

*ROUND 6*

# SREC-BASED FINANCING (SREC-II) PROGRAM RFP OVERVIEW WEBINAR

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MARCH 10, 2017



An Exelon Company

**Jersey Central**  
**Power & Light**

A FirstEnergy Company

 Rockland Electric Company

NAVIGANT

Phones have been muted.

Your phone will remain on mute until the end of the call  
at which point we will host a live Q&A session.

# AGENDA

- RFP Website
- Communications Protocol
- RFP Overview
- Eligibility
- Solicitation Targets
- Bid Application
- Application Submittal Fee
- Transaction Fees
- Developer Caps
- Application Evaluation Process
- Bid Process – Competitiveness
- 5<sup>th</sup> Round Results
- Award Notifications & Process
- How to Participate
- Target Schedule
- Q&A
- Key Contacts

# RFP WEBSITE

RFP documents and details are located at: [www.njsolarprogram.com](http://www.njsolarprogram.com)



## RFP Under the SREC-Based Financing SREC-II Program (“SREC-II”)

### The SREC-II program is designed to purchase SRECs at a competitive, fixed price for up to ten (10) years

#### Program Description

Atlantic City Electric Company, Jersey Central Power & Light Company, and Rockland Electric Company periodically issue RFPs to select solar projects with which to enter into contracts for the purchase of SRECs at fixed price for ten (10) years. If you are ready to install a new Solar PV system, you can participate in this program by responding to the RFPs.

Proposals are solicited under three program segments:

- **Segment 1: Residential/Small Commercial** — Net-Metered residential and small commercial PV projects less than or equal to 50 kW
- **Segment 2: Commercial** — Net-Metered solar PV projects greater than 50 kW up to 2 MW (Note:

#### RFP UPDATES

[Round 5 is now open](#)

October 3, 2016

[Round 4 Results](#)

September 27, 2016



# COMMUNICATIONS PROTOCOL

- Navigant is the Solicitation Manager (SM) for this RFP and is responsible for managing all communications related to the RFP.
- You may submit questions to the SM via:
  - RFP Web site: [www.njsolarprogram.com](http://www.njsolarprogram.com) and click on 'FAQ'; or
  - E-mail: [njsolar@navigant.com](mailto:njsolar@navigant.com)
  - Phone: (201) 503-7732

# RFP OVERVIEW

- **The RFP is soliciting SRECs from eligible solar photovoltaic facilities at a competitive, fixed price for a ten (10) year term**
  - Atlantic City Electric Company, Jersey Central Power & Light Company, and Rockland Electric Company periodically issue RFPs to select solar PV projects with which to enter into contracts for the purchase of SRECs at fixed price for ten (10) years
  - If you are ready to install a new Solar PV system, you can participate in this program by submitting a bid application
    - Participation details and forms can be found here: <https://njsolarprogram.com/how-to-participate/>

# ELIGIBILITY

- **Eligible Projects must:**

- Be located in the service territories of Atlantic City Electric Company, Jersey Central Power & Light Company, and Rockland Electric Company
- Be either residential or non-residential projects
- Be installed on the customer side of the electric meter, and agree to a net metering arrangement with the utility
- Be equipped with a generation meter to measure SREC production
- **Fit within one of the following three (3) segments:**
  - **Segment 1:** Net-metered residential and small commercial solar PV Projects less than or equal to 50 kW (Set-Aside and “Aspirational”)
  - **Segment 2:** Net-metered Projects greater than 50 kW up to 2MW\*
  - **Segment 3:** Grid-supply solar PV Projects conditionally certified or fully certified by the BPU as located on closed landfills, brownfields or areas of historic fill

- **Ineligible Projects include those:**

- Funded or scheduled to be funded by the Customer On-Site Renewable Energy (CORE) rebate program from 2001-2008
- Already interconnected to the grid

*\* the 2 MW cap has been lifted in this Round for Segment 2. Projects may bid in higher than this limit up to the target quantity for each EDC, but must remain within the applicable Developer Caps.*

