

EVALUATION REPORT

Evaluation Of Proposals Received on February 12, 2016 in Response to Request for Proposals for a Developer of Photovoltaic Systems to be Located on Certain Lands Owned by Delaware Valley Regional High School, Hunterdon County, State of New Jersey



Prepared for:

Delaware Valley Regional High School Board of Education

By:

The Delaware Valley Regional High School Evaluation Team

Dated:

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Executive Summary

This Report is being provided pursuant to the requirements of the competitive contracting provisions of the Public School Contracts Law, specifically, N.J.S.A. 18A:18A-4.1(k); LFN 2008-20, dated December 3, 2008, *Contracting for Renewable Energy Services*; BPU protocol for measuring energy savings in PPA agreements (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines, dated February 20, 2009*); LFN 2009-10, dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements*, and all other applicable law.

The purpose of the Evaluation Report is to provide the Delaware Valley Regional High School Board of Education (hereafter referred to as "DVRHS" or "BOE"), with an evaluation of proposals received for its planned solar project, and to provide a recommendation to the BOE.

The goal of the BOE is to implement a solar energy project that is environmentally responsible, visually appealing and economically beneficial to the BOE. To this end, on December 23, 2015, DVRHS issued a Request for Proposals ("RFP"), as amended, for a Power Purchase Agreement ("PPA") for the purchase by the BOE of electricity generated by a photovoltaic solar energy system ("System") implemented by the successful respondent to the RFP, at its sole cost and expense ("Successful Respondent"), to be located on certain lands owned by Delaware Valley Regional High School, in the County of Hunterdon, State of New Jersey.

The RFP contained a preliminary feasibility assessment performed by the BOE's energy consultant, Gabel Associates, which estimated the technical potential for the System at the BOE's facility. DVRHS sought proposals for a mandatory "Option 1" as set forth in Article II of the RFP, which included a ground-mount system to be developed on specified land at Delaware Valley Regional High School.

Additionally, Respondents were permitted to provide additional proposals based on their own due diligence, feasibility assessments and alternate strategies. Under the RFP, the BOE retained sole discretion to select the proposal option under which the PPA, if any, will be awarded.

As set forth in the RFP, the Successful Respondent and the BOE will enter into a 15 year PPA under which the BOE will purchase electricity produced from the System at a scheduled rate per kWh. Pursuant to law, the PPA price must be lower than the delivered cost of power from the local electric utility company; i.e. Jersey Central Power and Light Company ("JCP&L")¹. This PPA structure provides DVRHS with a reduction in its energy expenditures and minimizes the uncertainty that may result from price increases in the electricity market during the 15-year term of the PPA, in addition to other benefits that may be realized by the school. At the conclusion of the PPA Term, the BOE will have various options for continued operation, all of which are likely to result in significant long term savings for the remaining life of the equipment. The RFP

¹ This requirement is certain to be met in the initial year, and is projected to be met for the term of the agreement using a conservative methodology to estimate future utility prices.

encouraged respondents to include STEM-related educational content as part of their respective solutions.

Pursuant to the RFP, the Successful Respondent will finance, design, permit, acquire, construct, install, operate and maintain the System, all in accordance with the terms set forth on the Successful Respondent's PPA Price Quotation Proposal Forms. The Successful Respondent will also have all ownership rights to the Solar Renewable Energy Credits ("SRECs") generated by the System at DVRHS and will monetize the SRECs.

To evaluate proposals, the BOE organized an evaluation team comprised of school staff, a board member, and supporting legal and energy professionals (collectively, "Evaluation Team"). The Evaluation Team developed the RFP, administered the procurement process (including site visits, RFP amendments, and written Q&A), determined legal completeness and technical compliance of the proposals received, conducted oral interviews with proposing teams, completed a detailed evaluation and proposal ranking, and drafted this consensus Evaluation Report for consideration by the BOE in making an award decision.

DVRHS received proposals from seven (7) solution providers (hereafter referred to as "Respondents") on February 12, 2016 in response to the RFP, including:

- Advanced Solar Products / IGS Solar
- Altus Power America / Dobtol
- Ameresco / EZNergy
- Greenskies
- HESP Solar
- Miller Bros.
- SolarCity

All of the proposals submitted by the above Respondents included Option 1, as required by the RFP. In addition, Solar City provided a second proposal that included a battery storage enhancement with the solar solution (Solar City Option 2). This range of proposals represents an exceptionally strong competitive response to the RFP, resulting from both strong conditions in the NJ solar market as well as the highly attractive nature of the project itself.

Following a legal and technical review, all proposals were considered complete and compliant with the requirements of the RFP.

Based on an initial review, the Evaluation Team presented a summary of proposals received, along with preliminary analysis of economic merit, in closed session to the BOE Board on February 17, 2016. Based on these initial results, the Board gave its approval to proceed with more detailed evaluation. The Evaluation Team then completed oral interviews with five out of seven Respondents: ASP/IGS Solar, Ameresco/EZNergy, Greenskies, HESP and Solar City. Prior to the interviews, Altus/Dobtol requested and was granted permission to be excused from the interviews, but they would continue to be considered based on the information provided in their proposal. Miller Bros did not respond to several attempts to coordinate interviews and follow-up discussion. By failing to provide additional information to the evaluation team, the proposal from Miller Bros

was considered to be non-responsive to the RFP and was removed from the evaluation process. For this reason the Evaluation Team recommends that the Board reject the Miller Bros proposal.

The interviews were followed with detailed technical and financial analysis on all seven proposals (one “option 1” proposal from all six respondents, and a second “option 2” storage proposal from Solar City), formal ranking of the proposals as per the evaluation criteria published in the RFP, and development of this evaluation report.

Evaluation of the proposals was based on point-ranking in a variety of categories, including financial benefits, capability of the Respondent, technical design factors, Respondent experience, and other factors as defined in the Evaluation Matrix included in the RFP². The full Evaluation Team developed a consensus ranking of each proposal within each evaluation category, leading to an overall score for each proposal between 0 and 100. The proposal with the highest score represents the strongest weighted-balance of all factors considered.

Based on information contained within the proposals, and additional information collected during the oral interviews, the Evaluation Team scored all seven proposals in accordance with the evaluation criteria specified in the RFP. Table 1 below summarizes the scores for each respondent:

Table 1: Evaluation of Option 1 Proposals

Respondent	PPA Rate	Annual Escalation Rate	Score
ASP/IGS Solar	\$0.0490	2.00%	92.0
Altus/Dobtol	\$0.0575	1.25%	77.9
Ameresco/EZNergy	\$0.0499	1.99%	89.5
Greenskies	\$0.0680	1.00%	75.4
HESP	\$0.0549	1.90%	78.2
SolarCity – Option 1	\$0.0670	2.00%	81.9
SolarCity – Option 2	\$0.0670	2.00%	81.0

Note: In addition to the PPA rate, Solar City’s “Option 2” proposal included a monthly lease payment for the battery storage system, along with incremental savings due to utility bill demand-charge reductions. These costs and benefits were factored into the economic analysis resulting in savings projections that could be compared fairly to the other proposals.

Economic merit, particularly regarding savings through reduced utility bill payments, were specifically evaluated for each proposal. All proposals provide savings, measured as the difference between the solar PPA rate (and other costs where applicable) and what it would cost to purchase the same electricity from the utility. The strongest ranked proposal (from ASP/IGS) provides savings of approximately \$66,251 in the first year, and a 15-yr Net Present Value of savings of \$807,304.

² In accordance with the Competitive Contracting requirements of the Public School Contracts Law, the Evaluation Matrix was developed by the Evaluation Team prior to the receipt of proposals in response to the RFP.

The Evaluation Team finds that the proposals deliver meaningful savings for the DVRHS district, are competitive with current market practice, and deliver other benefits that are significant. Based on an evaluation of price and other factors, the Evaluation Team recommends award of the project to ASP/IGS team for the 15-yr PPA as proposed. The Evaluation Team also recommends that the Miller Bros proposal be dropped from consideration by being un-responsive to the RFP process.

A preliminary version of this evaluation report was presented to the board for consideration on April 21st, 2016, and reviewed in closed session with the board on April 25th, 2016. The board authorized publication of the Evaluation Report for public review, and public presentation at a subsequent regularly scheduled BOE board meeting.

1. Overview of the RFP

On December 23, 2015, DVRHS issued an RFP for a PPA for the purchase by the BOE of electricity generated by the System to be financed, designed, installed, operated and maintained by the Successful Respondent at the Delaware Valley Regional High School through a third-party ownership arrangement. BOE sought proposals for a mandatory "Option 1" as set forth in Article II of the RFP, which included a ground-mount solar array to be developed on the available land area at the High School.

