

July 30, 2009

Request for Proposals

Under the

Jersey Central Power & Light

Company and Atlantic City

Electric Company

SREC-Based Financing Program

NERA

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ARTICLE 1. Introduction

1.1. Background

- 1.1.1. Jersey Central Power & Light Company (“JCP&L”) and Atlantic City Electric Company (“ACE”), jointly known as the Electric Distribution Companies (“EDCs” or “Companies”), are issuing this Request for Proposals (“RFP”) to select solar projects (“Projects”) with which to enter into contracts for the purchase of Solar Renewable Energy Certificates (“SRECs”), based on the price of each Project’s SRECs. Through this RFP, the Companies will only contract for the purchase of SRECs for the term of the SREC Purchase and Sale Agreement (“SREC PSA”), and not for energy or capacity associated with any Project.**
- 1.1.2. Capitalized terms not explicitly defined herein take on the meaning ascribed to them in the SREC PSA.**
- 1.1.3. The New Jersey Board of Public Utilities (“BPU” or “Board”) adopted Renewable Portfolio Standards (“RPS”), N.J.A.C. 14:8-2.1 et seq., which require that a portion of the electricity delivered to New Jersey customers be supplied from solar electric generation systems. Suppliers to New Jersey customers must comply with the RPS either by submitting SRECs or by paying a Solar Alternative Compliance Payment (“SACP”). In response to the Board’s directive, on September 30, 2008, JCP&L filed an SREC-based financing program (Docket No. EO08090840), and on October 1, 2008, ACE also filed an SREC-based financing program (Docket No. EO08100875). These programs have the objective, as set by the Board, to enhance the ability of suppliers to meet the RPS. JCP&L, ACE, BPU Staff, the Division of Rate Counsel (“Rate Counsel”), and The Solar Alliance were parties to the proceedings before the Board.**
- 1.1.4. In this document, “the Parties” designates JCP&L, ACE, BPU Staff, and the Division of Rate Counsel (“Rate Counsel”). On March 13, 2009, the Parties and The Solar Alliance entered into a Stipulation by which JCP&L and ACE agreed to coordinate to the extent possible and to use essentially the same SREC-based financing program. The Stipulation outlines the elements of this SREC-based financing program (“Program”). The Board approved the Stipulation in its Order dated March 27, 2009. While the Stipulation did not resolve all issues, issues that remain open are expected to be resolved in the near future.**

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1.1.5. JCP&L and ACE retained NERA Economic Consulting (“NERA”) to serve as Solicitation Manager and implement the Program.

1.2. Overview

1.2.1. Each RPS Reporting Year begins on June 1st of the preceding year and ends on May 31 of that year. The quantity of solar capacity that is planned to be solicited in each RPS Reporting Year is provided in the table below. The Board will review these quantities annually and may make adjustments based on the balance between the state solar requirements and the inventory of New Jersey solar commitments developed pursuant to this Program and independent markets. The quantities in the table below are based on the nameplate DC rating of the solar systems. In this document, MW will be used to mean MW_{dc} unless specifically stated otherwise.

Table 1-1. Planned Quantity Solicited in Each RPS Reporting Year.

RPS Reporting Year	EDC		Total
	JCP&L Quantity (MW)	ACE	
2010 (June 1, 2009 – May 31, 2010)	23	10	33
2011 (June 1, 2010 – May 31, 2011)	10	5	15
2012 (June 1, 2011 – May 31 2012)	9	4	13
Total	42	19	61

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- 1.2.2. In each RPS Reporting Year, the Solicitation Manager will conduct a maximum of three (3) solicitations. Each of the first two (2) solicitations will target to purchase approximately half of the planned quantity for the RPS Reporting Year. The full amount of the planned quantity to be solicited in any one particular solicitation may or may not be awarded based on an assessment of the competitiveness of pricing resulting from the solicitation. The third solicitation will be conducted if the first two (2) solicitations do not procure the full planned quantity for the RPS Reporting Year or if the Solicitation Manager recommends, and the BPU approves, a third solicitation to procure a portion of the next RPS Reporting Year's target (as discussed in the next paragraph).**
- 1.2.3. In each solicitation, the Solicitation Manager will present to the Board a number of recommendations, including a recommendation on the quantity to be procured in the next solicitation. The Solicitation Manager may recommend that the quantity procured be different from the planned quantity. The Solicitation Manager may also recommend that the third solicitation include a portion of the quantity expected to be procured in the next RPS Reporting Year. Such a recommendation would be based on the results of the first two solicitations and the market's ability to respond effectively with competitive bids.**
- 1.2.4. There will be two (2) segments based on the size of the Projects. The first and smaller segment will include Projects less than or equal to 50 kW. The second and larger segment will include Projects greater than 50 kW but less than or equal to 500 kW. The Board has established an aspirational goal that approximately 25% of the Projects be from the smaller segment. The size of a Project is based on the nameplate DC rating of the solar system. In this document, kW will be used to mean kW_{dc} unless specifically stated otherwise.**
- 1.2.5. No Projects greater than 500 kW will be considered. A portion (of 500 kW or less) of a Project that exceeds 500 kW in the aggregate will not be considered.**

