

*ROUND 8*

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

DECEMBER 8, 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

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# RFP WEBSITE

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



# 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

## 42.5 MW of new solar PV projects is targeted for Round 8

- 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
<b>Segment 1 - Residential/Commercial Set-Aside</b>	1,513	868	200
<b>Segment 1 - Residential/Commercial Aspirational</b>	578	256	800
<b>Segment 2 – Greater than 50 kW NO CAP**</b>	20,229	13,239	1,050
<b>Segment 3 - Landfill/Brownfield/Historic Fill</b>	0	2,300	1,500

\*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 (except for affiliates of 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](https://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 Bid Application** with required attachments via the Application Dashboard located at <https://njsolarprogram.com/app-dash/>.
- **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:** Complete your online Bid Application before **January 31 by 5PM Eastern**

# 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	\$145	\$39.66	\$105.34
JCP&L	\$145	\$48.21	\$96.79
RECO	\$145	\$69.11	\$75.89

\*The \$145/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

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

## **Segment 1. Residential and Small Commercial (50 kW and below):**

- 36 bids were received, totaling 455.86 kW
- 28 bid awards were made, totaling 343.00 kW
- 8 bids were rejected because the pricing was found not to be competitive
- The average accepted price per SREC in Segment 1 was \$155.00

## **Segment 2. Residential & Small Commercial (Greater than 50 kW):**

- 12 bids were received, totaling 5,609.78 kW
- 11 bid awards were made, totaling 5,211.60 kW
- 1 bid was rejected because the pricing was found not to be competitive
- The average accepted price per SREC in Segment 2 was \$141.65

## **Segment 3. Subsection t. Landfills, Brownfields, or Areas of Historic Fill (Up to 5.2 MW):**

- No bids were received in this round.

# 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 kWdc 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

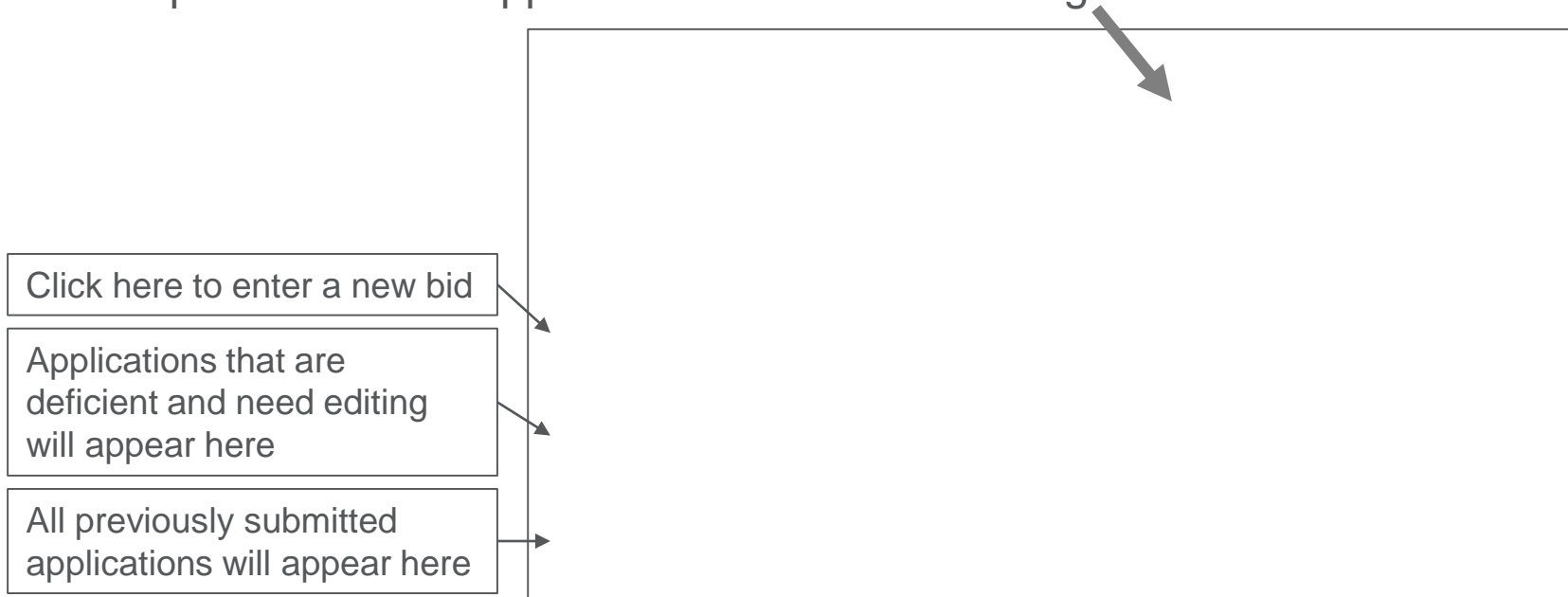
## To participate in this Solicitation Round, please:

- Review the [RFP Bid Rules](#)
- Register your eligible solar PV projects with the SREC Registration Program ([Registration Instructions](#))
- Complete a [Bid Application](#) for each project you intend to submit
- Pay the [Application Fee\(s\) Online](#)
- Submit your Bid Application via the online portal by ***no later than 5:00 PM on January 31, 2018***

***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***

# ONLINE APPLICATION SUBMISSION

- Starting in Round 8, bids are accepted via the online application dashboard only
- In order to access the application dashboard, please click on the 'Register' tab on the RFP website (njsolarprogram.com) and submit the form for your company
  - An e-mail will be sent to the registered e-mail address to confirm your account
  - Upon clicking the confirmation link, your account will become active
- Then proceed to the Application Dashboard and log-in:



# BID APPLICATION FORM



# ATTACHMENTS TO THE BID APPLICATION FORM

- **Required – All Applications:**

- SRP Acceptance Letter (From SRP Administrator)
- SRP Application Materials (As submitted to the SREC Registration Program)
- Customer Acknowledgement (Available in the [Documents](#) section)

- **Required if the Host and Customer are Different Entities:**

- Appendix C to the SREC PSA (Available in the [Documents](#) section)

- **Required for Segment 3 Projects (to be prepared by Bidder):**

- An affidavit with their solicitation Bid Application attesting that all remediation unrelated to the installation or operation of the solar facility has been completed and that no portion of the SREC price bid is attributable to remediation unrelated to the solar facility
- Segment 3 Proponents shall also provide the SM with an itemization of costs related to the “additional cost of constructing and operating a solar electric power generation facility on a brownfield, on an area of historic fill, or on a properly closed sanitary landfill

***The online Bid Application form submittal  
will request you to upload of these attachments, as applicable***

# ADDITIONAL INSTRUCTIONS

- If you submit an application prior to the deadline, but then need to edit the application – please e-mail us at [njsolar@navigant.com](mailto:njsolar@navigant.com)
  - We will return the noted applications to you for further editing
  - Returned applications will appear under the “Action(s) Required” section of the Application Dashboard
  - Please complete your edits and click on “Submit” – you must do this by the Bid Due Date
- The Solicitation Manager will review applications on a rolling-basis for completeness during the pendency of the RFP process
- Applications with noted deficiencies will be returned for correction by no later than the cure deficiency deadline of February 7, 2018
  - Pricing may not be modified after the Bid Due Date
- In this Round, we expect to address any deficiencies well prior to the Bid Due date to eliminate delays in the overall process – we encourage bidders to submit their applications as early as possible for our review

# TARGET SCHEDULE

Date	Action
December 1, 2017	Release of RFP
December 8, 2017	Optional RFP Overview Webinar (11:00 AM)
January 31, 2018	Bid Application due (5:00 PM)
February 12 - 16, 2018	SM reviews preliminary recommendations with BPU Staff, EDCs and Rate Counsel for input
February 26, 2018	Deadline for any opportunity for input – SM develops final recommendations to the Board
February 28, 2018	SM submits recommendations to Board
March or April BPU meeting	Board Meeting and Written Order
1 business day after the March or April BPU meeting	Final Awards Announced
45 days following BPU meeting	Execute SREC PSAs with Awardees

Phones are now being unmuted for your questions.

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

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

WEB SITE: [NJSOLARPROGRAM.COM](http://NJSOLARPROGRAM.COM)

E-MAIL: [NJSOLAR@NAVIGANT.COM](mailto:NJSOLAR@NAVIGANT.COM)

PHONE: (201) 503-7732

**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)