The Successful Respondent and the BOE will enter into a PPA for 15 years, the maximum duration permitted by State law, under which DVRHS will purchase the electricity produced from the System at a fixed rate per kWh. The PPA rate must be less than the local utility electric tariff. It is anticipated that the Successful Respondent will finance the project through a combination of revenues derived from the sale to the BOE of the electrical output of the System, the sale of NJ Solar Renewable Energy Certificates ("SRECs") in the competitive SREC market, federal tax benefits (i.e. both investment tax credits and accelerated depreciation) and investor capital. At the end of the PPA term, the BOE will have the following three options:

1. Have the System removed at the Successful Respondent's expense; or
2. Renegotiation of an extension of the PPA, if allowable by law; or
3. Purchase the System by the BOE at fair market value ("FMV").

Proposals were to be evaluated on the basis of price and non-price criteria, in accordance with competitive contracting provisions of the Public School Contracts Law, specifically, N.J.S.A. 18A:18A-4.1(k); LFN 2008-20, dated December 3, 2008, *Contracting for Renewable Energy Services*; BPU protocol for measuring energy savings in PPA agreements (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines, dated February 20, 2009*); LFN 2009-10, dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements*, and all other applicable law. Components of the RFP are as follows:

a) Solar Systems Size

A preliminary feasibility assessment was performed by the BOE's energy consultant, Gabel Associates, to identify the technical potential for a solar system at the DVRHS. Based upon this preliminary assessment, the System was estimated to have a total capacity of approximately 1 MW DC. The preliminary system size was capped at no greater than 80% of the total onsite electricity usage. The cap was implemented to ensure that the System would not generate more electricity than was needed in a given year. The RFP required that all proposals not exceed this annual generation cap.

The RFP provided Respondents with twelve months of electric usage data, utility tariff information and cost information for the building.

b) Pricing and Other Commercial Requirements

The RFP required the Respondents to propose a PPA Price, and an annual escalation rate, if any, for a mandatory Option 1 proposal, which provided for a ground-mounted array only. Respondents were free (and encouraged) to provide other proposals that might offer additional value to the school.

In addition, all Respondents were required to provide a price adjustment factor to account for any unforeseen electrical interconnection costs. These adjustment factors provide a controlled way for unforeseen cost changes to be handled after award, if required.

The RFP also specific standard terms that were to be included in the PPA agreement, as well as standard requirements for bonding, insurance, etc.

c) Technical Requirements

The RFP provided Technical Specifications as well as special site conditions as a preliminary guide for the Respondents' proposed System. These Exhibits were to be used as the minimum requirements to satisfy the RFP.

Proposals were required to include the following information about each Respondent:

- Proposal Option 1 - PPA Price Quotation
- Respondent Information/Cover Letter
- Consent of Surety
- Form of Construction Performance Bond
- Agreement for Proposal Security in Lieu of Proposal Bond
- Proposal Bond
- Ownership Disclosure Statement
- Statement of Respondent's Qualifications
- Acknowledgement of Receipt of Addenda
- Disclosure of Investment Activities in Iran
- Non-Collusion Affidavit
- Consent to Investigation
- Affirmative Action Compliance/Mandatory EEO Language
- Proposal Checklist
- Public Works Contractor Certificate (*N.J.S.A 34:11 56.51*)
- Notice of Classification (*RFP Section 4.14*)
- Total Amount of Uncompleted Contracts Form DPMC701 (*RFP Section 4.14*)
- Business Registration Certificate (*RFP Section 4.12*)

e) Evaluation Process

To evaluate proposals, the BOE organized an evaluation team comprised of: Teresa Barna, DVRHS Business Administrator; Geoffrey Stanley, Board Member, Mattie O'Brien, Supervisor of Buildings and Grounds, Michael Gurysh, VP of Math & Science (serving as alternative to the Superintendent, Daria Wasserbach); Ryan J. Scerbo, Esq., of Decotiis, FitzPatrick, & Cole, LLP,

Board Special Energy Counsel; and Mark Warner and Bojan Mitrovic of Gabel Associates (collectively, "Evaluation Team"). The Evaluation Team developed the RFP, administered the procurement process (including site visits, RFP amendments, and written Q&A), determined legal completeness and technical compliance of the proposals received, conducted oral interviews with proposing teams, completed a detailed evaluation and proposal ranking, and drafted this consensus Evaluation Report for consideration by the BOE in making an award decision.

Note: when the RFP process was started, the federal Investment Tax Credit (ITC) was due to expire. A compressed process schedule was developed to ensure the solar project would be completed in time to maximize economic value to the district through full use of the federal ITC. In December, the ITC deadline was extended, thereby removing schedule pressure on the process. The RFP and evaluation process was adjusted slightly to allow better proposal development and a more complete evaluation.

The following milestones summarize the RFP development and evaluation process:

- 11/24/15 – Executed Agreements to Begin The RFP Process
- 12/10/15 – Project Formation Meeting
- 12/23/15 – RFP Issued
- 1/7/16 – Pre-proposal Conference and Site Tours
- 1/14/16 - 2/03/16 – Formal Written Addenda & Q&A Issued
- 1/29/16 – Proposals Received
- 2/17/16 – Preliminary Review with BOE Board in Closed Session, Approval to Proceed into Detailed Evaluation
- 3/14/16 & 4/7/16 – Oral Interviews with Compliant Respondents
- 4/14/16 – Meeting of Evaluation Team To Rank Proposals
- 4/21/15 – DRAFT version of Evaluation Report issued
- 4/25/16 – Review of the Evaluation Report with the BOE Board in closed session
- 5/4/16 – Publication of final Evaluation Report

2. Responses to RFP

DVRHS received proposals from six (6) compliant project development teams in response to the RFP as outlined in Table 2. Each proposal consisted of a team made up of, at a minimum, a project developer (typically the PPA Provider) and an Engineering, Procurement and Construction ("EPC") company. Under this structure, the PPA Provider is responsible for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the Systems. To accomplish this task, the PPA Provider will contract with an EPC contractor to complete the required engineering and construction work.

Table 2: Overview of Proposed Teams

PPA Provider	EPC	Other
IGS Solar Altus Power America *Ameresco *Greenskies *HESP Solar (HESP) SolarCity	Advanced Solar Products* Dobtol* Ameresco Lighton Barrier Electric SolarCity	EZEnergy

* Asterisk indicates the firm responsible for submitting the RFP on behalf of the proposal team ("Respondent") and hereafter referenced as the PPA Provider for the purposes of this evaluation report.

Prior to the interviews, Altus/Dobtol requested, and was granted, permission to be excused from the interviews, but they would continue to be considered based on the information provided in their proposal. Miller Bros did not respond to several attempts to coordinate interviews and follow-up discussion. By failing to provide additional information to the evaluation team, the proposal from Miller Bros was considered to be non-responsive to the RFP and was removed from the evaluation process. For this reason the Evaluation Team recommends that the BOE reject the Miller Bros proposal as non-responsive to the RFP.

The proposals provided all of the necessary documentation as required of Respondents by the RFP. Table 3 provides an overview of the six Respondents that were submitted to the DVRHS.

Table 3: Overview of Received Proposals

Respondent	KW	PPA Rate	Escalation
ASP / IGS Solar	1,033.6	\$0.0490	2.0 %
Altus / Dobtol	1,000.0	\$0.0575	1.25 %
Ameresco	1,033.6	\$0.0499	1.99 %
Greenskies	1,086.0	\$0.0680	1.0 %
HESP	1,036.8	\$0.0549	1.9 %
SolarCity	1,004.4	\$0.0670	2.0 %

Attachment 1 is a detailed summary of the key information from the proposal submitted by each responsive proposing team.

3. Decision Making Strategy and Proposal Evaluation Matrix

Evaluation of the proposals was based on point-ranking in a variety of categories, including financial benefits, capability of the Respondent, technical design factors, Respondent experience, and other factors. The full Evaluation Team developed a consensus ranking of each proposal within each evaluation category, leading to an overall score for each proposal between 0 and 100. The proposal with the highest score represents the strongest weighted-balance of all factors considered.

Economic merit, as determined by projected net savings realized by the project, was a dominant factor in the evaluation. As allowed by Competitive Contracting law, pricing is not the only factor considered in the evaluation. Other considerations, such as risk and design merit, as well as very project specific factors such as curriculum components, are also part of the evaluation. Note that the BOE recognized the value of the solar system as a learning asset for the school, and included criteria specifically related to how different proposals offered value in this area. The strongest ranked proposal is based on a combination of relative economic strength along with these other factors.

