

**REQUEST FOR PROPOSAL (RFP):
for**

The Purchase of Renewable Capacity & Energy from Solar Energy
Resources



New Braunfels Utilities

March 12, 2018

Responses Must Be Received **No Later** Than:
Tuesday, April 10, 2018 at 5 p.m.

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Section I - Overview

A. Statement of Intent

New Braunfels Utilities (NBU) is soliciting proposals from companies qualified and experienced in the development, generation, dispatch and management of electrical energy produced from renewable solar energy resources located in the ERCOT Transmission System. In particular, NBU desires to purchase 120 MWac up to 150 MWac of capacity, energy, and associated environmental attributes/renewable energy credits from qualified solar facilities for a term of ten to twenty years, as defined by the Substantive Rules of the Public Utility Commission of Texas (PUCT). Proposers may make offers for all or a portion of the total capacity desired from one or more projects, either new or existing.

NBU has received interest from five public power entities in procuring up to an additional 350 MWac of energy, capacity, and environmental attributes as part of this solicitation. These public power entities would each execute independent power purchase agreements with the successful proposer(s). All terms, conditions, requirements, requests, and rights of NBU under this RFP also apply to these public power entities unless explicitly stated otherwise.

B. About New Braunfels Utilities

NBU's electric system comprises a service area of approximately 160 square miles, and serves approximately 39,000 residential, commercial, and industrial electric customers. The electric system includes 619 miles of overhead distribution line, 285 miles of underground distribution line, eleven substation/metering points on the transmission system, and other buildings, equipment, stores, and related facilities. NBU owns approximately 19.5 circuit miles of 138kV transmission circuits, which are part of ERCOT.

Electric system load continues to increase along the IH-35 and Hwy. 46 corridors within the NBU service territory. NBU experienced a strong customer growth of 6.2% (as measured by electric meter connections) during Fiscal Year 2017 and expects this trend to continue over the near term.

NBU set a system hourly maximum load of 296 MWH in the summer of 2017 and 289 MWH in the summer of 2016. Total system energy purchases for calendar year ending December 31, 2017 consisted of approximately 1,577,637 megawatt hours. System load grew at about 4% and peak load grew at approximately 2.4% from CY 2016 to CY 2017.

C. Credit Rating

NBU has an S&P credit rating of AA and all public power entities interested in participating the procurement of energy associate with this request for proposals have an S&P credit rating of at least A+.

D. RFP Schedule

NBU will make a concerted effort to maintain the schedule below, but reserves the right to revise this schedule when conditions require changes. To accommodate changes.

RFP Issue Date: Monday, March 12, 2018

Deadline for Email Questions: Friday, March 23, 2018

FAQ Released: Wednesday, March 28, 2018

RFP Responses are due by: Tuesday, April 10, 2018

NBU will review proposals and arrive at a short list of proposals to consider for further evaluation. Short listed proposers may be contacted to provide additional information and documentation regarding their proposal.

NBU will strive to notify winning proposer(s) by Friday, May 11, 2018

E. Contact Information, Questions and Answers

Proposers must submit their proposal(s) electronically by the aforementioned deadline to: PowerSupply@nbutexas.com. Proposal format and requirements are described in the subsequent sections.

During the RFP Process, any and all questions regarding the RFP must be submitted to PowerSupply@nbutexas.com. All questions must be submitted by Friday, March 23, 2018. Late submittals will not be answered.

A FAQ will be released to all parties by email on Wednesday, March 28, please email PowerSupply@nbutexas.com with any contacts you would like included.

Section II - Scope

A. Contractual Arrangement

1. Power Purchase Agreement:

Under a long term PPA structure, NBU will purchase the capacity, energy, and environmental attributes from new or existing solar generation facilities.

2. Term, Capacity, and Commercial Operation Date:

NBU will consider a term of at least 10 years up to a maximum of 25 years.

NBU expects to acquire 120 MWac to 150 MWac of solar capacity, energy, and environmental attributes under this RFP from one or more facilities.

The five public power entities expect to acquire up to 350 MWac of solar capacity, energy, and environmental attributes under this RFP from one or more facilities.

