch@demecinc.net) with the subject heading: **DEMEC/Middletown Solar RFP**. An email with attachments exceeding 10 MB total may not be received. The submission format is to be Microsoft ("MS") Office version 2016 or newer or Adobe PDF. Any Project production estimates must also be submitted in MS Excel format. Proposals not adhering to the format request may not be evaluated. Respondents may request DEMEC confirm receipt of submittals however DEMEC will process confirmations only if requested and if time allows. DEMEC makes no commitment to process confirmations prior to the response due date. Each respondent is expected to carefully review the information provided in this RFP as it contains important instructions which should be followed in preparing a Proposal. Modifications to a Proposal, already received by DEMEC, will only be accepted if the request and modified Proposal is submitted via email by the Respondent prior to the Proposal Due Date. Modified proposals must be marked MODIFIED and dated. Modifications must be incorporated into a new Proposal and an entire new Proposal must be submitted. Submitting only modified sections of Proposals will not be accepted. Modified proposals will become the Respondent's intended proposal and be the version evaluated. **Proposals must be electronically delivered no later than 4:00 p.m. EST on Monday, August 26, 2019.** All Proposals will become the property of DEMEC and will not be returned to the Respondent.

## 1.8 WITHDRAWAL OF PROPOSALS

A Respondent may withdraw Proposals by written or email request, at any time **no later than 4:00 p.m. EST on Monday, August 26, 2019.**

## 1.9 CONFIDENTIALITY AND COMPLIANCE

DEMEC and Middletown will take reasonable precautions to protect any claimed proprietary and confidential information contained in a Proposal, provided that such information is clearly identified by the Respondent as "PROPRIETARY AND CONFIDENTIAL MATERIAL". Notwithstanding the foregoing, DEMEC and Middletown in their sole discretion may release such information: (1) to any external contractors for the purpose of evaluating Proposals, but such contractors will be required to observe the same care with respect to disclosure as DEMEC and Middletown; (2) to others who have a need for such information for purposes of evaluating the RFP and the Proposals, the RFP process or a final definitive agreement resulting from the RFP process ("Agreement"), including but not limited to DEMEC and Middletown employees, consultants and/or agents, and other parties; or (3) if DEMEC or Middletown is requested or compelled to disclose such information, or portions thereof: (i) pursuant to subpoena or other court or administrative process, (ii) at the express direction of any agency with jurisdiction over DEMEC or Middletown, or (iii) as otherwise required by law. If DEMEC or Middletown determines that the release of such information will be made under one of the circumstances set out above, DEMEC will provide the Respondent with written notice; provided, however, DEMEC and Middletown shall have no duty or obligation to the Respondent to withhold such information or take legal steps to protect the information from disclosure. Under no circumstances will DEMEC or Middletown or any of their directors, management, employees, agents, or contractors be liable for any damages resulting from the disclosure of the Respondent's claimed proprietary and confidential information during or after the RFP process. By submitting a Proposal in response to this RFP, the Respondent acknowledges and agrees to the requirements in this provision concerning confidentiality. In the event DEMEC or Middletown uses internal, proprietary projections in its evaluation process, the resulting projections will not be shared with Respondents.

## 1.10 SCHEDULE

The RFP process will proceed in accordance with the following schedule:

| BID SCHEDULE – ACTIVITY   | DATE/TIMEFRAME                  |
|---|---------------------------------|
| *Issue RFP  | July 9, 2019                    |
| *Notice of Intent to Bid Deadline                                   | July 26, 2019                   |
| *RFP Response Deadline  | 4:00 PM EST August 26, 2019     |
| DEMEC Evaluation  | August 27 – October 25, 2019    |
| Recommendation to DEMEC Board and Middletown                        | November 11, 2019               |
| Agreement Negotiation and Finalization                              | November 20 – December 20, 2019 |
| Target Commercial Operation Date (COD) Phase I /or Phase I Expanded | June 1, 2020                    |

\* These due dates are firm. No extensions will be offered.

The target COD for the Project is June 1, 2020; however, COD may be refined during Agreement negotiations to reflect specific timelines.

## PART 2 – PROJECT DETAILS

### 2.1 PROJECT REQUIREMENTS

Middletown requests Proposals to develop up to 50 acres for a solar project (“Phase I”). There is the possibility that an additional 150 acres will be made available bringing the total development site to 200 acres (“Phase I Expanded”). Respondents are to provide a solar development solution for Phase I. Respondents are also encouraged but not required to provide a solar development solution for both Phase I and Phase I Expanded. DEMEC expects to procure all Project REPs and is accepting term structures of 20 or 25 years. Respondents are encouraged to offer one or both term options as a part of their Proposal.

Project site details are in Appendix C.