The Evaluation Matrix used for proposal ranking, which was also included in the RFP, is as follows:

Category	Evaluation Factor	WEIGHTING
Financial Benefits	NPV of Benefits	40
Capability	Financial Strength	12
	Business Structure and Team	8
Technical Design / Approach	Design Strategy	5
	Meeting Design Goals	5
	O&M Plan and Approach	5
Respondent's Experience	Project Management Approach	5
	Contractor Expertise	5
	Project Experience	5
Solar as A Learning Asset	Displays and Outreach	5
	Curriculum Enhancements	5
Total Proposal		100

The Evaluation Matrix scoring is provided in **Attachment 2**. The following sections of this Evaluation Report provide a review of the evaluation criteria for each Respondent and proposal.

The Evaluation Team discussed how the “Option 2” proposal from Solar City, which included battery based storage that augmented the solar system, should be evaluated. This proposal was identical to Solar City’s mandatory “Option 1” solution, but also included a battery system that would provide active demand reduction for the building. At peak times, the system would provide power from both the solar system and the storage system to reduce peak usage as seen by the utility. Peak usage of electricity is a significant part of the utility bill each month, and use of the storage system allows for controlled reduction of those demand charges. This added benefit comes with additional costs, however, due to an incremental lease payment each month for the battery, in addition to the PPA rate for the purchase of solar electricity. The standard economic analysis was augmented to account for these additional costs and firm demand-reduction savings. The Evaluation Team recognized that economic merit was a primary element of benefit for this Option 2 design, and therefore included this option with all other proposals to be ranked as a single group. The team also considered other non-economic benefits of the storage solution (especially regarding resiliency), but given the relatively small size of the battery (relative to the building’s load), they were not considered significant.

As a result of this methodology, all seven proposals were considered together in a single group, with the modified economic analysis (that accounted for demand reduction savings and incremental costs for the battery) being used to rank proposals for economic merit consistently.

4. Evaluation: Economic Benefits

DVRHS realizes economic benefits from the installation of a solar project through the savings in energy costs realized by purchasing electricity from the solar project through a PPA rather than from the local electric utility.

In calculating energy cost savings for the BOE, Gabel Associates prepared a forecast of the local utility tariff rate for Jersey Central Power and Light (“JCP&L”) and compared it to the PPA rates proposed by each Respondent. The difference between the forecasted utility rate (those components that are no longer paid to the local delivery utility as a result of purchasing solar energy from the solar developer) and the PPA rate is then multiplied by the guaranteed solar output to yield the projected savings in energy costs realized through the installation of the System.

The Gabel Associates’ forecast of the local utility tariff rates is the result of a detailed analysis of the tariff, by component, over the term of the PPA. The BOE currently procures electricity from a competitive third party electric supplier, as part of the ACES purchasing cooperative, and Gabel Associates also considered this when conducting the tariff analysis. This detailed analysis takes into account the following factors:

1. Those components of the utility tariff rate that are not avoided as a result of the solar installation. For example, the customer charge and the major portion of the demand charges (for systems without batteries) are not avoided through the purchase of solar energy generated by the solar systems.
2. The most recent energy market fundamentals (i.e., New York Mercantile Exchange futures, Energy Information Administration long term escalation rates and environmental and RPS programs such as the SREC program) are incorporated to provide the best indication of future energy market prices.
3. The impact on future energy costs of national, state and regional environmental initiatives.
4. The impact that general energy market escalation will have upon long-term energy prices.

All Proposals were evaluated based on the Net Present Value (NPV) of benefits, which recognizes the time value of money and the opportunity cost of capital, to the BOE. To calculate the NPV benefits provided by each Proposal, Gabel utilized the amount of electricity each Respondent’s proposed System would generate (i.e., based on the guaranteed solar production during the term of the PPA). In addition, a 5.0% discount rate was assumed to calculate NPV of benefits. Note that NPV is a function not just of first year PPA rate, and the annual escalator, but also of the size of the System and the fraction of the utility purchase displaced by solar generation. All designs

were limited to no more than 80% displacement as per guidelines provided in the RFP. Gabel Associates' evaluation also assumes an average annual retail electric rate escalation of 3%. The economic evaluation also considered first year savings, and nominal (non-discounted) savings over the 15-year term. Please see Attachment 3 for a summary of the economic analysis.

As noted in Section 3 above, Solar City's Option 2 was also evaluated using the same methodology, as modified to account for the monthly lease payment required and active reduction of monthly demand charges. The analysis assumed that the battery could reduce demand by the full 250KW rating of the storage system, although this is probably optimistic. As noted in the economic results, the inclusion of the battery did not improve economic benefits, since the monthly lease payment was similar in size to the best possible demand reduction benefits.

The Evaluation Matrix weights economic merit at 40 points, which are awarded proportionally based on 15-yr NPV. The proposal with the strongest NPV is awarded the full 40 points for economic merit, and the remaining projects with the group are awarded points in proportion to their savings NPV relative to the best proposal in the group. ASP/IGS Solar had the highest NPV and was awarded the full 40 points. Ameresco had the second best NPV and was awarded 39.5 points.

5. Evaluation: Capability

The capability of each Respondent is considered as indicator for ability to execute on the project, with a focus on three particular risks:

- 1) **Failure to Contract and/or Close Financing:** assessing risks related to successfully achieving contracting, including closure on all needed financing, if awarded. The biggest risks in this case are either inability to reach agreement on standard terms (like performance guarantees or bonding), or a failure to arrange for the necessary PPA financing. This risk is partially addressed by the Proposal Bond.
- 2) **Failure to construct:** Once awarded and contracted, identify risks that could prevent the developer and their EPC contractor from delivering the needed construction, achieving commercial operation as planned. The evaluation already assesses other factors (like project management experience), so the "capability" component is concerned primarily with the credit and cash flow strain associated with construction, or risks associated with potential disputes between the project partners (where there are more than one).
- 3) **Long term viability:** given that this PPA contract will be a 15-year agreement, the financial assessment is intended to determine whether the contracted party will exist to honor their warranties, production guarantees, and O&M responsibilities.

Cutting across all three of these dimensions are not just the financial health of the entities involved, but the structural ownership arrangements. For example, will the contracted party be responsible for the project long term, or are they going to be "flipping" the project soon after execution of the PPA, potentially even before construction is completed? Given operating practice in the current

solar industry, these risks are difficult to assess. In particular, almost all PPAs are implemented through a “Special Purpose Entity”, which is a legal construct used to provide structured ownership of the project. Knowledge about a Respondent’s financial status does not provide direct insight into the health (or risk) associated with the Special Purpose Entities that may ultimately be used by the Respondent to own and operate the project.

Nonetheless, financial information was solicited from all of the Respondents, and this information, combined with public information (where available) and information solicited during the interviews, was used to assess the capability of each respondent, particularly regarding potential risks in implementation.

Of the 20 points allocated to the capability score, there are two sub-categories: 12 points are budgeted to “financing structure”, and the remaining 8 points are based on a more direct assessment of the partnership structure and the financial capabilities of the entities involved (i.e. the development ecosystem).

Within the 12-point financing structure sub-category, there are four “tiers”, with different levels of risk. These tiers are related to the basic financing structure or strategy used for the project. Each tier is worth three points, with each point representing “good”, “better”, or “best” within the given tier. Tiers are as follows (lowest risk to highest risk):

- **Tier One - Regulated Financing:** groups of projects that are financed from a standardized fund, where the funding is backed by regulatory review and rate-based support, typically from a utility or similar entity. This is the lowest risk approach for the host entity. Respondents in this tier would earn 10-12 points, depending on good/better/best evaluation.
- **Tier Two - Large Scale Financing:** large blocks of dedicated funding that support a large number of projects through a standardized framework. Financial support typically includes short term construction debt, tax equity, and long term debt portfolios. These funds are typically raised in large scale (> \$100M) by a publically traded entity, benefit from significant legal and accounting review and internal controls, are subject to the scrutiny of external independent investors. These funding structures have become common practice for the large, typically national (or multi-national) firms that specialize in PPA (or similar) financing. Scale, public accounting and transparency (GAAP-compliant, fully audited financials), and the use of a standardized funding portfolio across a large number of projects are key attributes of this approach. Respondents in this tier would earn 7 - 9 points, depending on good/better/best evaluation.
- **Tier Three – Small Scale Financing:** This financing strategy is arranged “project by project”, or with smaller pools of funding built-up around a known group of projects, but based on a known long term ownership structure. In many cases, projects are held “on the balance sheet” of the developer long term, either with capital or credit-lines already on-hand, or with the support of investors that have already been identified (that have made funding commitments). In most cases, the funding source, and/or the

companies involved, are privately held and not subject to public accounting and disclosure (i.e. reviewed financials, sometimes on a cash-basis). Respondents in this tier would earn 4-6 points, depending good/better/best evaluation.