With respect to solar generation facilities in development, NBU prefers an early commercial operation date, but will consider facilities with commercial operation dates up to December 31, 2022.

3. Other:

Responses that propose to split the generation requirements between two sites that are physically distant from one another are preferred.

NBU will consider storage options or future storage options blended with a solar power offer, but prefers that any proposed development with a blended offer has the solar power offer broken out on a stand-alone basis.

NBU reserves the right to award one or more contracts in order to satisfy its requirements or make no contract awards. NBU shall have the right to resell all or part of the capacity, energy, or environmental attributes acquired in this solicitation.

B. Delivery Conditions

1. Point of Delivery

All offers should at a minimum include proposals for the point of interconnection of the applicable facility(s) to an ERCOT registered Transmission Service Provider (TSP). Additional offers at the following Hubs are also preferred and will be considered if offered: HB_South, HB_North and HB_West. Although not required, preference will be given to the delivery point at a 345 kV transmission interconnect.

2. Metering

Energy delivered at the Point of Delivery will be metered at an ERCOT Polled Settlement (EPS) Meter dedicated solely for the measurement of energy sold and purchased under the PPA. Although not a preference, NBU will consider split or allocated meter arrangements.

3. Scheduling

Supplier will provide Qualified Scheduling Entity (QSE) services for the facility and will perform all obligations of a QSE representing a resource under ERCOT Protocols. The Supplier's QSE will work with NBU and its designated QSE to develop operating procedures to establish energy trades, forecasting, scheduling, and settlement protocols. NBU and Supplier will develop a joint operating plan as to how to offer the energy from the facility into the ERCOT market. The proposed QSE for the facilities must be identified by the Supplier and approved by NBU, and such approval shall not be unreasonably withheld by NBU.

4. Communication

The EPS metering facility will include communication equipment to NBU's designated QSE or its designated metering contractor to read the meter in real time. All communication, SCADA and telemetry equipment will be provided by the Supplier and will be designed to meet both ERCOT's and NBU's designated QSE, or its metering designee, equipment and data communication requirements which include, but are not limited to: connection via an ICCP link or alternative method suitable to NBU.

5. Operations

In order for NBU to fulfill its obligations to its designated QSE in accordance with ERCOT Protocols, at a minimum the facility must have a single point of contact available on a 24/7 basis in order to respond to requests, directives and emergency orders.

C. Generation Facility Details

Proposers must provide the exact geographic location of the offered facility and the point of interconnection with the TSP, either existing or proposed. Other reports must include a detailed description of the solar technology that will be used to provide the renewable energy and capacity or that will be sold or conveyed to NBU. In addition, Proposers must provide sufficient information on the qualified solar renewable resource to provide assurance to NBU that the generating facility will be able to meet its projected production estimates for the duration of the PPA. All facilities must meet applicable regulatory and industry safety, environmental and operational standards, including but not limited to the applicable ERCOT, Texas Reliability Entity (TRE) and North American Electric Reliability Corporation (NERC) standards and requirements. At a minimum, Proposers will specify the following:

1. Facility name or proposed name.
2. Details regarding site geographic location within ERCOT, coordinates and control, including lease and easement arrangements, any local tax abatement agreements or applications, accommodations with mineral owners for surface use, and Google Earth images of proposed facility.
3. Technical information for the facility including solar technology type, make, model, configuration, general layout diagrams, plant layout, nameplate capacity rating, net plant capacity, in-service date or projected in-service date, estimated service/design life, etc.
4. Complete description of the interconnection point, including but not limited to:
 - Corresponding voltage levels to the ERCOT transmission system.
 - Description of metering arrangement at the interconnection point.
 - Description and status of proposed site interconnection arrangements including proposed transmission line construction (if any).
 - Description and status of TSP/ERCOT interconnection process or studies.
 - Detailed studies of local congestion and other congestion-related issues.

