

Evaluation Report

TO: Tenafly Public Schools
FROM: DCO Energy
DATE: May 03, 2023
RE: PPA Evaluation Report

INTRODUCTION

On March 14th, 2023, the Board issued a Request for Proposal (“RFP”) requesting proposals from qualified proposers for a Power Purchase Agreement (“PPA”) utilizing photovoltaic electricity generation. The procurement has been conducted on a competitive contracting basis pursuant to N.J.S.A. 18A:18A-4.1et seq. The terms of the PPA are set forth in the RFP, which is on file and available at the district office and is incorporated herein by reference.

The RFP set five (5) district sites for solar installation. Those sites are as follows:

BUILDING/FACILITY NAME	ADDRESS			SQFT
	STREET	STATE	ZIP	
Tenafly Middle School	10 Sunset Lane, Tenafly	NJ	07670	168,000
Ralph S. Maugham ES	111 Magnolia Avenue, Tenafly	NJ	07670	41,450
J. Spencer Smith ES	101 Downey Drive, Tenafly	NJ	07670	37,000
Malcolm S. Mackay ES	111 Jefferson Avenue, Tenafly	NJ	07670	36,344
Central District Offices	500 Tenafly Road, Tenafly	NJ	07670	9,280

On April 18, 2023, DCO Energy and DMR Architects, along with Victor Anaya, Mario Cofini, interviewed HESP Solar. This interview allowed the firm to present their proposal and DCO Energy, DMR, and the district to ask value questions pertaining to their proposal and offered services.

Technical advice and analysis was provided to Tenafly Public Schools by DCO Energy “DCO”, the District’s ESCO. DCO performed the Overall Economic Benefit to the Board calculations set forth herein.

I. PROPOSAL SUBMISSION

There was one (1) proposal, inclusive of two (2) options, submitted prior to the due date and time of April 11, 2023, by one (1) company.

Proposals were received from:

1. HESP Solar (“HESP”)

II. AWARD CRITERIA

If an award is made, Tenafly Public Schools is required to select the proposal that is both responsive and most advantageous to Tenafly Public Schools, price and other factors considered, under the criteria stated in the RFP.

By way of summary, the RFP listed the following factors and their relative percentage weights:

EVALUATION CRITERIA	(Points)
Section I - Provider Profile	25
Section II - Scope of Services and Schedule	25
Section III - PPA Financing	50

III. ANALYSIS OF THE PROPOSAL

Based on a review of the proposal, it encompassed criteria for a full evaluation by DCO Energy. HESP provided a good pricing structure, proposed designs, and projected 15-year savings. The experience of this proposer with solar construction/installation is acceptable specifically with the installation of solar energy systems at public facilities throughout New Jersey.

Section I - Provider Profile and Qualifications (25 points)

As for required documents, DCO Energy noted the following:

1. **HESP** – Returned all required documents. Its response to the RFP met the legal requirements.

As for provider profile and qualifications, the DCO Energy noted the following:

HESP shows a significant total number of commercial and industrial PV systems, along with system capacities, completed and brought online in last five years. Also within the criteria within the RFP is a requirement for an organization chart listing key personnel. HESP included an

organizational list stating key personnel and relative experience. At least three (3) references in New Jersey, preferably with School Districts, were requested as part of the RFP. HESP provided 5 New Jersey project references including Robbinsville BOE and Watchung Hills Regional High School as similar customer and array capacity types. HESP described their experience with environmental permitting at a local and state (NJDEP) level. They also touched upon key factors for success and key points of failure for solar PPA projects.

Section II - Scope of Services and Schedule (25 points)

HESP included a sample project schedule showing the expected timeline for completion of the work. This schedule included milestones for major work tasks including site evaluation, contract signature, system design, permitting, and system installation through commercial operation. Information about the manufacturer and/or models of PV modules, inverters, and racking equipment were included. Details in reference to labor and roof penetration warranties are shown in the proposal as well. A description of the provider's method of and capacity to expedite all incentive filing, permitting and interconnection requirements with relevant state and local agencies is elaborated in the proposal, meeting scope of services criteria. Within the proposal, HESP highlights the importance of monitoring and training to its O&M plans.