### 2.2 RESPONDENT REQUIREMENTS

1. Proposals from Respondents should be limited to: Fixed Tilt Solar PV or Tracking Solar PV.
2. The Project must be an independent generating asset, remotely monitored, and be located Behind-the-Meter with dedicated switchgear interconnecting to Middletown’s electric distribution system. Behind-the-Meter means a generation asset located within and connected to Middletown’s electric distribution system with electricity delivered behind the wholesale transmission meter.
3. PPA Rate(s) must be fixed for the full term of the Agreement with no escalation and DEMEC will only pay for actual products delivered through the metered point of delivery into Middletown’s electric distribution system.
4. Proposals must specify term length for each PPA Rate.

5. All PPA Rates in the Proposal must be quoted in U.S. dollars.
6. Proposals must be for a completely functional generation system, including transformers capable of interconnecting to Middletown's electric distribution system.
7. Respondents may choose their preferred modules, inverters, trackers, and other components but must be responsible for procuring all equipment, materials, permitting, engineering, interconnection agreements, and other services required to deliver a completely functional generation system for the Agreement term.
8. The Project must be registered in PJM's Generation Attribute Tracking System (GATS), or a successor system.
9. The Project must be certified as an eligible energy resource in Delaware through the Delaware Public Service Commission.
10. Respondents will be responsible for monthly generation reporting to PJM GATS, ensuring SRECs are generated and registered within PJM GATS, and transferable via PJM's GATS to DEMEC.
11. All costs and fees associated with PJM registration and Delaware certification will be borne by the Respondent. All SRECs must be transferred to DEMEC's GATS account within 30 days after PJM GATS certification.
12. Projects must be located on the Middletown-controlled sites detailed in Appendix C. Respondents will be responsible for all site permitting including but not limited to Middletown's municipal code requirements.
13. PPA Rate(s) must include all costs for land leases and right-of-way access including reasonable costs borne by Middletown to execute the land lease. Land lease fees are to be nominal amounts sufficient to execute a land lease agreement with Middletown.
14. PPA Rate(s) must include all costs for the commercial delivery and Operations and Maintenance (O&M) of the Project interconnection for the term of the Agreement. Respondents are to consider two Project interconnection scenarios in their PPA Rate(s) 1) Interconnection from the Project metered point of delivery to the nearest distribution system line and 2) Interconnection from the Project metered point of delivery to Middletown's Industrial Road substation via a direct express line. In both scenarios the voltage needs to be 24,940 volts. For this voltage, the Respondent needs to build to 35KV standards using 35KV class materials. Respondents are required to identify the interconnection scenario that matches each PPA rate proposed. Respondents must also break out each interconnection cost in terms of \$/MWh from the PPA Rate so the cost of each interconnection scenario can be evaluated separately. The cost of the interconnection (\$/MWh) plus the balance (\$/MWh) must combine to equal the proposed PPA Rate (\$/MWh). Interconnection costs are to include:
  - 14.1 The interconnection engineering, procurement and construction and commercial delivery and operation and maintenance from the metered point of delivery to the nearest distribution system line.
  - 14.2 The interconnection engineering, procurement and construction and commercial delivery and operation and maintenance of a direct express line from the metered point of delivery to the electrical substation on Industrial Drive in Middletown (See Appendix C).
  - 14.3 Middletown will take ownership in either scenario on the load side of the metered point of delivery. Respondent is to consult with Middletown regarding any right-of-way access points.
15. The Project will be responsible for completing an interconnection application with Middletown, which will include but not be limited to the submission of electrical drawings and coordination with Middletown's electric engineering firm Utility Engineers PC ("UEPC"). The UEPC contact is Norm Baron ([nbaron@uepc.net](mailto:nbaron@uepc.net)). Cost for coordination with Utility Engineers PC must be included in the PPA Rate. Respondents should assume \$75,000 in their PPA Rate for this coordination. This cost is subject to change depending on the complexity of the interconnection.
16. PPA Rate(s) must include all costs for commissioning, decommissioning, removal, site restoration, and O&M for the Agreement term.

