
REQUEST FOR PROPOSALS

Photovoltaic Energy 2016

RFP MAJ 16-MJ0070

Questions and Responses #1

OWNER:

Trustees of the California State University
California Polytechnic State University
Facilities Planning & Capital Projects
San Luis Obispo, CA 93407

PROJECT ADMINISTRATOR:

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Director
Facilities Planning & Capital Projects
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DATE:

September 1, 2016

PROPOSAL DUE DATE:

September 14, 2016 Before 3:00 p.m.

The following information is provided for the convenience of the proposers, and is not a part of the Addenda.

1-1

Question:

We would like a copy of Appendix D Archaeological Report "Confidential" and the title states that it is "by request only".

Response:

Cal Poly is unable to share the Archaeological Report to prospective bidders at this point. The Project Area Plan contained in Appendix 1 addresses the concerns raised in the report.

Ref.

Appendix 1, Figure 2. Project Area Plan, page 3 of 3.

1-2

Question:

In section 1.7 of the RFP (page 7) it states that the terms of the SLPPA are non-negotiable. Typically with this kind of RFP we would request the opportunity to review the SLA and PPA and provide any exceptions in our RFP response, consistent with how Cal State Fullerton handled their recent solar procurement process.

Would it be possible to clarify that bidders can submit their exceptions or redlines as part of the RFP response?

Response:

Exceptions may be included with Proposer's Qualifications package. Refer to Addendum #2.

Ref.

Questions and Responses #1, Item 1-10; Addendum #2.

1-3 Question:
With regard to the insurance requirements specified in the PPA, can the General Liability limits be satisfied by a combination of General Liability and Umbrella policies?

Response:

The University will generally accept umbrella policies. Proposers are encouraged to check with their insurance broker for specific coverage.

1-4 Question:
There is a cap on the total amount of electricity that the Trustees (Cal Poly) are required to purchase. The cap is at 110% of estimated annual production. To the extent financiers will accept a cap, such cap is typically more in the range of 120%.

Response:

SLPPA Article 4.2 says that CSU will pay for more than 110% if CSU can benefit from the excess. The cap referred to in 4.2 will be raised to 120%. Refer to Addendum #2.

Ref.

Appendix 3, Sample Solar License and Power Purchase Agreement (SLPPA), Article 4.2 Purchase Obligation; Addendum #2.

1-5 Question:
Although the Trustees are excused from paying for generation in excess of a given amount, the SLPPA nonetheless requires an annual production guarantee, with damages payable for failure to meet the guaranteed amount. A guarantee included within the PPA creates the possibility for setoff and interruptions in payments under the PPA, which most financing parties will not accept. (Note that as part of its standard offering, some companies offer a 100% production guarantee, with a five-year true-up period; however, the production guarantee is offered as a separate agreement, to ensure that there will be no interruption in revenues under the PPA.)

Response:

SLPPA Article 9.3 states that this is a "cumulative" obligation starting from the COD. A separate agreement for Guaranteed Electricity Production will not be considered.

Ref.

Appendix 3, Sample Solar License and Power Purchase Agreement (SLPPA), Article 9.3 Guaranteed Electricity Production Failure.

1-6 Question:
The Trustees obligations are subject to an express non-appropriations provision, without any mitigating obligations.

Response:

The SLPPA provides significant mitigation. If the Trustees terminate because of an event of non-appropriation, the Trustees are required to pay the Termination Fee. That fee is payable after the Licensee has fulfilled its obligation to remove the System and restore the Site under SLPPA Article 13.3. The Termination Fee is substantial and is set at a level to make the financiers whole.

Ref.

Appendix 3, Sample Solar License and Power Purchase Agreement (SLPPA), Article 13.3 End of Term.