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- 1.2.6. Projects that received or will receive a rebate from the Customer On-Site Renewable Energy (“CORE”) Program in force from 2001 to 2008 are not eligible to present a Proposal under this RFP.**
- 1.2.7. A Proposal is a response to this RFP. As a condition of qualification, only Projects that have successfully completed the Initial Application process under the Renewable Energy Incentive Program (“REIP”) or the SREC Registration Program administered by the Board are eligible to submit a Proposal in this RFP. The Initial Application process requires the applicant to submit a package that includes the application form, a technical worksheet, documentation of annual electric consumption, a signed contract for the system to be installed, and a site map. Under the Initial Application process, the Project is assigned an application number (the “NJCEP Application Number”).¹**
- 1.2.8. A “Customer” is a ratepayer in either ACE’s or JCP&L’s service territory at the premises or facility where the Project will reside. The Customer either owns the premises or facility, or has permission for the Project from the owner of the premises or facility. A “Developer” is an entity that contracts with the Customer to install and operate the Project. Either the Developer or the Customer may own the Project and be the “Owner”. A Customer or a Developer that submits any part of a Proposal is a “Proponent”. A Proponent whose Proposal is recommended by the Solicitation Manager and approved by the Board is a “Successful Proponent” and the Project is a “Successful Project”. An Owner of a Successful Project that signs the SREC PSA is a “Seller”.**
- 1.2.9. Proponents are required to agree to the terms and conditions of the SREC PSA. Proponents are required to agree to an inspection of the completed Project to ensure that the SRECs generated by the Project are eligible for use in complying with the RPS. Proponents are required to agree to the installation, at the Project’s expense, of a meter owned by the EDC in whose territory the Project resides. Proponents are also required to agree to net metering arrangements with the EDC.**

¹ NJCEP stands for New Jersey’s Clean Energy Program.

- 1.2.10. Proponents are required to submit a Pricing Proposal. The Pricing Proposal includes a Price and a Duration. The Price is the amount in dollars and cents for an SREC. A Successful Proponent would receive the Price for each SREC transferred to the EDC under the SREC PSA. The Proponent must submit a single Price for a given Project so that the Price obtained for all SRECs transferred is the same. The Duration is the number of years during which the Successful Proponent would receive the Price for each SREC transferred to the EDC under the SREC PSA. The Successful Proponent begins to transfer SRECs through the PJM Environmental Information Service Generator Attribute Tracking System (“PJM-EIS-GATS”) to the EDC when the Project has been constructed, and registered, inspected and certified, and when all requirements of the SREC PSA have been met.**
- 1.2.11. Proposals from Projects that have completed the Initial Application process under the REIP or the SREC Registration Program and from Proponents who can commit to satisfying all other qualification requirements are evaluated on a price-only basis. For each EDC, all Projects are ranked using the Net Present Value (“NPV”) of the payment stream for one SREC and the developer cap is applied. The developer cap across all solicitations in a given RPS Reporting Year is set at 20% of the kW covered by the long term SREC PSAs entered into by an EDC for that RPS Reporting Year.**
- 1.2.12. The Solicitation Manager may or may not recommend any or all of the Projects selected in this manner. There will be a confidential price limit above which bids will not be accepted and the Solicitation Manager will review the Prices for competitiveness. The Solicitation Manager may recommend that not all Projects be awarded an SREC PSA whether or not the quantity bid was sufficient to meet the planned quantity.**
- 1.2.13. The Solicitation Manager will make preliminary recommendations and will share these recommendations with the Parties within ten (10) days of the receipt of the Pricing Proposals. The Parties have ten (10) days to comment on the preliminary recommendations. The Solicitation Manager then has ten (10) days before it makes its final recommendations to the Board. The Board is expected to render a decision on the Projects recommended by the Solicitation Manager within five (5) days of the recommendations being submitted to the Board.**

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1.2.14. Successful Proponents in this RFP are those whose Proposals are recommended by the Solicitation Manager and that are approved by the Board. Successful Proponents must provide a cash deposit within fourteen (14) days of Board approval of the Solicitation Manager's bid selection. The deposit will be returned or forfeited in accordance with terms of the SREC PSA. Successful Proponents must enter into the SREC PSA within five (5) business days of appropriate notice from the EDC. Such notice will be issued no earlier than forty-five (45) days from the date of service of a Board Order approving the results of the solicitation.