17. Proposal interconnection costs must also include the cost of equipment to prevent injection of Project energy into the transmission system and the cost of any studies required by Middletown or the transmission system owner (DPL or successor) to ensure this protection.
18. Interconnection costs must also include any Project purchased electricity from Middletown.
19. Proposals are to include a web portal and access for DEMEC and Middletown to monitor the system performance in 15 min increments. A public facing portal link must also be included but its use will be determined by Middletown.
20. Respondents must identify a schedule of milestones required to meet the COD date.
21. Proposals and PPA Rate(s) must remain valid and binding through at least December 31, 2019, with the date of expiration explicitly stated in the Proposal. Proposals selected for negotiations or those selected as an alternate must hold prices through the Agreement negotiation process.
22. Proposals must comply with all applicable federal, state, and local laws and regulations.
23. Proposals must outline general terms and compensation for Project curtailments as initiated and directed by Middletown.
24. DEMEC and Middletown encourage Proposals from Respondents who contribute to the local economy by making employment opportunities available to residents through the maintenance of businesses and other facilities within the Middletown area. Preference will be given to Projects that facilitate the sourcing of Delaware labor resources in sufficient quantities to qualify for Delaware Code Section 356 Multiple credits for specific energy sources:  
<http://delcode.delaware.gov/title26/c001/sc03a/index.shtml>
25. Respondents are expected to take advantage of the federal Investment Tax Credit (“ITC”) and the allowance for Modified Accelerated Cost Recovery System (MACRS). DEMEC and Middletown, as non-taxable entities, will require the tax benefits accruing to the Respondent to be reflected in the PPA Rate offered by the Respondent.
26. Respondents must provide any qualifications to the requests in this RFP so DEMEC and Middletown may clearly understand any Respondent deviations from what is requested in this RFP. Respondents not offering any qualification may state that no qualifications are provided.

The evaluation criteria that will be given the greatest evaluation weight will be PPA Rate (\$/MWh), Respondent creditworthiness, the ability to deliver the proposed Project on time and use of Delaware labor (per Section 2.2).

## **PART 3 – BID FORMAT AND CONTENTS**

### **3.1 INTRODUCTION**

This section outlines the content and format requirements for all Proposals submitted in response to this RFP. Unless DEMEC in its sole discretion elects otherwise, Proposals that do not include the information requested in this section will be ineligible for further evaluation. DEMEC and Middletown reserve the right to conduct any further due diligence they consider necessary to fully understand and evaluate Proposals prior to entering into any Agreement.

A complete Proposal will include the following components:

- Executive Summary
- Supplemental Information
- Appendix B Acknowledgments

### 3.2 EXECUTIVE SUMMARY

The Executive Summary should briefly describe the Respondent, Project highlights (e.g. size and year 1 production), key milestones, PPA Rate (\$/MWh), Interconnection breakout, and term of the Proposal.

Respondents are to arrange pricing details in a matrix format in the Executive Summary to facilitate evaluation. An example matrix is provided below.

| Phase Options    | DC (MW) | AC (MW) | First Year (MWh) Production | Interconnection Scenario Distribution or Express Line | COD          | Terms (20 or 25 yrs) | PPA Rate (\$/MWh) | Interconnection Rate (\$/MWh) |
|------------------|---------|---------|-----------------------------|---|--------------|----------------------|-------------------|-------------------------------|
| Phase I          |         |         |                             |   | June 1, 2020 | 20                   |                   |                               |
| Phase I          |         |         |                             |   | June 1, 2020 | 25                   |                   |                               |
| Phase I Expanded |         |         |                             |   | June 1, 2020 | 20                   |                   |                               |
| Phase I Expanded |         |         |                             |   | June 1, 2020 | 25                   |                   |                               |

### 3.3 SUPPLEMENTAL INFORMATION

In addition to the Executive Summary, Respondents must include supplemental information as necessary to clearly identify the scope of the Proposal. The Respondent’s Proposal must include the following, **in the order identified**, with each topic beginning on a separate page.

- A. Detailed description of the Respondent’s firm.
- B. Financial Information/Credit Quality.
  - 1. Financial viability of the Respondent, including its parent company or any other guarantor of services under the Respondent’s Proposal.
  - 2. Ability to satisfy DEMEC’s credit standards to ensure the Respondent has adequate financial capability. DEMEC requires qualified Respondents to either have an investment grade rating (S&P BBB- or above; Moody’s Baa3 or above) or have enough equity security to cover their anticipated delivery obligations under any Agreement as a result of this RFP process. If the Respondent is unable to satisfy the foregoing credit standards, they may designate a Credit Support Provider/Guarantor. If the Credit Support Provider/Guarantor is satisfactory to DEMEC, the Respondent will be deemed to have satisfied DEMEC’s credit standards. The quality of credit of the proposed Credit Support Provider/Guarantor will be evaluated under the same standards as that of the Respondent.
- C. Identification of All Pricing Terms.
  - 1. Provide a PPA Rate (\$/MWh) without an escalator for each Proposal (inclusive of all REPs benefits) to deliver a complete operating Project for an Agreement term.
  - 2. Detail land lease assumptions cost per acre/year and total land lease cost per term as a line item. Any land lease assumptions must be included in the PPA Rate. Again per acre/year fees are to be nominal.
  - 3. Detail interconnection cost assumptions as a line item. Any interconnection cost assumptions must be included in the PPA Rate.