- **Tier Four - Developer Financing:** the project developer (or EPC contractor) is providing project-specific financing for the PPA, typically on their own balance sheet, but with expectations that additional investors will be brought in at some future point. These projects are higher risk since they frequently must be bundled and re-sold to an outside investor at some future point. The future owner is often unknown. Respondents in this tier would earn 1-3 points, depending on good/better/best.

The remaining 8 points are awarded depending on the complexity of the ecosystem involved in the project, and the financial capability of the firms where known. Respondents typically range along this spectrum depending on how many entities are involved, their respective roles, profitability and financial health of key entities, and the degree of financial information available about each of those entities.

Note that evaluations within this 20-point category address the capability of the entities proposing the project, and do not vary by technical factors involved in the design, pricing, or various options (as long as the options do not involve alternative ownership/financing structures).

Advanced Solar Products /IGS Solar:

IGS is a diversified energy services company operating in numerous states across the country. In addition to their electricity and natural gas business, they have recently started financing solar PPA projects. They are relatively new to NJ, but have financed over 20MW of projects across the country, including eight solar PPA projects in NJ (including several schools or other public entities) with other projects pending. They are a privately held family owned company, founded in 1989. They present UN-audited consolidated financials for the 12-month period ending June 2015. They indicate that they intend to construct the project on balance sheet, with eventual transfer to a wholly owned holding unit for long term operation. There are no conditions precedent related to financing, and represent that financing of the project has already been pre-approved by the company's private shareholders. They are considered a strong Small Financing Tier Three entity due to the fact that they are privately held and the scale of their financing fund compared with other Respondents, and were awarded 6 points for financing structure.

The project team, and capability of the project team, is considered strong and of typical form. Advanced Solar Products is one of the most experienced solar companies in the state, with significant experience working with public entities and schools in NJ. Leighton industries will be serving as the electrical sub-contractor, and they also have significant solar experience. This project team combines strong local experience with the financial backing of a diversified national company, and was awarded 7 points for Team Capability.

Financing Structure: 6 points
Team Capability: 7 points
Total Points: 13 points

Altus / Dobtol:

Altus Power is a private “YieldCo” that invests in solar energy generation projects. They are funded by GSO Capital Partners, a BlackStone group company. Investment in solar energy projects, and related activities (like SREC sales) is the primary focus of the company. They represent that they have nearly \$300M in equity and debt support for solar energy projects, and they have completed solar projects in NJ and other states. Altus and Dobtol (serving at the EPC contractor) both have significant track record building solar projects in NJ.

However, this proposal team did not provide the company financial information requested in the RFP. They also asked to be excused from the interview process, and the Evaluation Team did not have the opportunity to ask questions or request additional substantiating information to assist with the evaluation. This creates additional uncertainty about the proposing team. This lack of information was a significant factor in the capability ranking of the Altus/Dobtol team.

Altus provides for a third tier approach to solar financing (small scale structured financing), but was awarded 4 points in that category due to the lack of substantiating information. As noted, although both companies have a good track record in NJ, the Evaluation Team was unable to assess the team structure in more detail. They were awarded 5 points in the Team Capability category.

Financing Structure:	4 points
Team Capability:	5 points
Total Points:	9 points

Ameresco/EZ Energy:

Ameresco is a large public company that provided audited, GAAP compliant financials. They manage a large structured finance fund for both renewable energy and energy efficiency projects, and have significant experience and track record with long term energy performance contracting. There are significant internal controls and governance for project financing commitments, independent auditing and financial review, and reporting consistent with their operation as a publicly held company. PPA financing for the project is in place and approved, and they have access (if needed) to construction financing lines already in place. Their business is highly diversified, which helps reduce long term risk. They are considered a Large Scale Tier Two financing entity, and were awarded 9 points for financing structure.

The project team, and capability of the project team, is considered strong and of typical form. EZ Energy has a strong NJ presence with significant experience with NJ school projects, combined with the financial backing of a large public financing entity. They were awarded 6 points for Team Capability.

Financing Structure:	9 points
Team Capability:	6 points
Total Points:	15 points

GreenSkies/Leighton:

GreenSkies is relatively new to NJ, but has a strong track record in other states. They are a privately held company presenting audited GAAP compliant financials. They arrange financing for their PPA projects through structure finance arrangements, and have the backing of a diverse group of financial partners. They represent that financing for the project, and construction financing if it becomes necessary, is already approved and available. The PPA fund for the project is approximately \$100M, of which about \$93M is available for project use. They are considered a strong Small Financing Tier Three entity due to the fact that they are privately held and the scale of their financing fund compared with other Respondents, and were awarded 6 points for financing structure.

The project team, and capability of the project team, is considered strong and of typical form. Leighton has a strong NJ presence with significant experience with NJ school projects, combined with the financial backing of GreenSkies as the financing entity. They were awarded 6 points for Team Capability.

Financing Structure:	6 points
Team Capability:	6 points
Total Points:	12 points

HESP/Barrier:

HESP is a privately held company presenting cash-basis reviewed financials with limited disclosures. Projects are held on balance-sheet with the intention of long term ownership, with investor backing provided on an as needed basis. HESP represents that both the PPA financing and construction lines (if needed) are approved and available for immediate use for the project. While the financing structure of HESP is strong and consistent with typical structured finance arrangements, they are a relatively small private entity with less transparent financial reporting. They are considered a Small Financing Tier Three entity, and were awarded 5 points for financing structure.

The project team, and capability of the project team, is considered strong and of typical form. Barrier Electric has a strong NJ presence with significant experience with NJ school projects, combined with the financial backing of HESP as the financing entity. They were awarded 6 points for Team Capability.

Financing Structure:	5 points
Team Capability:	6 points
Total Points:	11 points

SolarCity:

SolarCity is a large publicly traded corporation (NASDAQ:SCTY), providing audited financial statements for 2015. Although the proforma financials of SolarCity show losses, they are a public company that has raised substantial standardized funds that have been used to support thousands

of solar projects nationally. GAAP compliance forces extended recognition of revenue for financed solar projects, which is common across solar financing companies.

SolarCity has raised more than \$9 billion in solar PV projects through large credible sources. Based on publically available information, as well as information provided in the RFP response and during oral interviews, SolarCity has provided sufficient financial information and an adequate finance package.

Based on this information SolarCity is considered a Tier Two structure of typical form. SolarCity is an integrated developer with most development and construction functions handled in-house. This highly integrated approach results in them receiving 8 points in the Team Capability category.

Financing Structure:	8 points
Team Capability:	8 points
Total Points:	16 points

6. Evaluation: Technical Design/Approach

The evaluation of the technical design/approach has several criteria including:

- Design Strategy;
- Meeting Design Goals; and,
- O&M Plan and Approach.

The Design Strategy section evaluates the compliance of major system components in Respondent's Proposal with respect to the technical specifications in the RFP. A table including System Component, Manufacturer and compliance is provided for each Respondent.

The Meeting Design Goals section compares how each Respondent's Proposal complied with the System layout, size and production as specified in the RFP. This section includes a table for each Respondent showing their system size, estimated production, guaranteed production and guaranteed percentage displacement.

The O&M Plan and Approach section looks at the overall approach in maintaining the system during the term of the PPA as well as Respondent's ability to respond during emergency and non-emergency events.

a) Design Strategy

Advanced Solar Products / IGS Solar:

The Evaluation Team reviewed ASP/IGS Solar's proposed equipment and verified compliance to specifications are as follows:

ASP: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Hanwha 330W	Yes
Inverters	Solectria String Inverters	Yes
Racking System	RBI Solar	Yes
DAS	Solar-Log	Yes

ASP/IGS Solar confirmed during their oral interview the use of Tier 1 materials, either those listed above or equivalent.

ASP/IGS Solar provided design strategies and equipment selection in compliance with the RFP and consistent with industry practice, and as such ASP/IGS Solar was awarded the maximum points for this category.

Altus / Dobtol:

The Evaluation Team reviewed Altus/Dobtol’s proposed equipment and verified compliance to specifications are as follows:

Altus/Dobtol: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Canadian Solar CS6X	Yes
Inverters	SMA String Inverters	Yes
Racking System	AET Rayport	Yes
DAS	Draker	Yes

At their own request, the Altus/Dobtol team did not participate in the oral interviews, and this evaluation was based exclusively on information provided in their written proposal. Not all aspects of the proposal could be verified by the evaluation team.

Altus/Dobtol provided design strategies and equipment selection that appear to be compliant with the RFP and consistent with industry practice, and as such was awarded the maximum points for this category.

Ameresco:

The Evaluation Team reviewed Ameresco's proposed equipment and verified compliance to the specifications are as follows:

Ameresco: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Canadian Solar CS6X320P 320W	Yes
Inverters	Solectria 3-Phase String inverters	Yes
Racking System	Patriot, Genmounts, Game Change, RBI Racking	Yes
DAS	SMA or AlsoEnergy	Yes

Ameresco confirmed during their oral interview the use of Tier 1 materials, either those listed above or equivalent.