Section III - PPA Financing Terms (50 points)

This category is 50% of the criteria evaluation as set forth above. As such, 50 points out of 100 are assigned to this aspect of the recommended proposals. This category is being evaluated on the following:

Power Purchase Agreement Offer

- The price per kWh in Year 1 of the PPA
- The annual escalation rate
- Rate increase per \$10,000 spent on removal and reinstallation of PV panels (\$/kWh/\$10k)

Generation Estimates

- The estimated Year 1 Generation based upon the PPA Offer for each of the sites.
- Solar array layouts which account for shading obstacles, setbacks, and HVAC access

Additional Costs

- Adherence to Tenafly Public Schools having no other financial responsibilities other than the proposed rate and escalation. The proposed \$/kWh and escalation rate remains valid regardless of the final installed kW array size and generation.

The bid summary for Tenafly Public Schools is shown below:

<i>Firm</i>	HESP BASE	HESP ALT 2
Year 1 Price per kWh (\$)	\$0.022	\$0.021
PPA Rate increase (Year 1) per \$10,000 spent on removal and reinstallation of panels (\$/kWh/\$10k increment for remaining years)	\$0.0015	\$0.0010
Annual Escalation Rate (%)	2.00%	2.00%
Installed Capacity (kWdc)	411.8	846.0
Year 1 Generation (kWh)	489,351	1,003,518
Year 1 Utility Electric Cost (\$)	\$56,323	\$110,156
Year 1 Generation Cost (\$)	\$10,766	\$21,074
Year 1 Solar Savings (\$)	\$45,557	\$89,082
District Locations Included	Tenafly Middle School, Maugham ES, Smith ES, Mackay ES & Central District Offices	Tenafly Middle School & Smith ES

HESP provided two (2) offers which included a Base PPA rate and an Alternate PPA (submitted as Alternate 2) rate. The Base PPA rate reflected 15 years of energy savings provided to (5) district locations. The capacity of the system provided at each location is directly designed to the post ESIP kWh usage and/or current roof size at each location. The Alternate 2 scenario also reflected 15 years of energy savings but maximized potential generation by utilizing remote net metering. The provided array under the Alternate 2 scenario is located at two district buildings which is specifically determined by available roof space and existing roofing quality. HESP maxed out solar generation under this scenario by designing the rooftop mounted array to incorporate the entire post ESIP usage for the entire District while staying within the 90% post ESIP generation cap. Potential shading and callouts for tree trimming were identified on provided array layout designs. In most circumstances, existing roof mounted HVAC remained accessible.

SCORING SUMMARY AND RECOMMENDATION

<i>Firm</i>	HESP
<i>Section I. Provider Profile and Qualifications (25 points)</i>	24
<i>Section II. Scope of Services and Schedule (25 points)</i>	22
<i>Section III. PPA Financing Terms (50 points)</i>	45
<i>Total Score (100 points)</i>	91

DCO Energy notes that the respondent, which the committee evaluated, submitted a responsive proposal, which met the Tenafly Public School’s minimum requirements, that indicated an understanding of the requirements of the project, and that the proposer appears to be capable of successful performance.

DCO Energy concludes that HESP’s base proposal offers Tenafly Public Schools considerable economic benefit for capital improvements. In parallel, DCO recommends Tenafly Public Schools to further pursue the remote net metering option (bid as Alternate 2) with HESP. Consideration of “other factors,” includes the proposed design, equipment, and experience, suggests that will have a favorable long-term relationship with HESP.

Therefore, on a “price and other factors” basis, DCO Energy recommends the Solar PV Power Purchase Agreement be awarded to HESP under the terms set forth in the RFP, and the PPA to be executed by the parties.

Respectfully submitted,

DCO Energy

APPENDICES

TABLE OF APPENDICES	
Appendix A	HESP – Bid Evaluation Form
Appendix B	HESP – Descoping Notes



APPENDIX A

HESP Solar Solar Evaluation Form



Solar PPA
Evaluation Report

Colts Neck Township Schools
70 Conover Road
Colts Neck, NJ 07722

HESP

Solar PPA Evaluation Form

Evaluator: DCO Energy

Date: 5/3/2023

Proposer: HESP

Offer #: _____

Section I. Provider Profile and Qualifications (25 points)