The Delaware Municipal Electric Corporation, Inc. – Request for Proposals

- D. Provide Project Team Organization and Resumes (3 pages maximum total). Respondent's anticipated project managers should have their relevant project management experience and capabilities included.
- E. Provide at least two reference projects, with different off-takers and contacts, in the last 36 months from the date of this RFP's issuance that were successfully completed of similar size or larger as compared to this potential Project size. A brief history of the Respondent's environmental, health, and safety record for these projects should also be included most specifically detailing any reportable issues. Contact information necessary for each reference project includes: Contact Name, Phone number, and Email. It is the sole responsibility of the Respondent to ensure the Contact provided for each reference is reasonably available and willing during the RFP process to communicate with DEMEC.
- F. Each Proposal must state that the Respondent has obtained all necessary internal approvals prior to the submission of the Proposal. All Proposals must be signed by a Responsible Party as follows:
  - 1. Corporations: The signature of the officer must be accompanied by a certified copy of the resolution of the Board of Directors authorizing the individual signing to bind the corporation.
  - 2. Partnerships: Signature of one partner must be accompanied by a certified copy of the power of attorney authorizing the individual signing to bind all partners. If a certified copy of the partnership's certificate submitted with the bid indicates that all partners have signed, no authorization is required.
- G. Detail Respondent assignability terms.
- H. Define assumed insurances and levels.
- I. Project Specific Details Required.
  - 1. Sizing and expected DC and AC MW capacity.
  - 2. Annual Degradation Percentage.
  - 3. Descriptions of equipment (tier 1 equipment, panel density, polycrystalline, monocrystalline, bi-facial, central or string inverters, web portal system, etc.) including technical specification sheets (reasonable lengths 1-2 pages each) for major components such as modules, inverters, racking, trackers, transformer, etc.
  - 4. Expected year 1 monthly energy generation (MWhs).
  - 5. Expected annual solar generation profiles (8,760 hourly generation and P50 and P90 production assumptions included with PVSyst reports or equivalent).
  - 6. Real property lease obtainment plan.
  - 7. Provide a construction schedule to meet full 30% ITC requirements by COD and any delay damages payments (\$/MW per day) to accrue to DEMEC.
  - 8. Permitting plan.
  - 9. Provide electrical interconnection and power delivery plan to include provisions for protection against injection into the transmission grid.
  - 10. Provide Respondent's scheduling, operation, and maintenance responsibilities specifically including plans for: Middletown staff training, emergency management and local emergency personal training and guideline manuals, spare parts inventory, site security, and vegetative management.
  - 11. Guaranteed performance standards over the term and clear terms for determining performance.
  - 12. Curtailment rights and number of free hours of curtailment to the benefit of DEMEC/Middletown
  - 13. Project site layouts and technical diagrams with land requirements.
  - 14. Possible conflicts of interest and any legal claims.

15. Qualifications to this RFP statements
16. Other attributes that may be of value to DEMEC or Middletown in making their evaluation.

DEMEC and Middletown reserve the right to request additional information from Respondents during the proposal evaluation process.

### 3.4 RESPONDENT ACKNOWLEDGMENT OF RESPONSIBILITIES

The Respondent will acknowledge certain responsibilities detailed in this RFP. Appendix B details the list of acknowledgments to be signed by a Responsible Party per Section 3.3 (F). Respondents will submit a complete Appendix B with their Proposal.

## PART 4 – DEMEC AND MIDDLETOWN RESERVATION OF RIGHTS AND DISCLAIMERS

1. Respondents will be liable for all RFP and development related costs. DEMEC and Middletown will not be responsible for any of the Respondent's costs incurred to prepare, submit, or negotiate its Proposal, any definitive Agreement, or any other related activity.
2. Nothing in this RFP constitutes an offer or acceptance by DEMEC or Middletown, and DEMEC and Middletown hereby disclaim any intent for this RFP to constitute a binding Agreement between DEMEC or Middletown and any Respondent.
3. DEMEC and Middletown reserve the right, without qualification and in their sole discretion, to modify, suspend or withdraw this RFP, accept or reject any or all Proposals for any reason at any time without explanation to any Respondent, or to enter into an Agreement at any time with a Respondent who, in the opinion of DEMEC and Middletown, will provide the most effective Project. Additionally, DEMEC and Middletown reserve the right to accept proposals other than the lowest cost proposal. Factors other than cost will be considered in the Proposal evaluation process.
4. DEMEC and Middletown reserve the right, in their sole discretion, to reject incomplete or unclear Proposals from further consideration.
5. In the event negotiations with a Respondent or Respondents do not produce a final, fully executed Agreement satisfactory to DEMEC and Middletown, DEMEC and Middletown reserve the right to pursue any and all other resource options available to them.
6. DEMEC and Middletown, in their sole discretion, may terminate negotiations with any Respondent at any time.
7. DEMEC and Middletown reserve the right to request clarification or additional information during the RFP process about one or more items in a Respondent's Proposal. Such requests will be sent via email from Scott Lynch at [slynch@demecinc.net](mailto:slynch@demecinc.net) to Respondents, who will be required to provide an electronic response to that email address with the subject heading: **DEMEC/Middletown Solar RFP** within five (5) business days. If a Respondent fails to do so, DEMEC may deem the Respondent to be nonresponsive and either suspend or terminate evaluation. Respondents may provide alternate points of contact in the Notice of Intent to Bid to ensure a timely response to clarification questions.
8. DEMEC and Middletown may waive any technical or format requirements contained in the RFP.
9. Execution of an Agreement under this RFP is conditional upon full satisfaction of any DEMEC credit support requirements. DEMEC reserves the right to require additional credit standards and/or guarantees and to review and evaluate the quality of credit of each Respondent and Credit Support Provider/Guarantor, as necessary, in the application of the foregoing standards.
10. All submitted Proposals become the property of DEMEC.
11. All Agreements are subject to final approval by the DEMEC Board of Directors.