1-7

Question:

Under Section 13.3, the Trustees have the right to buy the system at the end of the Term, “or upon earlier termination”, at a price negotiated at the time of purchase. Providing the Trustees with the right to purchase the system upon any early termination of the agreement (for instance, for a termination for convenience or default) creates what financing parties view as a continuous purchase option, which threatens the financing party’s status as the system’s true owner for tax purposes. Further, PPAs must always specify that the purchase price will be the greater of the system’s fair market value at the time of purchase option exercise and an amount that will make the financing party whole.

Response:

The Trustees buyout option in the SLPPA is upon termination as provided in SLPPA Article 13.3, which is a negotiated price. If the parties do not agree on price, there is no purchase. SLPPA Article 16.2 will be deleted, which eliminates termination for convenience. Refer to Addendum #2.

Ref.

Appendix 3, Sample Solar License and Power Purchase Agreement (SLPPA), Article 13.3 End of Term; Article 16.2 Trustees Early Termination Rights; Addendum #2.

1-8

Question:

Numerous requirements regarding Trustee involvement / fees related to the assignment of the system to financial or other entities. Further, the SLPPA gives the Trustees the right to prevent a financing party from stepping in and exercising its rights in case of a Licensee default. Financing parties will not invest millions of dollars in a project where there are restrictions on their legal rights as a secured party to exercise their remedies.

Response:

Article 15.4 of the SLPPA gives the Lender (as defined) very broad rights to step in and cure defaults. This language is wholly consistent with the provisions for Lenders generally found in PPA’s.

Ref.

Appendix 3, Sample Solar License and Power Purchase Agreement (SLPPA), Article 15.4 Lender’s Rights.

1-9

Question:

In addition to the problematic provisions that are included in the SLPPA, there are a number of key provisions that are standard in solar PPAs that are missing.

Response:

See response to Item 1-2 and 1-10.

1-10

Question:

There are many more issues with this agreement beyond those listed that constitute material rationale which may not allow companies to bid on this RFP. Should Cal Poly reconsider its non-negotiable stance (as outlined in section 1.7 of the RFP) to rewrite significant portions of the agreement, or be willing to instead utilize another contract template such as the NREL SPAC form, then that decision will directly impact a company’s ability to submit a proposal for this RFP.

Response:

Cal Poly does not intend to adopt an alternate agreement template. See response to Item 1-2.

Ref.

Questions and Responses #1, Item 1-2; Addendum #2.

1-11 Question:
Will the University please provide a full copy of the ALTA study performed for the project site?

Response:

The University will provide the most recent ALTA study it has for the project site as part of this Q&R, for informational purposes only, and made available at the following:

https://afd.calpoly.edu/facilities/docs/post/2016-08-24_alta_cpros473/

1-12 Question:
Will the University please provide a full copy of the pending Interconnection Study submitted to PG&E (i.e. full application, not pre-application)? We also request the single-line and any other supporting documentation used in the application, if available.

Response:

The University will provide the information it has available relating to the Interconnection Study as part of this Q&R, for informational purposes only, and made available at the following:

https://afd.calpoly.edu/facilities/docs/post/2016-08-31_rfp_maj-16-mj0070_qr1_cpeig420/

1-13 Question:
While the Interconnection Pre-application Report is a helpful initial indicator of available capacity, the report on page 1 states:

“... 1) the existence of “Available Capacity” in no way implies that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, 2) the distribution system is dynamic and subject to change and 3) data provided in the Pre-Application Report may become outdated and not useful at the time of submission of the complete Interconnection Request. “

This essentially states that the Pre-Application Report cannot be relied upon. As has been the experience of many solar developers, the Pre-Application Report becomes obsolete almost immediately. Even if no new generation or distribution upgrades occur between the publication of the Pre-Application Report and the final Generation Interconnection Agreement (but changes often occur), only a full study by PG&E can reveal the scope and cost of potential network and/or distribution upgrades that would be required for interconnection.

The University has aligned with this Pre-Application Report and the RFP stipulates that “...the system size shall not exceed 4,430 kWp-ac.” With the likelihood that the report could become obsolete in the near term, or more likely the full study may necessitate upgrades even if the Project were less than 4,430 kWac, will the University allow bidders to provide a “maximum” offering of up to 5,000 kWac (the RES-BCT limit), to the extent feasible?