<i>Criteria</i>	<i>Proposer Score</i>	<i>Max Score</i>
The total number and capacity of commercial and industrial PV systems completed and brought online by the Provider in last five years.	5	5
An organization chart listing executive and management positions and indicating part-time and full-time positions.	2	2
At least three (3) references in New Jersey, preferably with School Districts. The Provider may include as many as three (3) additional references that demonstrate the Provider's ability to complete this project. Customers with similar site characteristics and PV system sizes as the potential Project Sites are preferred.	5	6
A description of the Provider's experience with environmental permitting at a local and state (NJDEP) level	2	2
A description of the key factors required for a successful project	2	2
A description of the key points of failure for solar PPA projects	2	2
List of key program team members by name and position, qualifications and experience. Specify which team member(s) will be the main contact person(s) for the program. Include resumes for those individuals who will be involved in this Project.	6	6

Subtotal: 24 25

Section I. Evaluator Comments

- NY based firm with NJ location - more than 9 years of experience developing and operating solar projects in the Northeast US
 - 209 site and 60 MW in last five years
 - Key personnel listed, no org chart provided
 - HESP performs project development, legal consultation, financing, construction management, maintenance
 - Many references, 15 NJ school districts listed
 - Briefly touch upon environmental permitting, key points of failure, and key factors for successful project in Section II

Colts Neck Township Schools

70 Conover Road
Colts Neck, NJ 07722

HESP

Section II. Scope of Services and Schedule (25 points)

<i>Criteria</i>	<i>Proposer Score</i>	<i>Max Score</i>
<u>Project Schedule</u> - Provide a sample Project Schedule showing the expected timeline for completion of the work. Include milestones for major work tasks including site evaluation, contract signature, system design, permitting and approvals, and system installation through commercial operation. Describe any anticipated variation in this schedule based on project size or location. Explain any deviation or revision from the anticipated Timeline included in Section 4 of this RFP that the Provider believes will be necessary.	5	5
<u>Equipment and Warranties</u> - Provide information about the manufacturer and/or models of PV modules, inverters, and racking equipment. Indicate where the PV modules and other major equipment is manufactured. Provide details about the equipment, labor, and roof penetration warranties provided by the Provider and/or manufacturer.	3	3
<u>Permitting and Interconnection Expediting Plan</u> - Provide a description of the Provider's method of and capacity to expedite all incentive filing, permitting and interconnection requirements with relevant state and local agencies.	4	5
<u>Operations and Maintenance Plan</u> - Provide details about the operation and maintenance plan and services provided under the PPA. Describe who will be providing the operations and maintenance support long term. Describe billing processes of such operation and maintenance under the PPA.	5	5
<u>Fire Safety</u> - As above indicated, provide "Firefighters Safety Procedure" manual in case of the event of a fire occurring with rooftop solar panels installed. It's the responsibility of the proposer to receive approval(s) by the single and/or multiple Jurisdiction Holding Authority (JHA) for an acceptable "Firefighters Safety Procedure".	5	5
<u>Additional Services</u> - The Provider may choose to describe any additional services that can be offered to the Project Sites on an optional basis. Briefly describe how these services would be evaluated, priced, and implemented. Indicate whether services could be included in the PPA financing.	0	2

Subtotal: 22 25

Colts Neck Township Schools

70 Conover Road
Colts Neck, NJ 07722

HESP

Section II. Evaluator Comments

Project Schedule

- *Project schedule total duration: 200 days from Project Team Introduction
- *Project schedule shows milestone durations but not dates

Equipment & Warranties

- *Trina Solar's 450W poly-silicon PV modules | 10 year product warranty | 25-year linear performance insured warranty
- *Yaskawa-Solectria commercial string inverters | 10 year warranty
- *Solar Mount's adaptable Atlantis ballasted roof racking system | 15 year material and/or workmanship warranty
- *Iron Ridge's 1000-series Flush Mount Rail System (for sloped roofs) | 20 year product warranty
- *Veris E50 Series energy meters | 0.2% accuracy | 5 year warranty
- *HESP Solar warrants all workmanship and components for full contract term

Permitting and Interconnection Expediting Plan

- *HESP's project management and legal team will be fully engaged from project award. A permitting matrix and project schedule will be created. HESP's project team will reach out to local permitting and load serving entities to arrange coordination on grid interconnection. 3rd party engineers will be engaged as needed to perform QA.

Operations & Maintenance Plan

- *HESP operates, maintains, and insures the system at zero cost to host partner
- *HESP uses cloud-based data monitoring to track performance & respond quickly in cases of component failures or outages
- *HESP performs twice-annual visits to perform preventative maintenance measures and cleanings

Fire Safety

- *Design includes Tigo's TS4-F Fire Safety MLPE Platform for module level deactivation and rapid shutdown
- *HESP states they will coordinate with facility staff and local fire personnel during construction to ensure there is a safety and emergency response plan in place.