## PART 5 – BID EVALUATION AND CRITERIA

### 5.1 EVALUATION OF PROPOSALS

The objective of this RFP is to identify and procure cost-effective, renewable energy resources for Middletown to help meet the sustainability goals of Middletown. Therefore, the evaluation criteria that will be given the greatest evaluation weight will be PPA Rate (\$/MWh), Respondent creditworthiness, ability to deliver the proposed Project on time and use Delaware labor (per Section 2.2).

A STEP ONE initial screening for minimum requirements will be performed for each Proposal to determine if it appears all required information has been provided and minimum requirements are satisfied. Material deficiencies will disqualify a Proposal from further consideration, and the Respondent may or may not be notified in such an event.

After the STEP ONE initial Proposal screening, DEMEC anticipates two additional evaluation steps in which the Respondents' cost projections, Project characteristics, and other Proposal elements will be evaluated.

At the end of STEP TWO, a short list of Proposals will be determined, and Respondents may be requested to supply additional information and/or refresh pricing if requested. Unsuccessful Respondents will be notified at the end of the STEP TWO assessment that their Proposals will not be considered further.

Respondents will be notified via the email address [slynch@demecinc.net](mailto:slynch@demecinc.net) that they did or did not pass to STEP THREE of the process. Once a successful Respondent and a possible alternate from the STEP THREE evaluation have been identified, DEMEC and Middletown will pursue negotiations to secure an Agreement. Provided the parties successfully negotiate an Agreement for the Project, DEMEC and Middletown will then make appropriate filings seeking approval from the DEMEC Board of Directors based on the negotiated terms of the Agreement. Identification of a successful Respondent or alternate and reaching a successfully negotiated Agreement does not constitute a binding offer or Agreement. Final approval rests with the DEMEC Board of Directors.

**At no time will there be a debriefing for unsuccessful Respondents.**

### 5.2 STEP ONE INITIAL SCREENING

The STEP ONE initial screening will confirm the completeness of a Proposal. A complete Proposal will include the following components:

- Executive Summary
- Supplemental Information
- Appendix B Acknowledgments

### 5.3 STEP TWO EVALUATION

Proposals that pass STEP ONE initial screening will be passed to STEP TWO of the evaluation. Proposals will be evaluated individually for both quality and likelihood of achieving successful commercial operation under the terms proposed. Respondents must include enough detail for DEMEC to evaluate all costs and benefits associated with each Proposal. Respondents should be aware that evaluations for STEPS TWO AND THREE are based on both price and non-price consideration (examples of which are detailed in sections 5.3.1 and 5.3.2).

### **5.3.1. QUALITATIVE EVALUATION PROCESS**

**DEMEC will consider a range of factors in the qualitative evaluation process; examples of such are:**

- A. Respondent’s creditworthiness.
- B. Degree of acceptance of RFP terms.
- C. Respondent’s environmental, health, and safety history.
- D. Respondent’s Engineering, Construction, Operating, Environmental, and/or Ownership Team qualifications, as applicable.
- E. Commercial viability, maintainability, and maturity of recommended solar technology.
- F. Resource capacity, production, and environmental footprint.
- G. Project Engineering Plan.
  - a. Operations and maintenance plan for the Project (including security and vegetation management, Interconnection, etc.).
  - b. Description of the generation technology and mounting type.
  - c. Detailed project critical path schedule, identifying all important developmental elements and their timing.
  - d. Identification of the major equipment supplier(s) to be used for the Project.
- H. Environmental and Siting Plan.
  - a. An assessment of the environmental feasibility for each site, access, and all necessary right-of-way and necessary permits.
  - b. A list of testing plans (e.g. push/pull test, flicker test, grounding test, etc.).
  - c. An environmental milestone schedule addressing all requisite permits and associated penalties.
- I. Electric Interconnection Path/Plan.
  - a. Defined interconnection plans.
  - b. Protections included to ensure system never injects into the transmission system.
- J. The extent to which the Project utilizes local labor resources to meet Delaware legislative multipliers.

