EVALUATION REPORT

Evaluation of Proposals Received on January 4, 2019 in Response to a Request for Proposals for a Developer of a Photovoltaic System to be Located on Facilities and Lands Owned by Sterling Regional High School Board of Education, Camden County, New Jersey

Prepared for:
Sterling Regional High School Board of Education

By:
The Sterling Regional High School Board of Education Evaluation Team

Dated:
January 29, 2019

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Executive Summary

This Report is being provided pursuant to the requirements of the competitive contracting provisions of the Public School Contracts Law, specifically, N.J.S.A. 18A:18A-4.1(k); LFN 2008-20, dated December 3, 2008, *Contracting for Renewable Energy Services*; BPU protocol for measuring energy savings in PPA agreements (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines, dated February 20, 2009*); LFN 2009-10, dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements,* and all other applicable law.

The purpose of the Evaluation Report is to provide the Sterling Regional High School Board of Education (hereafter referred to as "Sterling BOE" or "BOE"), with an evaluation of proposals received for its planned solar project and to provide a recommendation to the BOE.

The goal of the BOE is to implement a solar energy project that is environmentally responsible, educational and economically beneficial to the BOE. To this end, on November 30, 2018, the BOE issued a Request for Proposals ("RFP"), as amended, for a Power Purchase Agreement ("PPA") for the purchase by the BOE of electricity generated by photovoltaic solar energy systems ("Systems") implemented by a proposing firm ("Respondent") to the RFP, at its sole cost and expense (the Respondent to be awarded the project will be referred to as the "Successful Respondent"), to be located on facilities and lands owned by the Sterling Regional High School Board of Education, in the County of Camden, New Jersey.

Pursuant to the RFP, the Successful Respondent will finance, design, permit, construct, install, operate and maintain the System, all in accordance with the terms set forth in the RFP including the terms proposed on the Successful Respondent's PPA Price Quotation Proposal Forms. The Successful Respondent will also have all ownership rights to the potential tax benefits and Solar Renewable Energy Certificates ("SRECs") generated by the Systems at each facility and will monetize the SRECs.

The RFP contained technical, site specific requirements and the results of the preliminary feasibility assessment performed by the BOE's energy consultant, Gabel Associates, which defined and estimated the technical potential for the System. The RFP required respondents to perform their own assessment of technical potential and sizing of the Systems. Respondents were also encouraged to include educational and curriculum-based content as part of the proposed solution.

The RFP included two proposal options; one mandatory and one elective proposal options. The mandatory Option 1, as set forth in Article II of the RFP, included canopy-mounted systems to be developed at four areas on the Sterling Regional High School Campus. These four areas included the tennis court/ picnic area, south parking lot, along Preston avenue, and a walkway canopy. Sterling BOE also encouraged, but did not require, Respondents to submit proposals for an additional option. Option 2 consisted of the systems required in Option 1 in addition to roof-mounted systems.

In addition to the installation of solar, the RFP required respondents to include the cost and work associated with removing the tennis courts to the south of the building and repaving this area as a

parking lot. This parking lot and the canopy over the walkway are two capital projects that when included in the solar project cost lead to an avoided cost savings for the BOE. The cost of these projects are included in the majority of the proposal options received and represent an estimated, approximate $600,000 savings.

Respondents were permitted to provide additional, alternative proposals based on their own due diligence, feasibility assessments, and alternative strategies, as long as the Respondents included a proposal on the mandatory proposal Option 1. The Respondents provided multiple alternative proposal options. Under the RFP, the BOE retained sole discretion whether to consider these alternatives and to select the proposal option under which the PPA, if any, will be awarded.

As set forth in the RFP, the Successful Respondent and the BOE will enter into a 15-year PPA under which the BOE will purchase all electricity produced from the System at a rate per kWh. Production will be guaranteed by the Successful Respondent. Pursuant to law, the PPA price must be lower than the delivered cost of power from the local electric utility company; i.e. Public Service Electric & Gas ("PSE&G"). This PPA structure provides the BOE with a reduction in its energy expenditures and minimizes the uncertainty that may result from price increases in the electricity market during the 15-year term of the PPA, in addition to other environmental and educational benefits that may be realized by the BOE. At the conclusion of the PPA Term, the BOE will have three options; the default option is for the Successful Respondent or system owner to remove the system at their cost, the BOE will have the option to purchase the systems at a fair market value, and, if the law allows, an option for continued or renewed PPA. These last two options may result in potentially, significant long-term savings for the remaining life of the equipment.

To evaluate proposals, the BOE organized an evaluation team comprised of Administration personnel and supporting legal and energy professionals (collectively, "Evaluation Team"). The Evaluation Team developed the RFP and evaluation criteria, administered the procurement process (including site visits, RFP addenda, and written Q&A), determined legal completeness and technical compliance of the proposals received, conducted interviews with proposing teams, completed a detailed economic analysis, performed a collective evaluation and proposal ranking by consensus, and drafted this consensus-based Evaluation Report for consideration by the BOE in making an award decision. Evaluation of the proposals was based on point-ranking in a variety of categories, including financial benefits, technical design and approach factors, Respondent experience, and other factors as defined in the Evaluation Matrix included in the RFP[1].