This option would have two benefits. The first benefit is that a larger system would result in the maximum RES-BCT credit for Cal Poly's primary meter. It's possible that the additional credit would more than pay for any PG&E upgrades that might be identified upon completion of the Interconnection Study. The second benefit is that 5,000 kWac is a more standard system size than 4,430 kWac which will likely result in greater system savings from most, if not all, bidders. Finally, requesting bids on a larger system size would not preclude changing the system size once a bidder has been selected and the Interconnection Study has been completed.

Response:

The system size of 4430kWp-ac is based on the PG&E Pre-Application response, and system ratings and limitations provided by PG&E in the response. The size was selected to minimize the PG&E system impacts and Interconnection costs that will be detailed in the System Impact Study (SIS). PG&E has provided the Rule 21 Electrical Independence Test, with pass results for both

Screen Q and R for a project size of 4500kWp. Cal Poly will release PG&E to complete the SIS but it will not be available from PG&E for up to 90 days according to PG&E. A maximum size of 5000kWp-ac may be feasible, but an application amendment would need to be prepared by the Bidder and submitted to PG&E, with the Bidder to provide payment of any fees requested by PG&E to revise the SIS. While it is possible to increase the size of the installation up to 5000kWp-ac prior to execution of the final Interconnection Agreement, Cal Poly cannot guarantee that PG&E will accept an increase in the size, or that the interconnection costs identified in the SIS will not increase as result of increasing the size to 5000kWp-ac. Bidders shall propose on the 4430kWp-ac size system specified.

1-14 Question:

Without knowing the full scope and cost of the PG&E Interconnection Study results, will the University consider proposals that exclude the cost of PG&E upgrades (i.e., a "solar only PPA rate"), while providing a separate schedule of increases to the PPA rate that would reflect potential incremental PG&E costs?

Response:

Proposers shall assume PG&E interconnection costs of \$200,000, pending receipt of the System Impact Study from PG&E, with provision that Cal Poly and Proposers shall negotiate in good faith to address the actual cost – higher or lower – once it is known. Refer to Addendum #2.

1-15 Question:

Will the University please provide a full copy of the geotechnical report (if completed) for the project site?

Response:

The University has not completed a geotechnical report for this site.

1-16 Question:

Proper identification of the subsurface geotechnical features are critical to the final design and cost of a solar project. Without this information, solar developers have no choice but to propose "standard" installation costs and put the risk of occurrence of non-standard soil conditions onto the Client. For instance, if the soil conditions of the site indicate hard clay or rock fragments that resist standard drivenpile installation, the cost of the foundation design would increase. Without presently knowing the subsurface geotechnical features of the site, will the University consider proposals that assume "standard" soils and "standard" foundations (specifications to be proved by each respondent), while providing a separate schedule of increases of increases to the PPA rate that would reflect potential incremental costs.

Response:

See response to Item 1-15.

1-17 Question:

Please identify the nearest water source and its distance from the proposed project site.

Response:

https://afd.calpoly.edu/facilities/docs/post/2016-08-31_rfp_maj-16-mj0070_qr1_cpeig420/

1-18 Question:

Must a biologist be retained by bidder or will the University retain their own biologist?

Response:

The University will retain the services of a biologist.

1-19 Question:

Is it acceptable to build outside of the yellow "photo-voltaic panel area" boundary identified on page 41 of the RFP so long as the construction remains within the parcel boundary and meets all other requirements as set forth in the RFP? Specifically, is the large area in the southern portion of the parcel available?

Response:

No. All work must remain within the yellow marked "Photo-voltaic panel area" identified on the Project Area Plan map. See also Item 1-1 above.

Ref.

Appendix 1, Figure 2. Project Area Plan, page 3 of 3.