### **5.3.2 QUANTITATIVE EVALUATION PROCESS**

**DEMEC and Middletown will rank and score all Proposals from a cost standpoint. The quantitative screening consists of measuring each Proposal's total cost impact, examples include:**

- A. PPA Rate (\$/MWh) for actual received REPs not based on any legislative multipliers.
- B. System capacity factor.
- C. Production guarantees.
- D. Curtailment rights and included hours to the benefit of DEMEC/Middletown.
- E. Terms for compensation due to curtailment to the benefit of the Respondent.
- F. Terms to reimburse DEMEC or Middletown for failure to perform.

#### 5.4 STEP THREE EVALUATION

Following the STEP TWO evaluation, short-listed Proposals are further evaluated by DEMEC on credit quality, price and non-price factors, and overall Project value. Each Proposal will be scored using both qualitative and quantitative criteria. From the final short list of Proposals, a Selected Respondent and alternate may be identified.

#### 5.5 AWARD

Prior to awarding an opportunity to negotiate an Agreement, DEMEC and Middletown may have discussions with Respondents whose Proposals are under consideration. Respondents may be required to travel to DEMEC's office or other locations for further discussions.

Negotiations arising out of any Proposal may be conducted with any Respondent at DEMEC and Middletown's sole discretion. A Selected Respondent will be expected to enter into an Agreement within a reasonable time period following identification. DEMEC and Middletown will have no obligation to accept any Proposal submitted pursuant to this RFP. Whether, and on what terms, any Proposal is accepted, and negotiations proceed is within DEMEC and Middletown's sole discretion.

#### 5.6 CONTRACTUAL TERMS AND CONDITIONS

Commercial terms and conditions will be negotiated with Respondents selected for this RFP. All Proposals will represent a firm offer to enter into an Agreement on the terms and conditions in this RFP. Additional terms and conditions will be negotiated after Proposal selections are made. Each representation of fact and promise of future performance within a Proposal will be incorporated into the Agreement as a warranty or covenant.

# DEMEC

Delaware Municipal Electric Corporation



## Attachment A

NOTICE OF INTENT TO BID  
(CONFIDENTIAL)

**Due: July 26, 2019**

1) Company Name: \_\_\_\_\_

2) Contact Person Information:

| <b>Contacts</b>         | <b>Primary</b> | <b>Secondary</b> | <b>Tertiary</b> |
|-------------------------|----------------|------------------|-----------------|
| <b>Name</b>             |                |                  |                 |
| <b>Title/Position</b>   |                |                  |                 |
| <b>Mailing Address</b>  |                |                  |                 |
| <b>Telephone Number</b> |                |                  |                 |
| <b>Email Address</b>    |                |                  |                 |

*Add additional information as necessary. Responsible Party signature must be from a contact person in this table.*

3) Responsible Party Signature: \_\_\_\_\_

Submission must be sent to [slynch@demecinc.net](mailto:slynch@demecinc.net) with the subject heading: **DEMEC/Middletown Solar RFP**.



## Appendix B

### RESPONDENT ACKNOWLEDGMENTS

| No. | Acknowledgment   | Initials of Responsible Party<br>detailed in Section 3.3 (F)<br>(ink or electronic signature) |
|-----|--|---|
| 1   | The Respondent will bear all costs associated with the preparation and submission of its Proposal. Neither DEMEC nor Middletown, their affiliates, or any agent of DEMEC or Middletown will be responsible or liable for any costs, regardless of the cost or outcome of the bidding process.  |   |
| 2   | The Respondent is responsible for examining the complete RFP, any subsequently issued RFP addenda, and analyzing all RFP requirements that might affect the cost of the Project or performance of any part of the work to be completed in connection with the Project. Failure to do so will be at the sole risk of the Respondent and no relief will be given for errors or omissions resulting therefrom.  |   |
| 3   | By submitting a Proposal, the Respondent represents that they have read and understood the RFP and are familiar with the local conditions under which the work is to be performed.   |   |
| 4   | By submitting a Proposal, the Respondent certifies that they have not divulged, discussed, or compared their Proposal with other Respondents and have not colluded whatsoever with any other Respondent or parties with respect to their Proposal or other Proposals.  |   |
| 5   | The Respondent is aware that the contents of a selected Proposal may become part of any subsequent contractual Agreements. If DEMEC decides to move forward with a short-list of one or more Respondents, they will negotiate an Agreement with such Respondent that will embody the facts and promised of future performance within the Respondent’s Proposal. In the event negotiations with a Respondent do not, within a reasonable time period, produce a satisfactory Agreement with DEMEC, DEMEC and Middletown reserve the right to terminate those negotiations and pursue other options available to them including, without limitation, entering into negotiations with other parties. Any final Agreement that results from the Proposal evaluation and negotiation process will be subject to approval by the DEMEC Board of Directors. |   |
| 6   | Identification of a selected Respondent or alternate and successfully negotiating an agreement does not constitute a binding Agreement.  |   |
| 7   | The selected Respondent will be required to maintain, at a minimum, standard insurance coverages for workers’ compensation, commercial general, employer and automobile liability, and an umbrella excess liability.   |   |