5. Expected annual hourly output profile (8760 hours), net AC output rating, capacity factors, forced outage rate, deratings, expected reasons for maintenance, etc.
6. Solar irradiation data for the site, expressed both as hourly irradiation and daily irradiation over the course of a year. Description of sources of irradiation data, either onsite or otherwise.
7. Identification of major equipment suppliers and descriptions of manufacturers' and vendors' warranties, if any, in effect for the facility.
8. Description and confirmation of Proposer's ability to procure an adequate supply of panels and inverters to support its proposal.
9. Proposer's engineering, construction, operating and environmental team qualifications.
10. Description of environmental compliance requirements and all regulatory permits, licenses or approvals required by the facility to supply renewable power.
11. Timelines or milestones including but not limited to:
 - Project permitting
 - Securing interconnection and related agreements
 - Project financing commitments
 - EPS execution
 - Equipment acquisition and delivery
 - Financial close
 - Commercial operation
12. Description of metering arrangement, if available.
13. Description and status of the planned operational control of facility (SCADA / AGC/ Power Quality factors (VAR's, LVRT, ramping capabilities, etc.)).
14. Any other significant information, maps, or drawings regarding the facility.
15. O&M Plan if structure is anything different than a standard PPA.

Section III - Proposal

A. Proprietary Data in Proposal

The Proposer shall identify the page number(s) in which proprietary information is presented. All materials submitted to NBU become public property and are subject to the Texas Public Information Act upon receipt. If a Proposer does not want proprietary information to be disclosed, each page must be identified and marked **PROPRIETARY** at the time of submittal. NBU will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Attorney General of Texas. Failure to identify proprietary information will result in all unmarked pages being deemed non-proprietary and available to the public upon request.

A confidentiality agreement will be entered into between NBU and all Public Power entities participating in this RFP process.

B. Proposal Format

1. Term Sheet

A summary of the principal features of the Proposal, including offered pricing and/or a financing structure as well as critical development and operational aspects of the proposal.

2. Business Organization and Financial Capability

In order for NBU to assess the financial health of the Proposer, the proposal **MUST** include the following information:

- Full name and address of the proposing organization. Identity of parent company if applicable.
- Company ownership structure, form of organization (partnership, corporation, joint venture, limited partnership, limited liability company, or sole proprietor, etc.).
- Names of principal officers of the organization or general partner if any
- Description of financial structure of the company.
- Description of the financial capability of the company to meet its obligations in the Proposal, including relevant information of the Proposer, any parent company and any partners involved in the proposal.
- Evidence of creditworthiness of the Proposer and/or Proposer's guarantor, including ability to obtain and secure financing for new projects, sources of equity and long term debt, and bank/financial institution references.
- Proposed construction and operational securities amounts.
- Profile of qualifications to do business in the State of Texas.
- Primary contact information for individuals responsible for the Proposal and authorized to manage contract negotiations.

- Audited financial statements.
- Any other information deemed appropriate by the Proposer.

3. Corporate and Professional Experiences

The Proposal shall at a minimum address the following:

- Experience with the proposed technology; development, management, operation and maintenance of projects of a similar type, size and scope.
- Descriptions of generating facilities of the same technology type (including nameplate, gross and net capacities) that have been constructed, owned and/or operated by Proposer and/or its parent company that are in service, projected to be constructed and/or to be placed into commercial operation;
- For new construction projects: qualifications of permitting, engineering, construction, operating and environmental team members that will be assigned to the project; including any experience working with ERCOT, municipal, co-op and investor-owned electric utilities in the development of renewable facilities; and
- Other relevant information that the Proposer determines to be beneficial in assisting AE in its evaluation of the project.

4. Proposal Price and Cost

Proposers must identify all pricing elements that are included and will determine the cost of supplying the renewable capacity and energy. NBU prefers a fixed, non-escalating price for the term of the PPA. Proposer should state a fixed price in U.S. dollars per megawatt-hour (\$/MWh) for the renewable energy delivered to the Point of Delivery, including all environmental attributes/renewable energy credits attributable thereto, for the term of the PPA. Any non-fixed pricing should be stated as a schedule of annual prices and amounts.

Additionally, the Proposer may identify the option of further development of the solar generating facility to include the addition of storage at some point in the future.

Section IV - Proposal Submittal

Proposer must submit a pdf (portable document format) of the proposal together with supporting documentation and information to the email address specified in Section I.D. on or before the RFP response deadline. Please do not submit any single email containing more than 15 MB of data. If the proposal and supporting documentation contains more than 15 MB of data, please divide and submit multiple emails in order to stay below the 15 MB data limit.