Ameresco provided design strategies and equipment selection in compliance with the RFP and consistent with industry practice, and as such Ameresco was awarded the maximum points for this category.

Greenskies:

The Evaluation Team reviewed Greenskies' proposed equipment and verified compliance to the specifications are as follows:

Greenskies: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Trina Solar TSM-PD-14 315W	Yes
Inverters	Solectria String Inverters	Yes
Racking System	DCE Solar (contour following)	Yes
DAS	Deck	Yes

Greenskies confirmed during their oral interview the use of Tier 1 materials, either those listed above or equivalent.

Greenskies provided design strategies and equipment selection in compliance with the RFP and consistent with industry practice, and as such Greenskies was awarded the maximum points for this category.

HESP Solar:

The Evaluation Team reviewed HESP Solar's proposed equipment and verified compliance to the specifications are as follows:

HESP Solar: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Canadian Solar CS6X-320P 320W	Yes
Inverters	Solectria Central Inverter	Yes
Racking System	Patriot Solar	Yes
DAS	Locus Energy	Yes

HESP Solar confirmed during their oral interview the use of Tier 1 materials, either those listed above or equivalent.

HESP Solar provided design strategies and equipment selection in compliance with the RFP and consistent with industry practice, and as such HESP Solar was awarded the maximum points for this category.

SolarCity:

The Evaluation Team reviewed SolarCity's proposed equipment and verified compliance to specifications are as follows:

SolarCity: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Trina Solar TSM-310-PD14 310W	Yes
Inverters	Solectria String Inverters	Yes
Racking System	RBI Solar	Yes
DAS	Solar City Power Guide or Deck or equivalent	Yes

SolarCity confirmed during their oral interview the use of Tier 1 materials, either those listed above or equivalent.

SolarCity provided design strategies and equipment selection in compliance with the RFP and consistent with industry practice, and as such SolarCity was awarded the maximum points for this category.

b) Meeting Design Goals

Advanced Solar Products / IGS Solar:

The Evaluation Team compared the proposed system size of 1,033.56 kW dc with the conceptual site plan layout that was provided as part of the RFP. The layout proposed by ASP/IGS Solar was consistent with the layout provided in the RFP.

The output of the ASP/IGS Solar's proposed System is guaranteed at 1,205,836.20 kWh, which also represents 90% of the expected total system output. ASP/IGS Solar provided the PVWatts calculations for the System substantiating the production calculations. Below is a review of the proposal.

Proposal Option	Total System Size (kW)	Expected Total System Output (kWh)	Guaranteed Total System Output (kWh)	Guaranteed Percent Displacement
Option 1	1,033.6	1,339,818	1,205,836	71.8%

The ASP/IGS Solar team's approach satisfies the requirements of the RFP and is consistent with industry practice, and it was awarded the maximum number of points for this category.

Altus/Dobtol

The Evaluation Team compared the proposed system size of 1,000 kW dc with the conceptual system size that was provided as part of the RFP. No additional layouts were included in the proposal.

The Altus/Dobtol's proposed System has a guaranteed output of 1,178,144 kWh, which also represents 90% of the expected total system output. Altus/Dobtol provided PVWatts calculations for the System substantiating the production calculations. Below is a review of the proposal.

Proposal Option	Total System Size (kW)	Expected Total System Output (kWh)	Guaranteed Total System Output (kWh)	Guaranteed Percent Displacement
Option 1	1,000	1,309,049	1,178,144	70.1%

The Altus/Dobtol's approach satisfies the requirements of the RFP and is consistent with industry practice, and it was awarded the maximum number of points for this category.

Ameresco:

The Evaluation Team compared the proposed system size of 1,033.6 kW dc with the conceptual site plan layout that was provided as part of the RFP. The layout proposed by Ameresco was consistent to the layout provided in the RFP.

The Ameresco proposal was inconsistent regarding the guaranteed performance level, but they confirmed in follow-up to the oral interviews that they could support the 90% guarantee without changes to any other aspect of the proposal. The Ameresco's proposed System has a guaranteed output of 1,211,765 kWh, which represents 90% of the expected total system. Ameresco provided the PVWatts calculations for the System substantiating the production calculations. Below is a review of the proposal.

Proposal Option	Total System Size: (kW)	Expected Total System Output: (kWh)	Guaranteed Total System Output: (kWh)	Guaranteed Percent Displacement
Option 1	1,033.6	1,346,406	1,211,765	72.1%

The Ameresco team's approach satisfies the requirements of the RFP and is consistent with industry practice, and it was awarded the maximum number of points for this category.

Greenskies:

The Evaluation Team compared the proposed system size of 1,086.6 kW dc with the conceptual site plan layout that was provided as part of the RFP. The layout proposed by Greenskies was consistent to the layout provided in the RFP.

The Greenskies' proposed System has a guaranteed output of 1,342,000 kWh, which also represents 93.4% of the expected total system output. Greenskies provided the PVSYST calculations for the Systems substantiating the production calculations. Below is a review of the proposal.

Proposal Option	Total System Size (kW)	Expected Total System Output (kWh)	Guaranteed Total System Output (kWh)	Guaranteed Percent Displacement
Option 1	1,086.6	1,436,000	1,342,000	76.9%

The Greenskies team's approach satisfies the requirements of the RFP and is consistent with industry practice, and it was awarded the maximum number of points for this category.

HESP Solar:

The Evaluation Team compared the proposed system size of 1,036.8 kW dc with the conceptual site plan layout that was provided as part of the RFP. The layout proposed by HESP Solar was consistent to the layout provided in the RFP.

The output of HESP Solar's proposed System is guaranteed at 1,211,280 kWh, which also represents 90% of the expected total system output. HESP Solar provided the PVWatts calculations for the Systems substantiating the production calculations. Below is a review of the proposal.

Proposal Option	Total System Size (kW)	Expected Total System Output (kWh)	Guaranteed Total System Output (kWh)	Guaranteed Percent Displacement
Option 1	1,036.8	1,345,867	1,211,280	72.1%

The HESP team's approach satisfies the requirements of the RFP and is consistent with industry practice, and it was awarded the maximum number of points for this category.

SolarCity:

The Evaluation Team compared the total system size for Option 1 and Option 2 with the conceptual site plan layout that was provided as part of the RFP. The layout was consistent to the layout provided in the RFP. Please note that the system size for both options is identical at 1004.4 kW dc, and the only difference is an addition of a battery storage in Option 2. The storage system was estimated at 250 kW / 500 kWh.

The SolarCity's proposed Option 1 and Option 2 systems have a guaranteed output of 1,340,474 kWh, which also represents 100% of the expected total system output. SolarCity provided the PVSyst calculations for each system substantiating the expected production calculations. SolarCity

provided a 100% guarantee without weather adjustment which was greater than what was required by the RFP. Below is a review of the proposal.

Proposal Option	Total System Size (kW)	Expected Total System Output (kWh)	Guaranteed Total System Output (kWh)	Guaranteed Percent Displacement
Option 1	1,004.4	1,340,474.48	1,340,474.48	79.8%
Option 2	1,004.4	1,340,474.48	1,340,474.48	79.8%

Because SolarCity provides a 100% guarantee, the guaranteed system output and expected production rate of the System are identical and acceptable.

The SolarCity team’s approach satisfies the requirements of the RFP and is consistent with industry practice, and it was awarded the maximum number of points for this category.

c) Operations and Maintenance Plan and Approach

ASP/IGS Solar:

Advanced Solar Products (ASP) will provide operations and maintenance service for ASP/IGS Solar Team. Emergency response time is within 24 hours and will be handled by ASPs staff located in Flemington, NJ. Other maintenance activities include regular system check-ups and grass mowing under the solar panels. ASP/IGS Solar was awarded the maximum number of points for this category.

Altus/Dobtol

Dobtol will be providing the operations and maintenance as well as emergency responses. No additional information regarding the maintenance plan was available as Altus/Dobtol elected to be excused from the interview process. However, based on evaluation team’s prior experience with Dobtol and their capabilities, the team was awarded the maximum number of points for this category.

Ameresco:

EZNergy will provide operations and maintenance service for Ameresco. Maintenance response time for normal calls is within 24 hours and emergency maintenance response is within 4 hours of a call. Ameresco may consider other operations and maintenance providers, but will ensure similar requirements and safety standards. Ameresco was awarded the maximum number of points for this category.