1.2.15. Each Proponent commits to complete construction of the Project within one year of execution of the SREC PSA.

1.3. General Process for Submission

1.3.1. The Proposal is in three (3) parts. The first part is an Expression of Interest ("EOI"). The EOI is due three (3) business days before the second part of the Proposal, which is the Pricing Proposal. The Solicitation Manager will send to each Proponent that submits an EOI confidential information that the Proponent will use to submit its Pricing Proposal electronically through a secure file transfer system. The due date for the Pricing Proposal is "Bid Day". The Solicitation Manager will evaluate all Pricing Proposals on a price-only, anonymous basis. The third part of the Proposal is the response to the qualification requirements. The qualification package is due on Bid Day, which is on the same day that the Pricing Proposal is due. Based on the evaluation of the Pricing Proposals, the Solicitation Manager may evaluate the qualification package for only a portion of the Proposals that are submitted.

1.3.2. Each Proponent must comply with all requirements of the EOI as described in Article 2.

1.3.3. Each Proponent must comply with the instructions for the submission of Pricing Proposals provided by the Solicitation Manager upon receipt of the Proponent's EOI. The Proponent must submit its Pricing Proposal exclusively through the use of the Bid Form as described further in Article 3. A sample Bid Form is attached as Appendix 3. On the Bid Form, each Proponent must be exclusively identified through its NJCEP Application Number. Any Bid Form that contains extraneous information will not be evaluated.

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- 1.3.4. Each Successful Proponent must comply with all qualification requirements as described in Article 4. The qualification requirements include providing evidence that the Project has successfully completed the Initial Application process under the REIP or the SREC Registration Program, certifying that the Project is new, committing to leaving the Pricing Proposal open for a period of one hundred and twenty (120) days from Bid Day, and providing all documents required by this RFP.**
- 1.3.5. The submission of a Pricing Proposal constitutes the Proponent's acknowledgement and acceptance of all the terms and conditions of this RFP, regardless of the outcome of the solicitation or the outcome of the Proponent's Proposal.**
- 1.3.6. The Proponent, at its own cost and expense, shall defend ACE, JCP&L, and the Solicitation Manager and their subsidiaries, affiliates, successors and assigns, and each and every one of their respective past, present, or future officers, directors, trustees, employees, shareholders, executors, administrators, successors and assigns, other than entities that are also Proponents, against any and all manner of past, present or future claims, demands, disputes, controversies, complaints, suits, actions, proceedings or allegations of any kind which in any manner relate to, arise out of, or result from any false statement in the Proposal or breach of any covenant by the Proponent set forth herein.**

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1.4. Information Provided to Proponents

1.4.1. The EDCs and the Solicitation Manager have established a Web site dedicated to this Program. Proponents and other stakeholders can visit the Web site to obtain information and documents related to this RFP. The RFP Web site address is www.NJEDCSolar.com. Proponents should ensure that they are using the most current documents for any given solicitation.

1.4.2. The web site consists of the following sections:

- a home page that provides announcements of interest;
- a page that provides all documents and forms needed to submit a Proposal in this RFP, as well as relevant Board Orders;
- a calendar that provides the timeline for the main events in this RFP;
- a web form that Proponents can use to register to the Web site and get automatic updates;
- a web form that Proponents can use to ask questions and where the Solicitation Manager will answer each questioner individually via email;
- an FAQ page where the questions from Proponents and answers by the Solicitation Manager are posted; and
- a list of announcements made to registrants to the Web site.

1.4.3. The Solicitation Manager has established the following schedule for the first solicitation of RPS Reporting Year 2010, in accordance with the guidelines provided by the Stipulation:

Board Order	Friday, March 27, 2009
Launch of Web site	Friday, July 24, 2009
Posting of RFP Documents	Thursday, July 30, 2009
Deadline for EOI	Thursday, August 20, 2009
Bid Day: Deadline for Pricing Proposals	Tuesday, August 25, 2009
Deadline for qualification materials	Tuesday, August 25, 2009
Solicitation Manager Reviews Preliminary Recommendations with the Parties (tentative)	Thursday, September 03, 2009
Deadline for Input by the Parties (tentative)	Monday, September 14, 2009

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Solicitation Manager Submits Recommendations to the Board (tentative)	Wednesday, September 23, 2009
Expected Board Meeting (tentative)	Monday, September 28, 2009
Announcement of results (tentative)	Friday, October 02, 2009
Execution of PSA (tentative)	November, 2009

