

BORREGO WATER DISTRICT

REQUEST FOR PROPOSALS TO PROVIDE A SOLAR POWER SYSTEM AND SOLAR POWER PURCHASE AGREEMENT

Due By: August 25, 2014 at 2:00 PM

REQUEST FOR PROPOSAL (RFP) TO PROVIDE A SOLAR POWER SYSTEM AND SOLAR
POWER PURCHASE AGREEMENT

- 1. Purpose of RFQ:** The purpose of this RFQ is to identify a qualified contractor/vendor to provide the Borrego Water District (District) with a reliable electrical energy source from solar power, and to provide the District with the ongoing electrical power at a lower cost than is currently available from SDG&E for a minimum of 25 years.
- 2. District's Immediate Objectives:** The objective of this Request for Proposal (RFP) is to identify and select the most qualified turnkey photovoltaic (PV) system Contractor/Vendor to develop, design, permit (including any costs for environmental work), fabricate, deliver, install, operate, insure, maintain, and own a PV solar system at the District wastewater treatment plant (WWTP) located at 4861 Borrego Springs Road in Borrego Springs, California. Upon selection of the most qualified Contractor/Vendor, The District intends to enter into a 25-year Power Purchase Agreement ("PPA") or purchase the entire system outright. If a PPA is entered into, the solar-generated electricity will be sold to the District at a proposed kWh price which is lower than what is currently being paid to SDG&E, thereby providing immediate and long-term cost savings to the District.
- 3. Background:** The District is a small public water and wastewater district serving approximately 2,200 customers in beautiful Borrego Springs, California (Borrego), a retirement and resort community located about 90 miles drive NE of San Diego in San Diego County (county) and surrounded by the Anza-Borrego Desert State Park (the park), the largest state park and wilderness area in the State of California (state).

The District is a significant power consumer in Borrego Springs, relying on grid-purchased electricity from SDG&E to run its various facilities, including the Waste Water Treatment Plant ("WWTP") located at 4861 Borrego Springs Rd. The District consumes approximately **165,040 kWh** annually for the WWTP operations.

With SDG&E steadily increasing the kWh electricity rates charged to BWD year after year, BWD is seeking a means to minimize its reliance on SDG&E and to

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achieve both long-term electricity cost savings and cost certainty through the use of solar. The proposed solar system would interconnect to the grid under the SDG&E Net Energy Metering (“NEM”) program. Under NEM, the electric energy generated by on-site solar is used to offset the electric energy provided by SDG&E to the District’s WWTP. NEM is the standard program for commercial and residential solar systems in SDG&E territory and in the State of California. The proposed solar system would reduce, or eliminate in full, the net amount of electricity purchased from SDG&E.

4. General:

The scope of services provided by the Contractor/Vendor shall include all tasks required to design, fabricate, deliver, install, operate, and maintain the PV system for the District. The scope shall also include, but not be limited to, securing all permits and approvals from governing agencies, all labor, taxes, services, permit fees, and equipment necessary to produce a fully operational solar PV system. The proposal shall contain a detailed explanation of the complete project and delineation of all work tasks to be performed by the awarded Contractor/Vendor.

Contractor/Vendor should prepare system summary detailing the equipment/size, and a sample cash flow analysis detailing expected savings (both kwh and dollar) and potential buyout implications to long-term savings.

The PV system will be located on property owned by the District. Proposer is to determine the feasibility and costs for installing the PV system at the District WWTP.

5. Scope of Project:

5-1 Design, Engineering, & Permitting

Design/engineer the solar PV system to maximize the solar energy resources, taking into consideration the District’s electrical demand and load patterns, proposed installation site, available solar resources, existing site conditions, proposed future site improvements, and other relevant factors.

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Provide design documents that provide the following minimum information:

- Timeline/Project Schedule
- System description
- Equipment details and description
- Preliminary Layout of installation
- Preliminary Layout of equipment
- Selection of key equipment
- Specifications for equipment procurement and installation
- All engineering associated with structural and mounting details
- Performance of equipment components, and subsystems
- Integration of solar PV system with other power sources
- Electrical grid interconnection requirements
- Controls, monitors, and instrumentation
- System performance monitoring

Identify an appropriate location for the solar PV inverter equipment and its related components and environmental control systems that will meet the following criteria:

- Ease of maintenance and monitoring
- Efficient operation
- Low operating losses
- Secured location and hardware
- Compatibility with existing facilities
- Avoidance of flood-prone areas
- Visual harmony

Awarded Contractor/Vendor will secure from governing agencies and the utility company all required rights, permits, approvals, and interconnection agreements at no additional cost to the District. The District will become the signatory on applications, permits, and utility agreements only where necessary. The awarded Contractor/Vendor will complete and submit in a timely manner all documentation required to qualify for available rebates and incentives.