1-20 Question:

At the site visit you indicated a need to allow room for a future storage component to be integrated at a later and unspecified date. You then indicated that if a storage component allowed for a more attractive NPV now that Cal Poly SLO would be very interested.

Will you accept and consider valid a proposal that includes a storage component and energy management system?

If yes, we will need 15 minute load interval data on the meters that have been identified to be included as part of this project.

Response:

Yes. While Cal Poly believes that energy storage is likely to be beneficial at a future date as tariffs change, there is nothing in the RFP prohibiting respondents from incorporating storage now, if it results in a better NPV. Cal Poly will consider proposals that include storage and related controls, but as an RES-BCT project directly connected to PG&E distribution, there is no customer load at this site to provide interval data for. The only aspect of load at Cal Poly's Mustang Substation that is relevant to this project is whether or not Cal Poly's expenses for the Generation component of our E20T tariff exceed the value of credits this RES-BCT project will generate. Cal Poly will provide two years of monthly Generation expense from utility bills.

https://afd.calpoly.edu/facilities/docs/post/2016-08-31_rfp_maj-16-mj0070_qr1_cpeig420/

1-21 Question:

The price proposal won't be opened until October 5th. As we have not yet received these forms, would Cal Poly consider extending the price proposal due date until then?

Response:

Yes. Proposer's Price Proposal will be due at a later date than Proposer's Qualifications. Refer to Addendum #2.

1-22 Question:

How many years does Cal Poly desire a public-facing dashboard? All 20?

Response:

For the duration of the agreement.

1-23 Question:
Will the university supply utility E20T energy/cost data for the main campus? We would like to review 15-minute interval data for the last year.

Response:
See response to Item 1-20.

1-24 Question:
Our understanding is that only a tracking system will be considered. Please confirm.

Response:
Single axis tracking is required.

1-25 Question:
Does the university have a site camera model # and manufacturer in mind to use?

Response:
No.

1-26 Question:
Section 1.12: "Academic Component" asks for quarterly tours of the project. For how many years are the quarterly tours expected?

Response:
For the duration of the agreement.

1-27 Question:
The RFP states we cannot interconnect to Cal Poly's campus distribution. Could we interconnect to the campus if battery storage is used?

Response:
No.

1-28 Question:
The RFP specifically requests a tracker type array racking system, however given the topography and layout of the proposed site, we believe a fixed tilt system may be advantageous for overall net production and ultimately optimal NPV. Does the RFP response allow for an alternative Fixed Tilt proposal? If so, should we propose as an 'alternate' bid entirely or can we need to submit both a tracker and fixed tilt bid in order to remain compliant?

Response:
See response to Item 1-24.

1-29 Question:
Many of the criteria used for scoring the Evaluation of Qualifications (e.g. academic component, project approach, schedule), as well as other aspects of proposals (e.g. safety, quality, community engagement, DVBE / small business / local business contributions), are factors that can affect the proposal price. However, the process indicated in section 7.6 Price Proposal Review seems to illustrate that final selection will be based strictly on "the highest NPV of savings to Cal Poly". Is the final selection indeed based solely on the NPV calculation for the 5 finalists once minimum

RFP requirements are met, or will Cal Poly's final decision place any added value on proposals that exceed minimum requirements in the aforementioned aspects?

Response:

Award will be based on the highest NPV savings of the top 5 qualified Proposers.

1-30 Question:

Page 8 of the price proposal form specifies incentive levels for DVBE participation in terms of percentages. How are the specified incentive percentages to be applied to the price? Is that a percent boost to NPV value, percent deduct to the PPA price put into the NPV calculation, or a different method all together?

Response:

The DVBE incentive would be added to the NPV savings amount for bid evaluation purposes only.

1-31 Question:

Does Cal Poly place any incentive on local labor participation similar to the DVBE incentive? If so, how is this factored into price evaluation?

Response:

In addition to the DVBE incentive, Cal Poly is also offering a 5% up to \$50,000 Small Business Preference. The Small Business Preference would be added to the NPV savings amount for bid evaluation purposes only. There are no incentives specifically for local labor.