1.5. Documents

1.5.1. This RFP consists of a total of six (6) documents. This main document is called the “RFP Rules”. The following documents are appended to the RFP Rules:

- Appendix 1: SREC Purchase and Sale Agreement
- Appendix 2: Expression of Interest Form
- Appendix 3: Sample Bid Form
- Appendix 4: Project Proposal Summary Sheet
- Appendix 5: Certifications and Checklist for Qualifications

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ARTICLE 2. Expression of Interest

2.1. Requirements

- 2.1.1. A Proponent must submit an Expression of Interest (“EOI”) using the form provided as Appendix 2.**
- 2.1.2. Using the EOI Form, the Proponent provides a single email address and the Project’s NJCEP Application Number. The Solicitation Manager will send information necessary for the submission of the Pricing Proposal to the email address provided.**
- 2.1.3. Using the EOI Form, the Proponent must provide contact information for a Representative who will be submitting the Pricing Proposal. The contact information for the Representative must include: (i) name; (ii) phone number; (iii) alternate phone number; and (iv) facsimile number.**
- 2.1.4. Using the EOI Form, the Proponent may provide contact information for an Alternate.**
- 2.1.5. The Solicitation Manager will attempt to contact the Representative or the Alternate on Bid Day at the phone numbers provided should the Pricing Proposal be incomplete or require clarification.**

2.2. Submission and Processing

- 2.2.1. The deadline for submission of the EOI is 12:00 PM (noon) Eastern Prevailing time on August 20, 2009.**
- 2.2.2. Each Proponent must provide all required information as described in Section 2.1.**
- 2.2.3. Each Proponent must submit its EOI electronically by email to the Solicitation Manager at NJSolar@nera.com.**
- 2.2.4. If the EOI is incomplete or requires clarification, the Solicitation Manager will contact the Representative by phone and explain the nature of the deficiency. The Solicitation Manager will email a deficiency notice to the Proponent. The Proponent will have until the Cure Deficiency deadline (as defined in Paragraph 2.2.5) to respond by re-submitting an EOI that is complete and consistent with the requirements.**

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- 2.2.5. The Cure Deficiency deadline is Monday, August 24, 2009 at 5:00 PM. If a Proponent to whom a deficiency notice was issued does not respond or provide a complete EOI consistent with the requirements by that time, the Proponent will not be able to submit a Pricing Proposal or participate further in the solicitation.**
- 2.2.6. When the EOI is complete and satisfies all the requirements, the Solicitation Manager sends the following to the Proponent electronically, at the email address provided: (i) instructions for the electronic file transfer of the Pricing Proposal; (ii) a Web site address for access to the electronic file transfer system; and (iii) a password unique to the Proponent. The Proponent's username for the electronic file transfer site is the Proponent's email address.**
- 2.2.7. No more than one EOI can be submitted for a given NJCEP Application Number and Project.**

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ARTICLE 3. Pricing Proposal

3.1. Requirements

- 3.1.1. The Proponent must submit its Pricing Proposal exclusively through the use of the Bid Form as described in this Article. A sample Bid Form is provided as Appendix 3. On the Bid Form, each Project must be exclusively identified through its NJCEP Application Number. Any Bid Form that contains extraneous information will not be evaluated.**
- 3.1.2. A Proponent is required to submit the following information on the Bid Form: (i) the NJCEP Application Number of the Project; (ii) the Price; (iii) the Duration; (iv) the size of the Project; and (v) the EDC territory in which the Project resides.**
- 3.1.3. The NJCEP Application Number is the number assigned to the Project under the Initial Application process of the REIP or the SREC Registration Program.**
- 3.1.4. The Price must be expressed in dollars and cents per SREC. This Price is the price for an SREC that the Proponent would receive for each SREC transferred to the EDC under the SREC PSA if the Project is selected.**
- 3.1.5. The Duration is the number of years during which the Proponent would receive the Price for each SREC transferred to the EDC under the SREC PSA if the Project is selected. The Duration must be an integer greater than or equal to 10 and less than or equal to 15.**
- 3.1.6. The size of the Project must be expressed in kilowatts (“kW”) and must correspond to the size of the Project provided in the Initial Application process under the REIP or the SREC Registration Program. The size of a Project is based on the nameplate DC rating of the solar system. In this document, kW will be used to mean kW_{dc} unless specifically stated otherwise.**
- 3.1.7. The Project size must be less than or equal to 500 kW. A portion (of 500 kW or less) of a Project that exceeds 500 kW in the aggregate will not be considered.**