# SOLICITATION TARGETS

## 39 MW of new solar PV projects are targeted for Round 6

- Below is the breakdown by segment and EDC
- The 2 MW Cap has been lifted for Segment 2 – Developers may bid solar PV projects up to the target quantity for each EDC but must remain below the aggregate Developer Cap

Segment	Target Quantity (kWdc)			
	JCP&L	ACE	RECO	TOTAL
Segment 1 - Residential/Commercial Set-Aside	1,397	388	0	1,785
Segment 1 - Residential/Commercial Aspirational	578	256	0	834
Segment 2 – Greater than 50 kW <b>NO CAP**</b>	15,740	11,463	0	27,203
Segment 3 - Landfill/Brownfield/Historic Fill	5,200	2,300	1,500	9,000
<b>EDC Total Round 6 Solicitation Targets</b>	<b>22,915</b>	<b>14,407</b>	<b>1,500</b>	<b>38,822</b>

\*Segment is for commercial projects only

\*\* No cap up to the target quantity (subject to Developer Caps)



## DEVELOPER CAPS – ACE & JCP&L ONLY

EDC	Segment	Planned (kW DC)	Developer Cap (kW DC)
JCP&L	1	7,800	1,560
	2	39,000	7,800
ACE	1	4,450	890
	2	17,250	3,450

- Developer Caps are applicable to ACE and JCP&L bids only – there are none applicable to RECO
- Developers are limited to no more than 20% of capacity of the program from all solicitations in Segments 1 & 2
  - No developer caps are applicable to Segment 3
- For Segment 1 only, if the program is oversubscribed (bids received exceed the capacity target), then a bidder may be limited to no more than 20% of the capacity awarded in the current Round

# BID APPLICATION

To participate, you must submit a separate bid application for each project. The application is available on the [njsolarprogram.com](http://njsolarprogram.com) website.

- **Request an SRP Number:** Register with the **NJ SREC Registration Program** to obtain an SRP number. You must have this number to participate in the SREC-II program. Visit <https://njcepsolar.programprocessing.com/>
- **Complete a Consolidated Bid Application** with required attachments. See Section 13 of the Bid Application for more information.
- **Develop your price bid.** Since this is a 10-year, fixed price contract, the current SREC spot market price does not reflect a bid price that would be competitive.
- **Pay the application submittal fee** using the online payment portal located at <https://njsolarprogram.com/application-fee/> (see next page for details)
- **Submit your Application:** Email your Consolidated Bid Application before **April 17, 2017 by 5PM Eastern** to [njsolar@navigant.com](mailto:njsolar@navigant.com).

# APPLICATION SUBMITTAL FEE

- Prior to submitting your application, you must pay an application submittal fee using the online payment portal located at <https://njsolarprogram.com/application-fee/>

Segment	Application Fee		
	JCP&L	ACE	RECO
<b>Segment 1</b>	\$25	\$25	\$150
<b>Segment 2</b>	\$50	\$50	\$150
<b>Segment 3</b>	\$150	\$150	\$150

- After you pay, you will receive an email with a confirmation number. This number must be included in your application

# TRANSACTION FEES

The SREC price you will be paid under the agreement will be net of the following fees:

EDC	Fees (\$/SREC)		
	Administrative Fee	Transaction Fee	Total Fees
ACE	\$17.07	\$22.59	\$39.66
JCP&L	\$17.00	\$31.21	\$48.21
RECO	\$30.00	\$39.11	\$69.11

EDC	Example (\$/SREC)		
	Example Price*	Total Fees deducted	Amount paid
ACE	\$165	\$39.66	\$125.34
JCP&L	\$165	\$48.21	\$116.79
RECO	\$165	\$69.11	\$95.89

\*The \$165/SREC example price was used for illustrative purposes only.