Greenskies:

Greenskies has used DECK Monitoring in the past and is transitioning to an in house SAP-driven monitoring system for all their solar projects. This transition is expected to be complete by mid-2016. Greenskies will be providing the operations and maintenance, and emergency responses

through its internal personnel based in Hoboken, NJ. Green Skies was awarded the maximum number points for this category.

HESP Solar:

Barrier will be the operation and maintenance provider for this project. Barrier is locally based and would be servicing the systems from its Bayonne, NJ offices and would anticipate a minimum of two service inspections per year. In addition, HESP discussed having its interests aligned with the BOE in wanting to ensure the system was operating at peak performance at all times. HESP was awarded the maximum number of points for this category.

SolarCity:

SolarCity has a command center for all solar projects located within its solar headquarters in San Mateo, California. The command center provides for 24-hour support. SolarCity will be providing the operations and maintenance internally through its Cranbury, NJ operations center. SolarCity has local maintenance teams available to service systems and will respond to events upon notification. SolarCity was awarded the maximum number points for this category.

7. Evaluation: Respondent Experience

Each Respondent was evaluated on approach and experience, which includes the following:

- Project Management Approach;
- Contractor Expertise; and,
- Project Experience.

a) Project Management Approach

ASP/IGS Solar:

IGS is the power purchase agreement provider and will finance, maintain and operate the System during the fifteen (15) year term of the PPA with the BOE through a third-party ownership structure. IGS has partnered with Advanced Solar Products, a local New Jersey company to serve as the EPC and project manager, would provide permitting, environmental compliance, and construction of the Systems.

The project team would hold regular project updates and weekly meetings and would maintain continuous communication with the BOE and its representatives. This includes, but is not limited to, identification of lay-down areas, trailers, project scheduling changes and manpower work hours. The project team recognized the need to work with the school's Construction Administrator, and the special requirements associated with working in a NJ public school.

ASP has significant experience managing solar PV projects for public schools in New Jersey. IGS as a large national company, has experience working with public schools in other states, and some experience with public projects in NJ. For that reason, ASP/IGS was awarded five out of a possible five points for this category.

Altus/Dobtol

Altus and Dobtol are both experienced solar solution providers in the state of NJ, including significant work on public schools. However, details of their project management plan could not be confirmed during oral interviews, and so the Altus/Dobtol team were awarded four out of a possible five points for this category.

Ameresco:

Ameresco is the power purchase agreement provider and will finance, own, maintain and operate the System during the fifteen (15) year term of the PPA with the BOE. Ameresco has partnered with EZNergy, a local New Jersey company, to provide the required DMPC certifications for public works jobs in the state of New Jersey.

Dan Russo Electric and Spark Electric, under contract by Ameresco serving as the EPC and project manager, would provide permitting, environmental compliance, and construction of the Systems.

The project team would hold regular project updates and weekly meetings and would maintain continuous communication with the BOE and its representatives. This includes, but is not limited to, identification of lay-down areas, trailers, project scheduling changes and manpower work hours. The project team recognized the need to work with the school's Construction Administrator, and the special requirements associated with working in a NJ public school.

While EZNergy has significant experience managing solar PV projects for public schools in New Jersey, Ameresco's experience with public schools in New Jersey is primarily in the non-solar sector. For that reason, Ameresco was awarded four out of a possible five points for this category.

Greenskies:

GreenSkies is the power purchase agreement provider and will finance, own, maintain and operate the System during the fifteen (15) year term of the PPA with the BOE. GreenSkies has significant solar experience in several other states, but relatively limited experience in NJ. Projects in NJ to date have been limited to large chain clients like Target and Walmart, but limited experience with public projects.

Lighton Industries, a well establish full service commercial solar energy company, will be contracted by Greenskies, and will serve as project manager, electrical engineer, installer, and operations and maintenance firm. Lighton has significant experience with solar in NJ, including with larger public projects.

The project team would hold regular project updates and weekly meetings and would maintain continuous communication with the BOE and its representatives. This includes, but is not limited to, identification of lay-down areas, trailers, project scheduling changes and manpower work hours. The project team recognized the need to work with the school's Construction Administrator, and the special requirements associated with working in a NJ public school.

Greenskies indicated that the designs for the systems would either be done in-house or sent to an outside design firm. If Greenskies were to use an outside design firm, all documentation would be reviewed by their in-house design team.

Balancing the experience of Leighton in NJ, with the extremely limited track record of GreenSkies with NJ public projects, this project team was awarded three points out of a possible five points for this category.

HESP Solar:

HESP Solar, LLC is a recently formed (November 2014), privately held solar financier and PPA provider that would finance, maintain and operate the System during the fifteen (15) year term of the PPA with the BOE through a third party ownership structure.

Barrier Electric (Barrier), a well establish full service commercial solar energy company, will be contracted by HESP, and will serve as project manager, installer, and operations and maintenance firm. HESP Solar, LLC is planning on outsourcing the design of the systems to Pure Power

Engineering. Barrier will manage the project locally from their New Jersey offices located in Bayonne. Barrier highlighted their approach to overcoming project obstacles with a focus on safety, long-term feasibility, and communication. Barrier has experience with similar projects in size and scope, and they have many public school references.

The project team would hold regular project updates and weekly meetings and would maintain continuous communication with the BOE and its representatives. This includes, but is not limited to, identification of lay-down areas, trailers, project scheduling changes and manpower work hours. The project team recognized the need to work with the school's Construction Administrator, and the special requirements associated with working in a NJ public school.

Although staff (and principals) at HESP have experience with solar with prior companies, HESP as an operating entity has a relatively short track record. Balancing the strength of Barrier, with the relatively short operating experience of HESP, this project team was awarded four points out of a possible five points for this category.

SolarCity:

SolarCity will manage the solar project in-house and will use subcontractors where needed. It will perform and supervise all activities directly related to the development and installation of the project. SolarCity provided a detailed and sound project management approach and related experience in its RFP response and at the oral interview. SolarCity is a large national operation with experience based on a very large base of projects across a wide variety of clients and jurisdictions. It has a well staffed operation physically based in NJ. It makes use of an integrated model that supports most functions in-house, or under close supervision. For these reasons, SolarCity was awarded five points out of a possible five points for this category.

b) Contractor Expertise

The Contractor Experience category focuses specifically on the EPC subcontractor within the project team, and their experience with solar, work in NJ, and work with public entities.

ASP/IGS Solar:

Advanced Solar Products was indicated by the ASP/IGS Solar's team as their preferred EPC contractor. ASP is one of the oldest NJ-based solar EPC companies in continual operation. It has extensive solar industry experience that includes installation of over 250 PV systems throughout the country, 90% of them in New Jersey. As indicated during the interview, all project development including design and procurement will be done in-house. On the other hand, most of construction work will be completed by ASP's sub-contractor Lighton Industries. Lighton Industries is one of the leading general contractors in NJ that worked successfully with ASP in the past. Based on extensive solar experience of all contractors, ASP/IGS Solar team was awarded five out of five points for this category.

Altus/Dobtol

Dobtol Construction LLC, was indicated as the EPC contractor that will provide engineering, construction and operation and maintenance for the project. Dobtol is a well-established contractor with a large number of both commercial and public solar installations. Based on Dobtol's prior experience and track record, the Altus/Dobtol team was awarded five out of the five possible points for this category.

Ameresco:

EZEnergy, the EPC contractor indicated by Ameresco has over 40 MW of installations in NJ. While Ameresco will finance the project, EZEnergy will primarily be involved in project development. The construction portion of the project will be provided by Dan Russo Electric and Spark Electric – two local electrical contractors. Dan Russo Electric will be performing the installation of racking and solar panels along with all of the DC wiring up to and in the inverter. Spark Electric will perform the AC wiring from the inverter to the buildings electrical system. EZEnergy was identified by Ameresco as the designated O&M provider. Based on the extensive experience of all sub-contractors indicated in the Ameresco's proposal, the Ameresco team was awarded five out of the five possible points for this category.

Greenskies:

Lighton Industries, the EPC contractor indicated by Greenskies as their preferred EPC contractor for this project, is a well-established electrical contractor in New Jersey. Lighton Industries has extensive solar industry experience and will serve as the solar project manager overseeing all engineering and procurement, the Electrical Engineer of record, and will serve as the local subcontractor who will install, operate, maintain and repair the solar system. Greenskies was awarded five out of the five possible points for this category.

HESP Solar

Barrier, the EPC contractor indicated by HESP Solar as their preferred EPC contractor for this project, is a well-established electrical contractor in New Jersey. Barrier has extensive solar industry experience and will serve as the solar project manager overseeing all engineering and procurement, the Electrical Engineer of record, and will serve as the local subcontractor who will install, operate, maintain and repair the solar system. HESP was awarded five out of the five possible points for this category.