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- 3.1.8. The EDC service territory in which the Project resides must be the service territory of either JCP&L or ACE.**
- 3.1.9. The Proponent will be required to acknowledge on the Bid Form that the Representative has read and understood the terms of this RFP. By submitting the Pricing Proposal, the Proponent accepts all of the terms of this RFP.**

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3.2. Submission and Processing

- 3.2.1. The deadline for submission of the Pricing Proposal is 12:00 PM (noon) Eastern Prevailing time on August 25, 2009.**
- 3.2.2. Each Proponent must submit its Pricing Proposal exclusively through the use of the Bid Form provided to the Proponent upon receipt of a complete EOI. On the Bid Form, each Project is identified solely by its NJCEP Application Number. A Bid Form that identifies the Project, Customer, or Developer in any other manner, including through the use of the Project name, Proponent name, or any other identifying information, will not be evaluated.**
- 3.2.3. Each Proponent must provide all information required by the Bid Form as described in Section 3.1. Only Bid Forms that are completely and duly filled out will be evaluated. Each Proponent must refrain from providing any information not strictly required by the Bid Form. A Bid Form with extraneous information will not be evaluated.**
- 3.2.4. Each Proponent must comply with the instructions for the submission of Pricing Proposals provided by the Solicitation Manager upon receipt of the Proponent's EOI. Each Proponent must submit its completed Bid Form using the file transfer system designated by the Solicitation Manager. The file transfer system requires an email address and a password. Each Proponent must use as its email address the email address provided with the EOI. The Solicitation Manager provides to each Proponent a unique password that the Proponent must use in submitting its Bid Form.**
- 3.2.5. The Solicitation Manager provides to each Proponent the confidential information necessary for submission of the Bid Form upon completion of the EOI. A Proponent may submit its Pricing Proposal at any time after receiving such confidential information from the Solicitation Manager but in no event after the deadline of August 25, 2009 at noon (EPT). Pricing Proposals received after the deadline will not be evaluated.**

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- 3.2.6. If a Proponent submits its Pricing Proposal on August 25, 2009 between 9 AM and 12 PM, the Solicitation Manager will confirm receipt by phone within thirty (30) minutes. The Solicitation Manager will use the phone number provided on the Bid Form. The Solicitation Manager will either confirm that the Bid Form is complete and consistent with the requirements of Section 3.1 or detail the ways in which the Bid Form is deficient. Deficient Bid Forms will not be evaluated. A Proponent whose Bid Form is deficient may resubmit the Bid Form provided that the resubmitted Bid Form is received prior to the deadline of noon on August 25, 2009.**
- 3.2.7. If a Proponent submits its Pricing Proposal between 9 AM and 5 PM on any business day prior to August 25, 2009, the Solicitation Manager will confirm receipt by phone by 6 PM on that business day. If a Proponent submits its Pricing Proposal after 5 PM on a business day or on a day that is not a business day, the Solicitation Manager will confirm receipt by 6 PM on the next business day. The Solicitation Manager will confirm receipt by phone using the phone number provided on the Bid Form and will either confirm that the Bid Form is complete and consistent with the requirements of Section 3.1 or detail the ways in which the Bid Form is deficient. A Proponent whose Bid Form is deficient may resubmit the Bid Form provided that the resubmitted Bid Form is received prior to the deadline of noon on August 25, 2009.**
- 3.2.8. A Bid Form submitted by a Proponent supersedes any previously submitted Bid Forms submitted by that Proponent. The Solicitation Manager evaluates only the last Bid Form submitted before the deadline that is complete and consistent with the requirements of Section 3.1.**
- 3.2.9. A Proponent who experiences technical difficulty submitting its Pricing Proposal must promptly inform the Solicitation Manager by phone. Technical assistants will be available to resolve any such difficulties. Should such difficulties not be resolved by Bid Day, the Proponent will be instructed to submit its Pricing Proposal by fax and phone the Solicitation Manager immediately once the Pricing Proposal is transmitted. The Solicitation Manager will acknowledge receipt by phone and require the Proponent to confirm all information on the Bid Form.**
- 3.2.10. No more than one Pricing Proposal can be submitted for a given NJCEP Application Number and Project.**

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3.2.11. A Price that is not expressed in dollars and cents per SREC will automatically be rejected. A Price that has more than two (2) decimals will be automatically rounded to the nearest cent.