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5-2 Installation

Supply all equipment, materials, and labor necessary to install the solar PV systems and integrate them with other power sources.

5-3 Electrical Interconnections

Supply and install all equipment required to interconnect the solar PV systems to SDG&E distribution system. The awarded Contractor/Vendor will fulfill all application, studies, and testing procedures to complete the interconnection process. All costs associated with utility interconnection shall be borne by the awarded Contractor/Vendor.

5-4 Commissioning & Acceptance Testing

During the start-up, the District, and/or its independent engineer/consultant, shall observe and verify each system performance. Required commissioning and acceptance test services include:

- Starting up the solar PV systems until it achieves the performance requirements
- Conducting the performance testing over a consecutive twenty-four (24) hour period
- Conducting the successful delivery of power within thirty (30) days following completion of the system, meeting each benchmark.

5-5 Operation and Maintenance Manuals and As-Built Drawings

Provide three (3) sets of operation, maintenance, and parts manuals for the solar PV system. The manual shall cover all components, options, and accessories supplied. It shall include maintenance, trouble-shooting, and safety precautions specific to the supplied equipment. It shall also delineate responsibilities of both parties, both during the term of any agreement and after any potential buyout that may be agreed to.

Provide three (3) sets of as-built drawings including one (1) on CAD. These requirements shall be delivered prior to acceptance of the solar PV system.

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5-6 Monitoring

Monitoring of system performance and providing public education and outreach is a required element of the RFP.

Provide the equipment and services to tie into the Garfield Energy Navigator to allow the District to monitor, analyze, and display historical and live solar electricity generation data. The regularly collected data should reflect, but not be limited to, the following:

- System performance
- System availability
- Average and accumulated output
- Capacity factor
- Degradation
- Cost avoidance

The data acquisition system shall be designed for turnkey, remote operation. Data shall be transmitted via Internet or telephone from the site to a server. Data format shall be coordinated with requirements of the SDG&E. The data acquisition system must not require a dedicated or always-on personal computer.

Provide a long term cost for electricity (KWH) for the term of the awarded contract and any assumptions used in these calculations.

6. Warranties and Guarantees

Identify the warranties to be transferred to the District, if the District purchases the PV system.

7. Operation and Maintenance

Provide a financial impact or price for operating and maintaining the PV system on the District's behalf for a twenty five (25) year service term.

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Perform all required maintenance activities, including warranty repair work and equipment replacement including, but not limited to, inverter replacement in order to keep the system operational and performing to production guarantees.

8. Insurance

The contractor/vendor is responsible and shall pay for insurance for the project during the time that it is owned by the contractor/vendor. Insurance shall include both general liability (\$2,000,000) and property insurance (\$1,000,000). The District shall be named as additional insured on the policies. If the District opts to purchase the PV system, the vendor shall no longer be responsible for insurance.

9. PV System Removal

The awarded Contractor/Vendor shall bear the sole responsibility of removing the PV system at the end of the twenty five (25) year service term should the District, in its sole discretion, opt not to purchase the PV system.

10. Licensing/Certification

Contractor/Vendor must be properly licensed in the State of California. The Contractor license shall appear clearly on Contractor/Vendor's proposal and the license expiration date appear on the Contractor/Vendor's Proposal. All respondents must offer a comprehensive onsite operation and maintenance service program for the PV system operations, safety and maintenance activities that NABCEP certified installers shall be performing the installation.

11. Operation & Maintenance Requirements

The Contractor's operation and maintenance service program should provide the following minimum requirements:

- Annual on-site system inspection, including:
- System testing (operating current of each electrical string)
- Routine preventive maintenance
- Repair and/or replacement of defective parts (including equipment and labor)

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- System performance monitoring and historical data access for customer via secure website. Data should include:
- System energy and power production
- Ambient temperature
- Wind speed
- Insolation
- Daily system monitoring by vendor, including:
- Reporting of problems to customer
- Dispatch of resources for expeditious resolution of problems

12. Contractor Qualification

Please provide the following information:

- Status (private/publicly-held)
- Number of employees
- States in which you do business
- Target customers (residential, commercial, industrial, government, etc.)
- Project team profile, including resumes of personnel to be directly involved with the development of the proposed systems.
- Team leader identification for the entire Proposal, including full contact information.
- Identification of each entity, sub-contractor, person or firm involved in the Proposal and their role/responsibility, e.g. design, installation, permitting, equipment supply by component, operations and maintenance.
- Identification of the lead person responsible for each of the entities or firms described in above.