SolarCity:

SolarCity will manage the solar project in-house and will use subcontractors where needed. Engineering, project design, as well as all installations will be provided from local staff located in their Cranbury, NJ regional operations center. It was indicated during the interview that subcontractors may be utilized for electrical work only. Based on the proposal's review and the team's prior performance, SolarCity was awarded the maximum number of points (5) for this category.

c) Project Experience

ASP/IGS Solar:

Advanced Solar Products is one of the most experienced solar contractors operating in NJ, with extensive experience in a wide variety of projects. They have a large portfolio of completed projects within NJ public schools. IGS has over 20MW of projects installed throughout the country, including both commercial and public projects in NJ. Given this joint track record, the ASP/IGS team was awarded four out of the possible five points.

Altus/Dobtol

Altus and Dobtol are both experienced solar solution providers in the state of NJ, including significant work on public schools. However, details of their experience could not be discussed or confirmed during oral interviews, and so the Altus/Dobtol team were awarded four out of a possible five points for this category.

Ameresco:

Ameresco's proposal provided a list of large utility-scale solar references. They included:

- Massachusetts Department of Transportation, MA
- Fisher Road Solar 1, MA
- City of Lowell, MA
- Adelphi & New Carrollton, MD
- Fort Detrick, Frederick, MD

EZNergy has completed over 55 School installs in the State, and completed 100 rooftop installs, including approximately 70 kW of installed solar in 2015. An extensive list of their completed projects was included in their Proposal. EZNergy completed projects at:

- Barringer High School
- East Dover Elementary School
- Intermediate East School
- Intermediate South School
- Jackson Municipal Authority
- Village Elementary School

The Ameresco team has demonstrated a wide array of experience with both utility-scale projects and commercial installations. While EZNergy has experience with New Jersey school district solar projects, Ameresco's experience in solar has been primarily with commercial installations outside of New Jersey, therefore Ameresco is awarded three out of the five possible points for this category.

Greenskies:

Greenskies' proposal provided a list of large utility-scale solar references. They included:

- Target Corporation
- Walmart,
- Antares Solar Farm, CT
- Wesleyan University, CT

Lighton Industries has completed several school installations in New Jersey, an extensive list of their completed projects was included in their Proposal. Lighton Industries completed projects at:

- Toms River School District, Toms River, NJ (7 Schools)
- Lawrenceville Prep School, Lawrenceville, NJ
- Raritan Center, Edison, NJ
- Costco, Manahawkin, NJ

The Greenskies team has demonstrated a wide array of experience with both utility-scale projects and commercial installations. While Lighton Industries has experience with New Jersey school district solar projects, Greenskies' experience in solar has been primarily with commercial installations outside of New Jersey, therefore Greenskies is awarded three out of the five possible points for this category.

HESP Solar

HESP Solar is a relatively new company (Nov 2014), but under a former company name the principals have been involved in the implementation of over 126 projects successfully in the past 4 years totaling over 30 MW for commercial and municipal properties. HESP provided two project references completed in New Jersey and a reference to 7 various school projects located in Pennsylvania.

The following list represents a sample of the projects developed and installed by Barrier:

- Bayonne Board of Education, Bayonne, NJ
- North Bergen Board of Education, North Bergen, NJ
- Toms River Board of Education, Toms River, NJ (13 Schools)
- Rutgers College Livingston Campus, Livingston, NJ

HESP and Barrier demonstrated project experience with respect to similar types of projects. However, HESP was only recently formed in November 2014, and while the principals of HESP were involved in the project references provided, the projects were completed under the direction and management of another entity. The HESP team's overall project experience is therefore more limited than the other respondents, and receives two points out of the five possible points for this category.

SolarCity:

As of December 31, 2014 SolarCity has deployed a cumulative 1.096 GW of PV systems including more than 400 schools. SolarCity provided a list of several project references completed nationally which included the following:

- BJ's Wholesale (New Jersey)
- Millbrook School (Millbrook, NY)
- SUNY Cortland College (Cortland, NY)
- Onondaga County (Clay NY)
- City of New Britain (New Britain, CT)
- Queen Anne's County Board of Education (Grasonville, MD)

SolarCity demonstrated extensive project experience with respect to similar types of projects, number of projects and years of experience. They have a more modest, but growing experience base with solar construction in NJ. Given the exceptionally large national experience base, and the shared experience of project participants across states SolarCity received five points out of the five possible points for this category.

8. Evaluation: Solar as a Learning Asset

The BOE recognized that the solar system could serve as a significant asset for enhancing student learning and community engagement. Solar energy systems are particularly helpful for supporting enhanced curriculum and project work for STEM programs. The RFP encouraged respondents to highlight educational content as part of their proposal. The Evaluation Team assessed the merit of this educational content by considering the value of displays and outreach programs (5 points), as well as specific content for enhancing curriculum (5 points).

ASP/IGS Solar:

ASP and IGS both offered compelling educational content as part of their proposal. The solution will include a flat screen display inside the building, and a competitive web-based platform for displaying and accessing system performance information. During oral interviews, the team elaborated on significant event and outreach support for the district as part of the project. The ASP/IGS team was awarded five points, out of a possible five points, for this category.

The ASP/IGS team also included significant, already developed, curriculum content for use by the district. The ASP/IGS team was awarded five points, out of a possible five points, for this category.

Altus/Dobtol

The Altus/Dobtol described educational content as part of their proposal. The solution will include a flat screen display inside the building, and a competitive web-based platform for displaying and accessing system performance information. This team did not participate in oral interviews, and details about outreach were not available. The Altus/Dobtol team were awarded three out of a possible five points for this category.

The Altus/Dobtol team also included curriculum content for use by the district, but limited details were available. The Altus/Dobtol team was awarded three points, out of a possible three points, for this category.

Ameresco:

Ameresco and EZNrgy both offered educational content as part of their proposal. The solution will include a flat screen display inside the building, and a competitive web-based platform for displaying and accessing system performance information. The Ameresco/EZNrgy team was awarded four points, out of a possible five points, for this category.

The Ameresco/EZNrgy team also included developed curriculum content for use by the district. The ASP/IGS team was awarded four points, out of a possible five points, for this category.

Greenskies:

Greenskies provided some information about proposed educational content. The solution will include a flat screen display inside the building, and a competitive web-based platform for displaying and accessing system performance information. The material, and support for community outreach, was less developed than other offerings. The GreenSkies team was awarded three points, out of a possible five points, for this category.

The ASP/IGS team also included significant, already developed, curriculum content for use by the district. The ASP/IGS team was awarded five points, out of a possible five points, for this category.

HESP Solar

HESP expressed interest in supporting outreach programs related to the solar system, although details of that offering were less defined than that of other respondents. The solution will include a flat screen display inside the building, and a competitive web-based platform for displaying and accessing system performance information. The HESP team was awarded three points, out of a possible five points, for this category.

The HESP team also discussed providing curriculum content as part of the solution, although this material was not already developed or in use, as was evident with other respondents. The HESP team was awarded two points, out of a possible five points, for this category.

SolarCity:

Solar City has an established set of educational assets that will be included with the project. The solution will include a flat screen display inside the building, and a competitive web-based platform for displaying and accessing system performance information. Solar City was awarded three points, out of a possible five points, for this category.

Solar City also included externally available curriculum content for use by the district. Solar City was awarded three points, out of a possible five points, for this category.

9. Sensitivity Analysis

As noted in Section 4, economic merit is based on a detailed tariff analysis of current utility rates as compared with solar PPA rate. These results are used to estimate a Net Present Value (NPV) of savings to the district over the 15-yr term of the agreement. The assumptions in this analysis affect the estimated savings, and actual savings could be higher or lower than projected depending on actual utility costs over time. Note that variations in these assumptions do not affect the ranking of proposals, since all proposals are affected equally. But deviations of actual utility rate costs from projected values will affect the actual savings realized by the district.

For the baseline case used in Section 4, significant savings are projected to be realized. To assess how vulnerable that conclusion is to deviations of actual utility costs from the projected assumptions, a sensitivity analyses was completed. Within the savings projection, the most

impactful assumed parameter is the escalation of the retail electric rates. For the baseline case described in Section 4, an escalation rate of 3.17% resulted in projected 15-yr NPV savings of \$807,305 (for the ASP proposal). If utility rates increase faster, actual savings will increase compared with the baseline. Conversely, if utility rates increase more slowly, actual savings will decrease compared with the baseline. The sensitivity analysis considers variations in the average retail electric rate growth, and creates a range within which actual savings are most likely to occur. Retail utility rate escalations of 1% and 5% were considered, representing a +/- 2% variation around the baseline assumption of 3%.

For the highest ranked Respondent (ASP/IGS), projected 15-yr NPV savings for all sensitivity scenarios are positive, ranging from savings of \$679,516 (1% escalator) to a maximum projected savings of \$1,131,868 (5% escalator).