The BOE received proposals from three (3) solution providers (hereafter referred to as "Respondents") on January 4, 2019 in response to the RFP, including:

- Spano Partner Holdings / Advanced Solar Products
- HESP Solar
- Summit Ridge Energy / EZnergy

[1] In accordance with the Competitive Contracting requirements of the Public School Contracts Law, the Evaluation Matrix was developed and published prior to the receipt of proposals in response to the RFP.

Following a legal and preliminary economic review, all proposals were considered complete and legally compliant with the requirements of the RFP. The Evaluation Team completed interviews of all three (3) Respondents. The Evaluation Team conducted a detailed technical and economic analysis, experience review, formal ranking of the proposals as per the evaluation criteria published in the RFP, and development of this Evaluation Report.

The Evaluation Team developed a consensus ranking of each proposal within each evaluation category, leading to an overall score for each proposal between 0 and 100. The proposal with the highest score represents the strongest weighted-balance of all factors considered. Based on information contained within the proposals, and additional information collected during the oral interviews, the Evaluation Team scored the three (3) proposals in accordance with the evaluation criteria specified in the RFP. Table 1 below summarizes the scores for each of the proposals:

Table 1: Evaluation of Proposals

Respondent	Option	PPA Rate ($/kWh)	Annual Escalation Rate	Score
ASP/Spano	1	$0.1447	1.5%	43.5
ASP/Spano	ALT 1	$0.0995	1.5%	N/A
ASP/Spano	ALT 2	$0.0875	1.5%	N/A
ASP/Spano	ALT 3	$0.0558	1.5%	62.32
ASP/Spano	ALT 4	$0.0525	1.5%	66.1
HESP Solar	1	$0.0790	2.0%	66.9
HESP Solar	2	$0.0590	2.0%	99
HESP Solar	ALT 1	$0.0390	1.5%	98
HESP Solar	ALT 2	$0.0490	1.5%	97
EZnergy	1	$0.0550	2.0%	88.5
EZnergy	2	$0.0587	2.0%	74.1
EZnergy	ALT 1	$0.0641	0.0%	57.2
EZnergy	ALT 2	$0.0683	0.0%	59.1

Economic merit, particularly regarding savings through reduced utility bill payments, was evaluated in detail for each proposal. Two of the three proposals received for the mandatory Option 1 and both of the proposal received for the elective Option 2 provide savings, measured as the difference between the solar PPA rate and what it would cost to purchase the same electricity from the utility. Seven of the eight proposed alternatives options provide savings.

The strongest ranked proposal under mandatory Option 1 is from EZnergy, provides savings of approximately $35,967 in the first year, approximately $36,449 in the second year, and an approximate 15-year net present value (NPV) of savings of $413,582.

The strongest ranked proposal under elective Option 2 is from HESP Solar, provides savings of approximately $48,278 in the first year, approximately $58,075 in the second year, and an approximate 15-year NPV of savings of $709,918.

The Evaluation Team did consider and evaluate the alternative proposals provided by Respondents. Advanced Solar Products and Spano Partners Holding submitted four alternative proposals each with variations of how much of the Systems are located on canopies or the roof areas as well as the location of the canopies. One of ASP/Spano's alternative proposal options (Alternative Option 2) included panels in the front parking lot along Warwick Road, this proposal options was not considered due to the location of these panels. Likewise, ASP/Spano's Alternative Option 1 did not produce any economic savings and therefore was not considered. EZnergy provided two alternative proposal options that kept the locations and sizes of the Systems the same as the RFP requested options, except that the alternative proposals had higher PPA rates and 0% escalators. HESP provided two alternative proposal options each with variations of how much of the Systems are located on canopies or the roof areas as well as the location of the canopies.

These alternative proposals were separated into two categories, roof primary proposals and canopy based proposals. As such, the evaluation team found that HESP Alternative Options 1 and 2 provide the most savings in these categories, respectively. HESP Alternative Options 1 is the strongest ranked alternative proposal under the roof primary category with savings of approximately $82,510 in the first year, approximately $92,156 in the second year, and an approximate 15-year NPV of savings of $1,114,378. And, HESP Alternative Options 2 is the strongest ranked alternative proposal under the canopy based category with savings of approximately $64,843 in the first year, approximately $75,140 in the second year, and an approximate 15-year NPV of savings of $924,572.

The Evaluation Team finds that the proposals deliver meaningful savings for the BOE, are competitive with current market practice, and deliver other benefits that are significant. Based on an evaluation of price and other factors, the Evaluation Team recommends awarding the PPA to the highest ranked Respondent under the BOE's preferred proposal option.