Ref.

Appendix 2-A, Sample Price Proposal Form, Page 8 of 8; Appendix 2-D, Small Business Preference and Certification Request form.

1-32 Question:

Would Cal Poly value significant academic components above and beyond the requirements specified in the RFP? If the value of the academic offering were substantial enough, could that be factored into the NPV calculation, or be otherwise considered in the final award determination?

Response:

No. See response to Item 1-29.

1-33 Question:

The IS/MND, and the inclusive visual impact study, specifies project characteristics only achievable with the SunPower T20 Tracker. No other commercially available product meets all of the indicated specifications. Will Cal Poly entertain bids for alternate PV systems (e.g. horizontal single-axis trackers, fixed tilt racking, etc.), or are all Proposers to utilize this product? If the latter, how are we to be compliant with the terms of the Noncollusion Declaration while procuring products from another Proposer?

Response:

The SunPower T20 Tracker was selected for the visual impact analysis to represent the "worst case" of visual impact. Proposers are not constrained to use any particular manufacturer or model of tracker.

1-34 Question:

The PG&E Pre-Application Report leaves ambiguity on the final costs for PG&E's supplemental review & upgrades, which could end up being as high as \$500k. Does Cal Poly wish for bidders to carry a specified allowance for the purposes of levelized bid evaluations?

Response:

See response to Item 1-14.

1-35 Question:

Will Cal Poly consider bids for an alternate PPA contract provided by Proposers?

Response:

No.

1-36 Question:

Is the PPA rate to include all of the Proposer's costs associated with the quarterly guided tours?

Response:

Yes.

1-37 Question:

The visual impact study requires that the fence and all frames and tracker components be painted or coated to achieve a black or dark-grey color. Is this at all negotiable? Besides being fairly cost prohibitive, many moving parts of the tracker cannot function properly after being painted or coated.

Response:

The portions of the frame visible from Highway 1 must be black or dark grey. Those portions behind the panels can be of a different color.

1-38 Question:

The NPV calculation methodology is built on the assumption that module degradation can be based on a single value for the entire 20 years. Will Cal Poly accept a modification to this methodology that allows for a unique degradation factor each year, if the alternate methodology can be proven justified?

Response:

No.

1-39 Question:

Regarding the power lines passing through the middle of the project site: what setback requirements are we to assume exist for PG&E's right of way easement?

Response:

The width of the easement is 25 feet from center line of pole for a total of a 50 foot easement.

1-40 Question:

Please provide 12 months of electricity bills from PG&E for the meter that we will be offsetting.

Response:

See response to Item 1-20.

1-41 Question:

Please provide ALTA survey if available. If not available, please indicate if/when it will be provided.

Response:

See response to Item 1-11.

1-42 Question:

What is the annual load and consumption at the meter(s) that CalPoly intends to include in the RES BCT program? After award we will need to verify the load and bill available to be credited for the purposes of underwriting.

Response:

See response to Item 1-20.

1-43 Question:

Is Prevailing Wage required for O&M?

Response:

Yes.

1-44 Question:

What is the expected duration of each of CSU Mechanical Review Board, State Fire Marshall, and Plan Check Approvals?

Response:

The Mechanical Review Board and plan check will take approximately three weeks to review the documents and return comments. It is unknown how long the State Fire Marshall will take to review the documents. We will submit to the State Fire Marshall after we receive the corrections requested by the Mechanical review Board and plan check.

1-45 Question:

State Fire Marshall requires approval from the local fire agency - who is the local fire agency for CalPoly & how long has this review process historically taken?

Response:

For this project the responding agency will be Cal Fire and they will be reviewing for access only. Typically we meet with the responding agency prior to the completion of the documents and have prior approval.

1-46 Question:

Are any use permits or other discretionary permits expected to be required beyond the Trustees review and CEQA filing (i.e. - conditional use permit, regional flood review etc...)?