|          |  |  |
|----------|--|--|
|          | Specific insurance requirements of DEMEC/Middletown will be addressed as part of the evaluation and negotiation of the Agreement.  |  |
| <b>8</b> | Project curtailment instigated by the transmission provider (DPL or its successor) due to energy injection into the transmission system will not accrue costs to DEMEC or Middletown. Also costs to remedy any energy injection issues into the transmission system will be borne solely by the selected Respondent.   |  |
| <b>9</b> | Respondents who submit Proposals do so without legal recourse against DEMEC or Middletown and the directors, management, employees, agents, or contractors of any of the aforementioned individuals, due to (1) DEMEC or Middletown's rejection, in whole or in part, of the Respondent's Proposal; (2) DEMEC or Middletown's rejection, modification, delay or withdrawal, in whole or in part, of this RFP; (3) failure to execute any Agreement; and (4) any other reason arising out of this RFP. DEMEC and Middletown will not be liable to any Respondent or to any other party, in law or equity, for any reason whatsoever relating to DEMEC or Middletown's acts or omissions arising out of or in connection with the RFP process. |  |

## Appendix C

### SITE MAPS

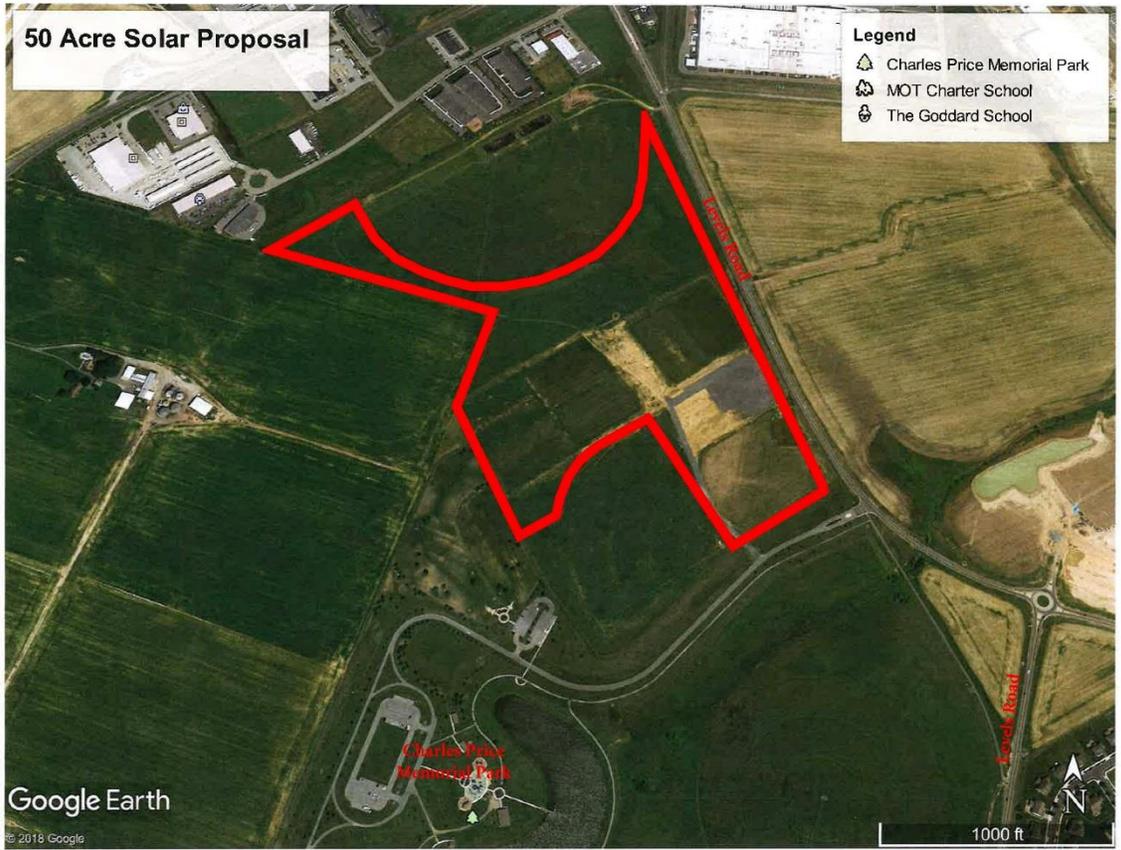
NO SITE STUDIES HAVE BEEN CONDUCTED FOR ANY LOCATIONS. SITE STUDIES WOULD BE THE RESPONSIBILITY OF THE RESPONDENT.