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ARTICLE 4. Qualification Package

4.1. Requirements

- 4.1.1.** A Proponent must submit a qualification package to satisfy the requirements of this Article. The Proponent uses the form of the Project Proposal Summary Sheet provided as Appendix 4 to these RFP Rules as well as the form for Certifications and Checklist for Qualifications provided as Appendix 5 to these RFP Rules.
- 4.1.2.** As part of its qualification package, each Proponent is required to submit a Project Proposal Summary Sheet with the following information: (i) name of Project; (ii) location of Project; (iii) description of equipment including name of manufacturer; (iv) name and address of Customer; (v) indication of whether the Customer owns or leases the premises where the Project will reside; (vi) name and address of Developer; (vii) name of the Developer's parent company, defined as an entity with a majority ownership interest in the Developer (direct parent and ultimate parent, if applicable); and (viii) Customer utility tariff rate schedule. The Proponent uses the form for the Project Proposal Summary Sheet provided as Appendix 4 to these RFP Rules.
- 4.1.3.** As part of its qualification package, each Proponent must include a copy of its EOI, including the contact information for the Representative and the NJCEP Application Number.
- 4.1.4.** As part of its qualification package, each Proponent must provide the contact information of an individual who can answer questions regarding the qualification materials and who will be available from August 25 to August 28 to provide any additional materials or clarifications requested by the Solicitation Manager. This individual may be, but is not required to be, the Representative named in the EOI.
- 4.1.5.** As part of its qualification package, each Proponent is required to certify that the Project has all of the following characteristics:
- the Project is for the construction of a solar electric (Photovoltaic or PV) system that produces electricity directly from sunlight;
 - the Project is not yet interconnected and the Proponent will not request interconnection prior to the Board Order on the results of this solicitation;
 - the Project will not be interconnected at transmission voltages;

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and

- the Project has not received and will not receive a rebate from the CORE Program in force from 2001 to 2008.

4.1.6. As part of its qualification package, each Proponent must show that the Project has successfully completed the Initial Application process under the REIP or the SREC Registration Program administered by the Board. To satisfy this requirement, each Proponent provides all of the following:

- The Project acceptance letter from the Office of Clean Energy or its designees under the Initial Application process of the REIP or the SREC Registration Program;
- The completed application materials under the REIP or the SREC Registration Program, including all attachments.

4.1.7. The Proponent is solely responsible for knowing and understanding the requirements of the REIP and the SREC Registration Program.

4.1.8. As part of its qualification package, each Proponent must agree to the terms of the SREC PSA without modifications including:

- the requirement for an inspection of the Project at the Owner's sole cost and expense to verify and certify that the SRECs generated by Seller's Project are eligible for use in complying with the New Jersey RPS;
- the requirement for the installation at Owner's expense of an EDC kilowatt-hour meter located in accordance with the EDC's standards and capable of measuring the electricity generated from the continued operation of the Project throughout the term of the SREC PSA so as to be reported to the EDC and PJM-EIS-GATS;
- the requirement for the Owner to agree to net metering arrangements with the EDC.

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- 4.1.9. As part of its qualification package, each Proponent must certify that it is not part of a bidding agreement with another Proponent.**
- 4.1.10. As part of its qualification package, each Proponent must commit to leaving the Pricing Proposal open for a period of one hundred and twenty (120) days from Bid Day.**
- 4.1.11. As part of its qualification package, each Proponent must agree that if the Proponent becomes a Successful Proponent, the Owner will sign the SREC PSA within five (5) business days of being given a “Final Notice of Award” by the EDC. The EDC will give such notice no earlier than forty-five (45) days after the date of service of the Board Order, as further explained in Article 5.**
- 4.1.12. As part of its qualification package, each Proponent must agree that the Owner will provide PJM-EIS-GATS with a signed Schedule A (Generator Owner’s Consent) when required to do so under the SREC PSA.**
- 4.1.13. As part of its qualification package, a Proponent must, as applicable:**
- provide three (3) originals of Appendix C to the SREC PSA, “Host’s Acknowledgment and Certification” signed by the Customer. This requirement applies if the Developer is the Owner;**
 - fill in the Customer Acknowledgment Section of Appendix 5 to these RFP rules, with an original signature from the Customer. This requirement applies if the Customer is the Owner and the Customer owns the premises or facility where the Project resides;**
 - fill in the Customer Acknowledgment Section of Appendix 5 to these RFP rules, providing all documents under that Section, and providing an original signature from the Customer. This requirement applies if the Customer is the Owner and the Customer leases the premises or facility where the Project resides.**

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4.2. Submission and Processing