Response:

Proposers are encouraged to review the Draft CEQA Mitigation Monitoring and Reporting Program for any additional permitting requirements. Refer to Addendum #2.

1-47 Question:

Do Assignment terms in SLPPA Section 12 apply to CalPoly assignment as well? Or are they intended to apply solely to the Provider?

Response:

Assignment terms apply solely to the Provider.

1-48 Question:
Do main subcontractors (i.e. an EPC subcontractor) need to be identified as part of bid package, or can this be decided upon post-award?

Response:
Proposers are not required to identify subcontractors at the time of bid unless they are known. The List of Subcontractors should be submitted/updated as soon as subcontractors are selected.

1-49 Question:
Do we need to include qualifications regarding the 3% DVBE requirement as part of bid package, or can this be submitted post-award?

Response:
DVBE documentation is not required to be submitted at the time of bid but should be submitted as soon as selected.

1-50 Question:
Do we need to provide copies of all licenses in Appendix 9 with our bid package?

Response:
Copies of all applicable licenses required for this bid shall be submitted with Proposer's Qualifications. At a minimum, license verification must be submitted for the Proposer (Contractor) and lead design professional.

1-51 Question:
Please provide further detail on CalPoly's request for a Vegetation Management Plan submittal. Besides Respondents' acknowledging or not acknowledging their ability to meet those requirements requested by CalPoly's Animal Science faculty in Appendix 8, what specific information is CalPoly interested in understanding in a Respondent's Vegetation Management Plan?

Response:
Proposers are to submit a Vegetation Management Plan so that Cal Poly can understand how the site is intended to be maintained, and evaluate potential impacts to current sheep unit operations as well as that aspect of the academic component of the project.

Ref.
Appendix 8, Academic Component; Appendix 11, Attachment 1, Mitigation Monitoring and Reporting Program (Addendum #2).

1-52 Question:
Given that the solar project will not be behind any load, does CalPoly have any expectations or have received any advice from the utility or consultant that a standby rate would apply?

Response:
No. CSU has no loads at the meter. The Proposer is responsible for any backup service it requires.

1-53 Question:
Is CalPoly open to discussion surrounding modification of the term "Uncontrollable Force" in SLPPA Section 1.85 to either remove "action by a governmental authority" as a Force Majeure item, or alternatively to more narrowly define "action by a governmental authority"?

Response:

We are not open to the proposed change. However, for this project, Cal Poly shall not be considered a governmental authority.

1-54 Question:

Is CalPoly open to discussion surrounding modification of SLPPA Section 8.2 to allow for a Licensee termination right without penalty in the event that Trustees fail to reasonably issue the Notice to Proceed?

Response:

Cal Poly is not open to this proposed change due to the fact that what may be deemed as reasonable to the Proposers may be different than what the University deems reasonable.

1-55 Question:

Is CalPoly willing to modify SLPPA Section 7.7 to allow for a Licensee termination right without penalty in the event that Trustees fail to approve the Construction Documents within a reasonable timeframe, to be defined during SLPPA negotiations?

Response:

Cal Poly is not open to the proposed modification as the timeframe for approval of the documents is dependent on the completeness of the documents.

1-56 Question:

Please explain the meaning and implications behind SLPPA Section 9.8, which provides for Trustee retainage to cover claims filed pursuant to stop payment notice provisions of CA law. Given this appears to restrict cash flow temporarily we would like further detail on this provision.

Response:

This requirement will be enforced during construction, using the required payment bond (SLPPA Exhibit E) in accordance with California Law (Civil Code section 9000 et seq). Once in operation the Trustees shall retain 125% of any stop notice out of any money due or may become due to the Licensee to cover the claim.

Ref.

Appendix 3, Sample Solar License and Power Purchase Agreement (SLPPA), 3-E Exhibit E, Payment and Performance Bonds.