The Evaluation Team also considered the impact that differences in adjustment factors might have on district savings, since different Respondents offered different adjustment rates. These adjustment factors are used if unforeseen interconnection costs are imposed by the utility, and represent the amount the PPA rate would be adjusted if such requirements arise and result in incremental costs of varying degree. If the PPA rate is increased due to these conditions, the projected savings will decrease. The evaluation team analyzed the extent to which adjustment factors, if imposed, would impact savings, and whether these impacts should be considered when doing the ranking for economic merit. This analysis was limited to the ASP/IGS and Ameresco proposals, since they were the top two proposals from a savings perspective.

For both ASP and Ameresco, even if the maximum adjustment rate were imposed and the PPA rate increased accordingly, the district would still realize significant savings. Savings would range from a 15-yr savings NPV of \$807,305 in the best case (for ASP, for the baseline case of no adjustment factor), to the worst case of \$668,258 (for Ameresco, for incremental project cost increases above \$150,000). Comparing each tier of adjustment factor, ASP offered the best or nearly equivalent savings in three of the four tiers, with Ameresco only offering an advantage in the case where incremental costs were in the range of \$50,000 to \$100,000. Given this finding, the Evaluation Team concluded that ASP represents the best savings, across the most likely range of scenarios, consistent with the ranking provided Section 4.

Note that these unforeseen cost adjustment factors are triggered when relatively “routine” utility interconnection costs are encountered. These situations are relatively rare, but possible for any project. In the case of the proposed Delaware Valley solar project, there is already a large solar array in the neighborhood which may influence whether interconnection upgrades are required. If the utility identifies interconnection costs resulting from there being “too much solar” on the local circuit, significant upgrades of substation or feeder infrastructure may be required. Those conditions are beyond the scope of change control intended for the adjustment factors included in the RFP. In the case of an extraordinary cost impact from the nearby solar array, the developer would propose an alternative PPA rate, and the BOE Board would have the right to either accept the adjusted PPA rate and continue with the project, or to cancel the project entirely due to those significant but unforeseen costs.

See Attachment 4 for a summary of sensitivity analysis results.

10. Recommendation

The RFP process attracted a competitive range of proposals. Following a legal and technical review, six proposals (from ASP/IGS, Ameresco/EZnrgy, Solar City, Greenskies, HESP, and Altus/Dobtol) were determined to be legally and technically compliant with the requirements of the RFP. The Miller Bros. team was non-responsive to requests for an interview and other follow-up inquiries, and therefore they were not considered. The Altus/Dobtol team asked to be excused from the interview process and did not provide detailed financial information, resulting in some uncertainties in the evaluation that affected their ranking.

The economic analysis indicates that all the Systems will provide significant savings to the BOE, compared with continued purchase of electricity from the utility over the 15 year term. Based on sensitivity analysis, savings will be realized across a wide range of utility rate change assumptions. If the BOE decides to purchase the system at the end of the 15 year term (based on a fair market value determination), there will likely be strong economic value for the remaining operating life of the equipment (estimated to be 15 years or more). The relatively predictable price of solar electricity also provides a hedge against future price increases of utility supply. Based on these economic considerations, the Evaluation Team believes that implementation of a solar project would be economically beneficial for the BOE.

In addition to economics, there will be other benefits to the district, including reduced carbon footprint, reduced environmental impact, points in the Sustainable Jersey for Schools program, and a unique asset for student and community engagement. Proposals included educational content, including public displays, outreach efforts, and curriculum content.

All compliant proposals were ranked by the Evaluation Team, based on consideration of price and other factors. The Advanced Solar Products / IGS Solar proposal ranked the highest and is recommended for award. The Evaluation Team also recommends that the Miller Bros proposal be removed from consideration, since they were unresponsive to the RFP process.

Attachment 1 Solar Proposal Summary

Proposer	System size (kW)	kWh Production	PPA Rate	Escalation Rate	Adj. Factor - Unforeseen Costs
Greenskies	1,086.6	1,436,000	\$ 0.06800	1.0%	.005/.009/.012
Altus / Dobtol	1,000	1,309,049	\$ 0.05750	1.25%	.0025/.0035/.0045
Solar City	1,004.40	1,340,474	\$ 0.06700	2.0%	.004/.008/.011
Miller Bros.	1,000	1,305,211	\$ 0.06200	2.25%	.007/.01/.02
HESP	1,036.8	1,345,867	\$ 0.05490	1.90%	.003/.006/.010
Ameresco	1,033.60	1,346,406	\$ 0.04999	1.99%	.003/.006/.009
Advanced Solar Products / IGS Solar	1,033.56	1,339,818	\$ 0.04900	2%	.0062/.0068/.0088

Note: Miller Bros. proposal not considered compliant with the RFP.

Note: Both ASP/IGS and Ameresco proposals contained documentation errors regarding their proposed adjustment factors, which were corrected as part of the oral interviews. The above chart reflects the proposals as corrected.

Attachment 2 Proposal Ranking Based On Evaluation Matrix

Category	Evaluation Factor	WEIGHTING	ASP/IGS Solar	Altus/Dobtol	Ameresco EZEnergy	Greenskies	HESP	Solar City Option 1	Solar City Option 2
Financial Benefits	NPV of Benefits	40	40.0	34.9	39.5	31.4	36.2	29.9	29.0
	Financial Strength	12	6.0	4.0	9.0	6.0	5.0	8.0	8.0
Capability	Business Structure & Team	8	7.0	5.0	6.0	6.0	6.0	8.0	8.0
	Design Strategy	5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Technical Design / Approach	Meeting Design Goals	5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
	O&M Plan and Approach	5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
	Project Management Approach	5	5.0	4.0	4.0	3.0	4.0	5.0	5.0
Respondent's Experience	Contractor Expertise	5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
	Project Experience	5	4.0	4.0	3.0	3.0	2.0	5.0	5.0
Solar as a Learning Asset	Displays and Outreach	5	5.0	3.0	4.0	3.0	3.0	3.0	3.0
	Curriculum Enhancements	5	5.0	3.0	4.0	3.0	2.0	3.0	3.0
Total Proposal		100	92.0	77.9	89.5	75.4	78.2	81.9	81.0

Attachment 3 Economic Analysis

	PPA Rate	Escalation Rate	System Size	Guaranteed Production	Year 1 Savings	15 Year Nominal	15 Year NPV
Altus / Dobtol	\$0.0575	1.25%	1,000.0	1,178,144	\$54,683.26	\$991,621.20	\$704,989.85
Ameresco	\$0.0499	1.99%	1,033.6	1,211,765	\$65,354.29	\$1,113,216.46	\$797,210.32
Advanced Solar Products	\$0.0490	2.00%	1,033.6	1,205,836	\$66,251.58	\$1,127,169.27	\$807,304.67
Green Skies	\$0.0680	1.00%	1,086.0	1,292,400	\$46,382.56	\$898,616.01	\$634,536.15
HESP	\$0.0549	1.90%	1,036.8	1,211,280	\$59,396.27	\$1,021,006.22	\$730,475.20
Miller Bros.	\$0.0620	2.25%	1,000.0	1,174,690	\$49,250.47	\$820,506.93	\$589,443.48
SolarCity	\$0.0670	2.00%	1,004.4	1,340,474	\$48,964.47	\$843,441.36	\$603,432.03

Attachment 4 Sensitivity Analysis

For The Highest Savings Respondent (ASP/IGS):

Scenario	Solar Savings	
	15-Yr Nominal (\$)	15-YR NPV (\$)
Low Case (1%)	\$926,975	\$679,516
Baseline (3.15%)	\$1,127,169	\$807,305
High Case (3%)	\$1,640,320	\$1,131,868

Comparison Of Adjustment Factor Impacts

Adjustment Tiers	Adjustment Rate	Year 1 (\$)	Nominal 15 Yrs (\$)	NPV 15 Yrs (\$)
ASP				
Base Proposal	\$0.0490	\$66,252	\$1,127,169	\$807,305
\$50,000 - \$99,999.99	\$0.0062	\$58,775	\$1,002,540	\$717,957
\$100,000 - \$149,999.99	\$0.0068	\$58,052	\$990,479	\$709,310
\$150,000 +	\$0.0088	\$55,640	\$950,276	\$680,488
Ameresco				
Base Proposal	\$0.0499	\$65,354	\$1,113,216	\$797,210
\$50,000 - \$99,999.99	\$0.0030	\$61,828	\$1,054,475	\$755,095
\$100,000 - \$149,999.99	\$0.0060	\$58,193	\$993,918	\$711,676
\$150,000 +	\$0.0090	\$54,557	\$933,360	\$668,258