- 4.2.1. The deadline for submission of the qualification materials is 12:00 PM (noon) Eastern Prevailing time on August 25, 2009.**
- 4.2.2. Each Proponent must submit three (3) originals of its qualification materials by overnight delivery service to: Solicitation Manager, One Gateway Center, Suite 720, Newark, NJ 07102 (Phone: (973) 297-0880 and Fax: (973) 297-0246).**
- 4.2.3. Each Proponent must provide all required qualification materials as described in Section 4.1. A Proponent's Pricing Proposal may only be recommended for an award by the Solicitation Manager if the Proponent's qualification materials are complete and consistent with the requirements of Section 4.1.**
- 4.2.4. The Solicitation Manager will acknowledge by facsimile the receipt of qualification materials generally on the business day that they are received.**
- 4.2.5. The Solicitation Manager will process the qualification materials only after the evaluation of Pricing Proposals has been completed. The qualification materials for a Proponent who does not submit a Pricing Proposal that is complete and consistent with Section 3.1 will not be processed.**
- 4.2.6. No later than August 26 at 6 PM, the Solicitation Manager will send a notice to each Proponent, which states one of the following: (i) the qualification materials are complete and no further action is required of the Proponent; or (ii) the qualifications materials will not be evaluated and will be returned to the Proponent and no further action is required of the Proponent; or (iii) the qualifications materials were evaluated and found to be deficient.**
- 4.2.7. In the case where the qualifications materials are deficient, the Proponent has until 5 PM on August 28 to provide any clarifications or additional materials requested by the Solicitation Manager. No later than August 28, 2009 at 6 PM, the Solicitation Manager will send a final notice to such Proponent, which states one of the following: (i) the qualification materials are complete; or (ii) the qualifications materials remain deficient and the Proponent's Project will not be recommended for an award.**

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ARTICLE 5. Bid Evaluation and Post-Bid Process

5.1. Bid Ranking

- 5.1.1. The Solicitation Manager will not recommend a Proposal for which the Pricing Proposal, the EOI, or the qualification materials are incomplete or fail to respond to any requirement under this RFP.**
- 5.1.2. The Solicitation Manager ranks Pricing Proposals for each EDC separately.**
- 5.1.3. NERA personnel will be divided in two (2) teams, the “Technical Assistance Team” and the “Solicitation Manager Team”. The Technical Assistance Team will answer any questions from Proponents during the Pricing Proposal submission process and will verify any Pricing Proposal submitted by facsimile. Members of the Technical Assistance Team will not communicate any information regarding the identities of the Proponents to the Solicitation Manager team. The Technical Assistance Team compiles the Pricing Proposals that are complete and consistent with this RFP. The Solicitation Manager ranks the Pricing Proposals. The identities of the Proponents will not be disclosed to the Solicitation Manager when it ranks the Pricing Proposals.**
- 5.1.4. For each EDC, the Solicitation Manager ranks Pricing Proposals according to the NPV of payments under the SREC PSA for each annually delivered SREC. The Solicitation Manager uses 6.87% as the discount rate for JCP&L and 6.66% for ACE. The Yearly Factor is equal to $1 / (1 + \text{Discount Rate})^{\text{Year}}$. The NPV of the payments in year 1 for JCP&L would be $1/1.0687^1$, or 0.9357; the NPV of payments in year 2 would be $1/1.0687^2$, or 0.8756; and so on, as shown in the table below.**

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Table 5-1. NPV Factors.

	JCP&L		ACE	
Discount Rate	6.87%		6.66%	
Year (Term of PSA)	Yearly Factor	Cumulative Factor	Yearly Factor	Cumulative Factor
1	0.9357		0.9376	
2	0.8756		0.8790	
3	0.8193		0.8241	
4	0.7666		0.7727	
5	0.7173		0.7244	
6	0.6712		0.6792	
7	0.6281		0.6368	
8	0.5877		0.5970	
9	0.5499		0.5597	
10	0.5146	7.0660	0.5248	7.1353
11	0.4815	7.5475	0.4920	7.6273
12	0.4505	7.9980	0.4613	8.0886
13	0.4216	8.4196	0.4325	8.5211
14	0.3945	8.8141	0.4055	8.9266
15	0.3691	9.1832	0.3802	9.3068

5.1.5. The NPV for a Project will be the price of an SREC provided in the Pricing Proposal multiplied by the Cumulative Factor provided in the table above. For example, a 10-year PSA for JCP&L with a contract price of \$375/SREC would have an NPV of $\$375 * 7.0660 = \2650 .

5.1.6. The Solicitation Manager will make an initial selection by accepting Projects to fill the planned quantity based on the lowest NPV. The first rejected Project is the first Project for which the quantity selected exceeds the planned quantity by more than 150 kW, or the first Project for which the Price is not competitive (as determined by the Solicitation Manager in accordance with Paragraph 5.1.11), whichever comes first.