1-57 Question:

Please clarify CalPoly's intent for its electricity purchase obligation: SLPPA Section 4.2 seems ambiguous between a purchase obligation not to exceed 110% of EEP for any Contract Year, and a purchase obligation not to exceed 100% of EEP.

Additionally, regarding this purchase obligation, would CalPoly be willing to purchase additional electricity generated above 110% of EEP at a reduced rate, so long as CalPoly can use the electricity? Ideally we do not want to deliver free electricity, so would request CalPoly's willingness to discuss a reduced \$/kWh rate for that electricity should they be able to make use of it. Capping the Trustees' purchase obligation at EEP or even 110% of EEP removes a potential performance incentive for Licensee, along with the associated upside, and will hinder project financing. The limitation also conflicts with Licensee's obligation under SLPPA Section 4.1 to provide all Electricity produced by the System to the Trustees, and creates the potential that Licensee must deliver electricity for which it is not compensated.

Response:

See response to Item 1-4.

1-58 Question:

Please confirm whether the Site License is irrevocable (SLPPA Section 3.1). We assume the grant of the License will be irrevocable in nature and expressly state so in order to avoid any implication that the License may be revocable at will by the Trustees.

Response:

The Site License is not irrevocable and subject to early termination. Early Termination Rights (SLPPA Article 16.2) for convenience have been removed. Refer to Addendum #2.

1-59 Question:

Section 2.24 "Contract Bonds" of the RFP document requires a surety bond to guarantee faithful performance of the Contract by the Successful Proposer. First, please explain what specifically this surety bond is supposed to cover (for example - the cost to remove the system at the end of the PPA term, the electricity performance guarantee, etc.). Second, is an annual renewing bond an acceptable form for this surety bond that must cover the entire PPA term?

Response:

Two surety bonds are required for 100% of the project cost (SLPPA Article 8.10). Removal of System (SLPPA Article 13) outlines performance bond or escrow requirements for system removal. No on-going annual performance bond will be required for electricity performance guarantee.

Ref.

Appendix 3, Sample Solar License and Power Purchase Agreement (SLPPA), Article 8.10 Contract Bonds; Article 13 Removal of System.

1-60 Question:

Requirement "I" of RFP Section 4.3 requires Proposer to submit "information clearly demonstrating the ability to meet the bonding and insurance requirements as outlined in SLPPA 8.10 and 18. Please provide detail on what specifically CalPoly needs to see from Respondent in order to sufficiently demonstrate this ability.

Response:

A letter from the Proposer's surety stating that the Proposer has the ability to bond the project as proposed.

1-61 Question:

Is CalPoly open to discussion surrounding non-economic changes and drafting clarification/alteration to the following SLPPA sections: 3.3.1, 3.3.2, 3.7, 3.8, 4.4, 5.5, 7.1, 7.2, 7.5, 8.6, 8.8, 8.10, 9.1, 9.12, 10.2, 12.5, 12.6, 16.2 ?

Response:

See response to Item 1-2.

1-62 Question:

Is CalPoly open to conditions precedent to the PPA being in force if certain development items are unsuccessful (for example ground investigation reveal unexpected conditions, permitting process is unsuccessful or imposes extraordinary costs, utility interconnection costs come in prohibitively expensive. Given that many of these items are unknown and may be unknown at PPA signing given CalPoly's goals, some of these protections will be required if CalPoly wants to maintain the schedule in the RFP.

Response:

Cal Poly will be open to discussing flexibility on timing of milestones if substantial, extraordinary conditions arise. However, all proposers have had the opportunity to tour the site and Cal Poly has made extensive materials available. Proposers should not expect any price relief.

1-63 Question:

We would suggest that CalPoly evaluate all projects using a single interconnection assumption to evaluate all bidders on an equal playing field. There is no way for a developer to guaranty or estimate these costs prior to return on the full interconnection study. Our experience has shown that many projects fail when the expectations on PPA price are different among bidders and between the bidders and the entity soliciting bids

Response:

See response to Item 1-14.

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