Please Note: Proposers will receive an automatic email reply that NBU has received your proposal. If you do not receive one, please contact David Hubbard at dhubbard@nbutexas.com immediately to investigate.

All proposals must include a statement that they are valid for a minimum period of ninety (90) days subsequent to the RFP response deadline.

Section V - Evaluation Factors and Award

A. Eligibility/Competitive Selection

This procurement will comply with applicable New Braunfels Utilities procurement policies. Eligible Proposers are those that have demonstrated sufficient experience and financial strength to ensure reliable delivery of energy under the terms of a PPA and are not otherwise suspended from contracting with New Braunfels Utilities. The evaluation factors outlined below shall be applied to all eligible, responsive Proposers. Qualifying proposals will be assessed in order to identify the best proposal in NBU's discretion. NBU may choose to award multiple contracts or may choose to not award any contracts.

B. Evaluation Factors

The following provides a list of factors that will be used by NBU in evaluating Proposals. The list is not necessarily all inclusive, nor does it list the factors in any order of importance:

1. Corporate and Professional Experience with product offered (Max Value 15 points)
2. Proposer's Financial Strength and Structure (Max Value 15 points)
3. Project concept/Operational Viability (Max Value 15 points)
 - Design Concept
 - Project Schedule and Current Status
 - Site Control
 - Permitting
 - Interconnection Status
 - Financing Plan
 - Expected Capacity Factors/Energy Output Profile
 - Expected Commercial Operation Date
 - Ability to best integrate and benefit NBU's Portfolio
4. Total Evaluated Cost (Max Value 55 points)
 - Operational Flexibility
 - Transmission Congestion/Location Risk
 - Energy Delivery Schedule
 - Net Present Energy Value
 - Effective Delivered Price

NBU will assign a maximum of 15 point to the evaluation score for items 1 through 3 of the evaluation factors. Item 4 will be assigned a maximum evaluation score of 55 points. The four evaluation scores will be added together to select the best and most advantages proposal considering the factors herein.

NBU reserves the right to consider any other factors that it deems relevant and to request additional information or supplemental materials from Proposers to thoroughly evaluate proposals submitted in response to this RFP. Such other relevant factors may include, but are not limited to previous dealings and business relationships of the Proposer or any parent, subsidiary, affiliate, joint-venture, or partner of the Proposer with NBU, and such other factors as determined by NBU in its sole discretion.

C. Proposal Recommendation

NBU shall evaluate all Proposals in accordance with the above evaluation factors and make a recommendation to the executive management of NBU. Upon their concurrence, NBU may seek approval from the New Braunfels Board of Trustees to negotiate and execute a PPA.

Section VI - Negotiation and Award of Contracts

Contract documents will be prepared by NBU, incorporating all applicable provisions of the best evaluated proposal(s) and will include terms and provisions subject to ERCOT Protocols and Operating Guides. Under the terms of the PPA, the Seller will be expected to agree to project development milestones and minimum performance standards, and will be required to post related performance security and maintain adequate property insurance coverage for the value of the project covered by the PPA. Any executed PPA may not be assigned without the express consent and approval of NBU.

Section VII– Additional Instructions and Information

1. All Information True

Proposer represents and warrants to NBU that all information provided in the proposer's response shall be true, correct, and complete. Proposers who provide false, misleading, or incomplete information, whether intentional or not, in any of the documents presented to NBU for consideration in the selection process shall be excluded.

2. Costs of Responses

NBU will not be responsible for the costs incurred by anyone in the submittal of responses.

3. No Obligation

By publishing this request for proposals, NBU is under no obligation to enter into a contract with any proposer and reserves the right to cancel the entire process.

4. Right to Reject Responses

NBU also reserves the right to reject any or all responses and to waive any or all formalities or technicalities.

5. Statement of Statutory Compliance

A proposer submitting a response to this request must submit a verified statement that it does not boycott Israel and will not boycott Israel during the term of this agreement as described in Chapter 2270 of the Texas Government Code as amended. Failure to comply with this requirement is grounds for disqualification; however, NBU reserves the right to contact a proposer who fails to comply initially to correct the omission or to confirm the proposer's policy.