However, Middletown does offer the following about the sites

- Are there any wetlands and/or flood zones that solar will not be able to be built in?
  - No flood zones but a potential wetland on the south side of the entrance into the Price Park but it has not been delineated.
- Will the pump wells and piping be removed and when?
  - The only thing planned to be removed is the spray rig. All other infrastructure will remain unless it directly impacts construction of the project. No timetable for removal has been set as of yet.
- Will the asphalt parking, roads and/or walkways be able to have solar built on top of it?
  - Yes
- Are there any Middletown or other utility (e.g. electric, water, sewer, etc.) easements or other property line setbacks that need to be considered and if so how many feet from each would be needed?
  - There is an 80' wide easement for the planned 138 kV transmission line project running along the west side of Levels Road.

# 50 Acre Solar Proposal

- Legend**
- Charles Price Memorial Park
  - MOT Charter School
  - The Goddard School



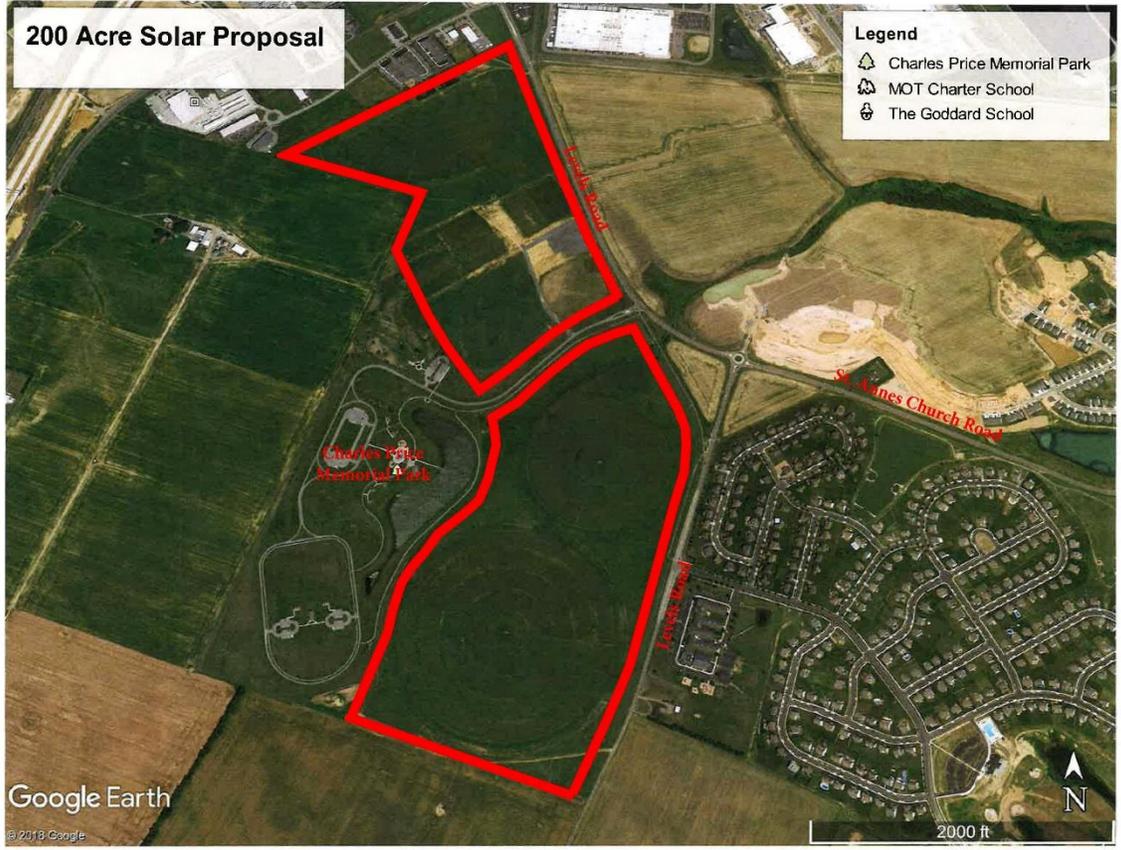
Google Earth

© 2018 Google

1000 ft

# 200 Acre Solar Proposal

- Legend**
- 🌳 Charles Price Memorial Park
  - 🏫 MOT Charter School
  - 🏫 The Goddard School



Google Earth  
© 2018 Google

2000 ft