5.1.7. The developer cap across all solicitations in a given RPS Reporting Year is set at 20% of the kW covered by the long term SREC PSAs entered into by an EDC for that RPS Reporting Year. In this first solicitation, the Solicitation Manager will apply the developer cap so that no more than 20% of the awards in this solicitation for a given EDC are associated with any one Developer or any combination of affiliated Developers under the same majority ownership. The Solicitation Manager will apply the developer cap to each Developer, whether or not the Developer is the Proponent. The Solicitation Manager will require the Proponent to disclose the Developer's majority owner and ultimate parent as part of the qualification package. The developer caps for each EDC, based on the planned quantity being awarded in the 2010 RPS Reporting Year, are shown in the table below.

Table 5-2. Planned Quantity and Developer Caps (2010 RPS Reporting Year).

EDC	Planned Quantity	Developer Cap
JCP&L	23 MW	4.6 MW
ACE	10 MW	2 MW

- 5.1.8. The Solicitation Manager will apply the developer cap to the initial selection of Projects. If a Developer exceeds the developer cap by more than 150 kW, the Solicitation Manager will remove from consideration one or more Projects from the Developer, starting with the Project with the highest NPV so that the Developer no longer exceeds the developer cap.
- 5.1.9. If there is a tie for the last accepted Project, the Solicitation Manager chooses a Project in the smaller segment if the aspirational goal is not met. Otherwise, the Solicitation Manager chooses the last accepted Project at random.
- 5.1.10. For each EDC, the Solicitation Manager will obtain a final selection of Projects after ranking the Projects based on the NPV, applying the developer cap to each Developer, and breaking any ties. Each Project included into the final selection has an NPV that is no higher than the NPV of Projects that are excluded, with the possible exception of Projects that are excluded in the application of the developer cap. For each EDC, the Solicitation Manager will make initial recommendations based on the Projects in the final selection that have complied with all requirements of this RFP.

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5.1.11. The planned quantity may or may not be met. There will be a confidential price limit above which bids will not be accepted and, as part of the selection process, the Solicitation Manager will review the Prices for competitiveness. The Solicitation Manager may recommend that not all Projects be awarded an SREC PSA whether or not the quantity bid was sufficient to meet the planned quantity.

5.2. Post-Bid Process

5.2.1. The Solicitation Manager will make preliminary recommendations regarding the awards and will share these recommendations with the Parties no later than nine (9) days after Pricing Proposals are due.

5.2.2. No later than 10 (ten) days after receiving the preliminary recommendations from the Solicitation Manager, the Parties will send their recommendations to the Solicitation Manager regarding the price above which bids should not be accepted.

5.2.3. The Solicitation Manager will consider the input from the Parties and will develop its final recommendations. The Solicitation Manager will present these final recommendations in a confidential report to the Board no later than twenty (20) days after presenting its preliminary recommendations. The final recommendations include proposed awards to Projects that submitted complete and compliant Proposals and recommendations for the parameters of the next solicitation. After submission of the confidential report, the Solicitation Manager will communicate to each Proponent whether the Solicitation Manager is recommending the Proponent's Project for an award.

5.2.4. Staff will present the Solicitation Manager's recommendations to the Board, which will decide whether to accept or reject each award. This decision is expected within five (5) business days of the Solicitation Manager making its recommendations to the Board.

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- 5.2.5. Once the Board renders a decision on the results, the Solicitation Manager will prepare for each segment the following information for public release on the Board's and/or the Solicitation Web site:**
- **total number and total MW of Projects that submitted Proposals;**
 - **total number and total MW of Projects that received awards;**
 - **total number and total MW of Projects that were rejected; and**
 - **the low and average price of accepted Project.**
- 5.2.6. The Solicitation Manager will communicate to each Proponent who did not receive an award the reason for the rejection.**
- 5.2.7. If the Board accepts the results of the solicitation, the Solicitation Manager will provide to each Successful Proponent an Initial Notice of Award, which shall not become binding until the SREC PSA is signed pursuant to Paragraph 5.2.9. In the Initial Notice of Award, the Solicitation Manager will identify the Project that has been awarded an SREC PSA and will provide contact information for the EDC. The Solicitation Manager will also include the amount of the cash deposit that Successful Proponents must make within fourteen (14) days of Board approval.**
- 5.2.8. The amount of the cash deposit is \$75 per kW, provided that this amount will not be less than \$500 and will not exceed \$20,000. The deposit will be returned, without interest, at the Commencement Date (as defined in the SREC PSA) or will be forfeited in accordance with General Term and Condition A.11 of the SREC PSA.**
- 5.2.9. The EDC will send to the Successful Proponent a "Final Notice of Award" once the Board Order is no longer subject to appeal, which will be no earlier than forty-five (45) days after the date of service of the Board Order. The Owner must sign the SREC PSA within five (5) business days of being given such a notice by the EDC.**

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