Additional Services

- *None to note

Colts Neck Township Schools

70 Conover Road
Colts Neck, NJ 07722

HESP

Section III. PPA Financing Terms (50 points)

<i>Criteria</i>	<i>Proposer Score</i>	<i>Max Score</i>
<u>Power Purchase Agreement Offer</u> - Provide a PPA "Offer" or Offers for the Program. The Offer(s) shall include (1) the price per kWh in Year 1 of the PPA, (2) the annual escalation rate	24	25
<u>Power Purchase Agreement Offer</u> - Rate increase per \$10,000 spent on removal and reinstallation of panels (\$/kWh/\$10k increment)	5	5
<u>Generation Estimates</u> - Providers must provide the estimated Year 1 Generation based upon the PPA Offer for each of the sites.	8	10
<u>Additional Costs</u> - The Board shall have no other financial responsibilities other than the proposed rate and escalation. The proposed \$/kWh and escalation rate remains valid regardless of the final installed kW array size and generation. The proposed rates will remain unchanged for the life of the PPA.	8	10

Subtotal: 45 50

Section III. Evaluator Comments

* \$0.022/kWh with 2% annual escalator
* HESP Successfully provided rate adder for each year per \$10,000 spent on removal and re-installation of panels.

	<i>Proposer Score</i>	<i>Max Score</i>
TOTAL:	91	100



APPENDIX B

HESP Solar – Descope Notes



Solar PPA
Evaluation Report

Tenaflly BOE Solar PPA

Post-Bid Meeting – HESP Solar

Tuesday, April 18, 2023 – 3:00PM EST

Attendees

DCO: Greg B, Brian C, Tom V, Steve S, Dan D

HESP: Aaron K, Susan B, Steve G, Chani S, Daniel G

TPS: Victor A, Mario C

DMR: Donna O

Agenda Topics

1. Introductions
2. HESP Bid Proposal Presentation: **Lead by Susan Brodie**
3. Questions / Discussion
 - a. How confident are you in the remote net metering? **HESP has a lot of confidence and states it is not difficult to implement.**
 - b. Talk about 100kw limit at middle school. **Upon award, HESP would reach out to local utility and believes that by additional cost, they could get the system expanded past 100kw. Rate adder would apply but they believe the increase could be worth it to increase system size.**
 - c. Where have you installed remote net metering? Do you see remote net metering affecting the schedule? **Multiple Washington DC community solar and remote net metering projects. None in New Jersey. HESP does not see remote net metering affecting the submitted construction schedule.**
 - d. What happens if we go with remote net metering and there is a structural issue at either location? **If one school is not capable of hosting solar HESP would need to figure out an alternate location to achieve same system size.**
 - e. How would you proceed with the possibility of new rooftop equipment needing replacement or addition in the future? Are you covering the entire roof or leaving some open space? **HESP has not encountered issues of this sort to date. If they do need to remove panels to accommodate some work they can do so.**
 - f. Speak to experience with PSEG. **HESP has a lot of experience with PSEG over the last 13 years and are used to their practices, requirements, and timeline for interconnection. Upon award, HESP would apply for interconnection early on.**
 - g. Who is the HESP main contact? **Susan Brodie**
 - h. When do you believe you'd be able to achieve PTO? **HESP doesn't believe construction will take longer than 3 months with PTO in the 4th month.**
 - i. What is your approach to doing a structural analysis? **Do the structural analysis upfront to determine roof suitability for solar. If roof is not suitable, they will look for alternate solutions (other roofs, carports, ground mount) to make up the generation.**
 - j. Remote Net Metering – they will immediately reach out to PSEG for interconnection costs. Will use the adder for additional interconnection costs above \$84,600 (\$0.10/W). HESP has not done RNM in New Jersey yet.
 - i. BOE or Municipality can build a larger – more efficient system at one site
 - ii. HESP has done significant amount of RNM/community solar in Washington DC
 - iii. HESP worked on a previous project where they tried to do RNM. From Middle School to Admin Building. Can't shift less than 10% of the load at your building.
 - iv. Not expected to add time to the schedule.

HESP Proposal Notes:

- HESP Stated they are carrying a \$0.10/watt for additional costs. After that, their rate adder would kick in.
- Base Bid: \$0.022/kwh
 - 5 locations
- Alt 1 Bid: \$0.021/kwh
 - Only Middle School & J Spencer Smith