13. Contractor Experience

Provide overview of the firm(s) commercial grid-connected PV experience (do not include residential PV experience)

- Average commercial grid-connected PV system size installed by your company during the last five years.
- Total commercial MWh of grid-connected PV systems installed under a Power Purchase Agreement.

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- Experience with SDG&E.
- Experience with local government projects.

14. Contractor References

List five (5) or more commercial grid-connected PV projects installed in the United States over the last five years. Include for each project:

- Exact role(s) your organization performed for the project (e.g. material supplier, lead contractor, electrical subcontractor, design, consulting, etc.).
- Location.
- Application description.
- Product name/type.
- Customer name and contact information.
- Date installed.
- Project cost.
- PV module used.
- KWh rating.
- Cumulative kWh produced since system installation.
- Current operational status of system.

Provide actual system data for five (5) of the grid-connected projects that demonstrates 90% or better availability of the PV projects used as customer references. Proposals shall demonstrate a proven, robust data acquisition system that includes tracking of site-specific actual kWh production and actual meteorological data including tracking of solar irradiance, ambient temperature, and module temperature, with data available remotely.

Proposals shall provide evidence that the proposed technology and equipment would meet or exceed all currently applicable and proposed safety and interconnection standards. All equipment components must be UL certified, and meet existing facility structural and fire safety requirements.

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Proposals shall provide evidence that the proposed technology and equipment would meet or exceed all currently applicable and proposed environmental standards.

15. Pricing

Provide pricing for a turnkey (design/build) PV system located at the District WWTP. Pricing shall include:

1. US dollars per kWh annually for twenty five years under a PPA with or without an annual escalator.
2. (a) selling the entire system to the District upon completion of construction and acceptance by the District; and

(b) a separate price for selling the entire system after six years of operation (under a PPA during the six years).

Should the PV system be owned by the vendor for the full period of 25 years, it shall be sold to the District for \$1.00 at the District's discretion. Should the District decide not to purchase the PV system at the end of the 25 year period, it shall be removed by the vendor to the satisfaction of the District and at no cost to the District.

16. Schedule

The Contractor/Vendor shall provide a proposed schedule for completion of the project.

17. Walk Through

A non-mandatory project walkthrough date for all interested vendors/contractors has been scheduled for **July 23, 2014 at 10:00am** at the project site located at 4861 Borrego Springs Road in Borrego Springs, California. Access to the project site is available only on the scheduled walk through date.

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18. Incurring Cost

The District is not liable for any cost incurred by entities prior to executing a PPA.

19. Selection Process

The Strategic Planning Committee has been tasked with overseeing the identification and recommendation of a qualified contractor/vendor for the board of directors of the District to approve.

Proposals will be evaluated by the District based on:

- The competence to perform the services as reflected by past experience in providing the services outlined herein.
- The ability to meet the requirements of this RFP.
- Overall package and financial benefit to the District.

The District reserves the right to select or short-list any Contractor/Vendor that, in its opinion and at its sole discretion, is deemed to be most advantageous and in the best interests of the District, including granting a preference to local contractors. The District also reserves the right to delay or discontinue this selection process at any time during the process. The District shall not be liable for any cost incurred by any Contractor/Vendor during the selection process. The District also reserves the right to reject the selected Contractor/Vendor and contract with another party if the District and the selected Contractor/Vendor cannot successfully negotiate a contract for the proposed work (or the terms of any related solar host agreement(s), site lease(s) or PPA(s)).

20. Proposal Deadline

Three copies of the Proposal for Solar Power Purchase Agreement must be delivered to:

Jerry Rolwing, General Manager

Borrego Water District

806 Palm Canyon Drive

Borrego Springs, CA 92004

By: **August 25, 2014 at 2:00 PM**

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21. Inquires

Inquiries can be directed to Jerry Rolwing, General Manager at

Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004

or by phone at 760-767-5806

or email at jerry@borregowd.org