# APPLICATION EVALUATION PROCESS

## **The SM evaluates applications as follows:**

1. Review applications for completeness
2. Reject ineligible proposals, and incomplete proposals that have not addressed a noted deficiency
3. Rank bid prices from low to high
4. Apply Appropriate Developer Caps for each segment
5. Conduct analysis to determine competitiveness of pricing
6. Present confidential preliminary findings and recommendations to the EDCs, BPU Staff and Rate Counsel for input
7. Receive input from the EDCs, BPU Staff and Rate Counsel
8. Submit confidential findings and recommendations to the BPU for their consideration

# BID PRICES – COMPETITIVENESS

**Bidders should offer as competitive a price as possible (lowest possible price) in order to maximize your chances for selection**

- Only bids that are found to be competitive will be awarded
- Current SREC spot market prices are not an indication of a competitive price for a long-term 10-year fixed price contract
- When developing your pricing bids please consider:
  - The contract is essentially a fixed price contract for a 10-year period
  - Over time, the SACP prices for the SREC program decline
  - It is typical in markets for long-term fixed price contracts to be priced below spot market prices

# 5<sup>TH</sup> ROUND RESULTS

- **Segment 1 -- Residential and Small Commercial (50 kW and below):**
  - 29 bids were received, totaling 552.43 kW
  - 19 bid awards were made, totaling 271.72 kW
  - 9 bids were rejected because the pricing was found not to be competitive
  - 1 bid was withdrawn after submission
  - The simple average price per SREC in Segment 1 was \$165.00.
- **Segment 2 -- Residential & Small Commercial (Greater than 50 kW):**
  - 12 bids were received, totaling 3,396.92 kW
  - 7 bid awards were made, totaling 1,730.48 kW
  - 5 bids were rejected because the pricing was found not to be competitive
  - The simple average accepted price was \$168.24 per SREC
- **Segment 3 -- Subsection t. Landfills, Brownfields, or Areas of Historic Fill (Up to 5.2 MW):**
  - No bids were received.

# AWARD NOTIFICATIONS

- Final awards are determined by the BPU and memorialized in a Board Order that is issued shortly after the Board meeting
- The SM will notify successful and unsuccessful bidders of the status of their bid after this date
- To secure their award, Bidders **must** submit a cash deposit no later than 14 days after the Board Order approving the awards
  - The cash deposit is \$75 per kW bid
  - The minimum cash deposit per project is \$500 and the maximum is \$20,000
- SREC-PSAs will be executed about 45 days after the date of the Board Order



# HOW TO PARTICIPATE

## To participate in this Solicitation Round, please:

- Review the [RFP Bid Rules](#)
- Register your eligible solar PV projects with the SREC Registration Program ([Registration Instructions](#)) by **4PM on April 3, 2017**
- Complete a [Consolidated Bid Application](#) for each project you intend to submit
- Pay the [Application Fee\(s\) Online](#)
- Submit your completed Bid Application to [njsolar@navigant.com](mailto:njsolar@navigant.com) by **no later than 5:00 PM on April 17, 2017**

***If you have any questions on participating in the RFP process, you may e-mail us at [njsolar@navigant.com](mailto:njsolar@navigant.com) or call us at (201) 503-7732***

# TARGET SCHEDULE

Date	Action
February 24, 2017	Release of RFP for Round 6
March 10, 2017	Optional RFP Overview Webinar (11:00 AM)
April 17, 2017	Consolidated Bid Application due (5:00 PM)
April 24 – May 1, 2017	SM reviews preliminary recommendations with BPU Staff, EDCs and Rate Counsel for input
May 10, 2017	Deadline for any opportunity for input – SM develops final recommendations to the Board
May 15, 2017	SM submits Round 6 recommendations to Board
June 30, 2017	Board Meeting and Written Order
July 3, 2017	Round 6 Final Awards Announced
August 14, 2017 +45 Days following BPU Meeting	Execute SREC PSAs with Round 6 Winners

Phones are now being unmuted for your questions.

You may also submit questions to us via the chat function.

**SOLICITATION MANAGER, NAVIGANT  
CONSULTING, INC.**

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**SPEAKERS ON TODAY'S WEBINAR:**

**DIA DEAN KOUJAK**

ASSOCIATE DIRECTOR, NAVIGANT

# DISCLAIMER

## Important Notice

Any statements in this Webinar presentation describing or referring to RFP-related documents and agreements are summaries only, and are qualified in their entirety by reference to such RFP-related documents and agreements as provided in the following:

- SREC-II Program RFP
- Attachment A: Purchase & Sale Agreement (PSA)
- Attachment B: Consolidated Bid Application