1. Overview of the RFP

On November 30, 2018, Sterling BOE issued an RFP for a PPA for electricity generated by the System to be financed, designed, installed, owned, operated and maintained by the Successful Respondent on the Sterling Regional High School Campus. The BOE sought proposals for a mandatory "Option 1" as set forth in Article II of the RFP, which included only canopy-mounted systems to be developed at the tennis court/picnic area, south parking lot, along Preston avenue, and a walkway. Sterling BOE also encouraged, but did not require, Respondents to submit proposals for an additional option. Option 2 consisted of the systems required in Option 1 in addition to roof-mounted systems.

The Successful Respondent and the BOE will enter into a PPA for 15 years, the maximum duration permitted by State law, under which Sterling BOE will purchase the electricity produced from the System at a fixed rate per kWh. The PPA rate must be less than the local utility electric tariff in the initial year of the term for the project to be awarded. It is anticipated that the Successful Respondent will finance the project through a combination of revenues derived from the sale to the BOE of the electrical output of the System, the sale of Solar Renewable Energy Certificates ("SRECs") in the competitive SREC market, federal tax benefits (i.e. both investment tax credits and accelerated depreciation) and investor capital. At the end of the PPA term, the BOE will have the three options; (a) have the System removed at the Successful Respondent's expense; or (b) renegotiation of an extension of the PPA, if allowable by law; or (c) purchase the System by the BOE at fair market value ("FMV").

Proposals were to be evaluated on the basis of price and non-price criteria, in accordance with competitive contracting provisions of the Public School Contracts Law, specifically, N.J.S.A. 18A:18A-4.1(k); LFN 2008-20, dated December 3, 2008, *Contracting for Renewable Energy Services*; BPU protocol for measuring energy savings in PPA agreements (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines, dated February 20, 2009*); LFN 2009-10, dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements,* and all other applicable law. Components of the RFP are as follows:

a) Solar Systems Size

A preliminary feasibility assessment was performed by the BOE's energy consultant, Gabel Associates, to identify the technical potential for a solar system at the Sterling BOE. Based upon this conservative, preliminary assessment, the System was estimated to have a total capacity of approximately of 1,260 kW DC depending on the areas included and design approach. The preliminary system size was capped at 80% of each facility's previous 12 months of electricity usage. The RFP required that all proposals not exceed this 80% of the Baseline Annual Usage cap.

The Respondents were provided with twelve (12) months of electric usage data and utility tariff information for the facilities included. The RFP also included conceptual layouts designated the areas of the roof that are available for the installation of solar arrays based on discussion with the BOE and its professionals.

b) Pricing and Other Commercial Requirements

The RFP required the Respondents to propose with system sizes, production guarantees, a PPA Price, and an annual escalation rate, if any, for every proposal submitted. In addition, all Respondents were required to provide a price adjustment factor to account for any increase in project development cost and unforeseen electrical interconnection or structural improvement costs. These adjustment factors provide a controlled way for unforeseen cost changes to be handled after award, if required.

Proposals were required to include the following information about each Respondent:

- Proposal Option 1 - PPA Price Quotation Sheets
- Proposal Option 2 - PPA Price Quotation Sheets
- Respondent Information/Cover Letter
- Consent of Surety
- Form of Construction Performance Bond
- Agreement for Proposal Security in Lieu of Proposal Bond
- Proposal Bond
- Ownership Disclosure Statement
- Non-Collusion Affidavit
- Consent to Investigation
- Statement of Respondent's Qualifications
- Acknowledgement of Receipt of Addenda
- Affirmative Action Compliance Notice/Mandatory EEO Language
- Disclosure of Investment Activities in Iran
- Proposal Checklist
- Political Contribution Form C. 271
- Public Works Contractor Certificate (*N.J.S.A 34:11 56.51)*
- Notice of Classification (*RFP Section 4.14*)
- Total Amount of Uncompleted Contracts Form DPMC701 *(RFP Section 4.14)*
- Business Registration Certificate (*RFP Section 4.12)*

The RFP also contained specific standard terms that were to be included in the PPA agreement, as well as standard requirements for proposal and construction bonding, insurance, etc.

c) Technical Requirements

The RFP provided technical requirements as well as special site conditions as a preliminary guide for the Respondents' proposed System. These Exhibits were used as the minimum requirements to satisfy the RFP.

Prior to the release of the RFP, the BOE's energy consultant, Gabel Associates, did not contact the local electric distribution company, Public Service Electric & Gas (PSE&G), to inquire about interconnection difficulty. Currently the BOE does not have a reason to anticipate interconnection issues. This is a preliminary finding and not definitive; the only way to

determine whether a solar project can be interconnected is to file an interconnection application once detailed designs are prepared.

d) Evaluation Process

To evaluate proposals, the BOE organized an evaluation team comprised of: Mark Nepoleon, Superintendent; Joanne Augustine, Business Administrator; Tom Arcinese, Director of Facilities; Ryan J. Scerbo, Esq., of DeCotiis, Fitzpatrick, Cole & Giblin; and Andrew Conte, CEM and Brian Bizjak of Gabel Associates (collectively, "Evaluation Team"). The Board's Solar Committee assisted with the development of the RFP and provided support during the process. The Evaluation Team developed the RFP, administered the procurement process (including site visits, RFP addenda, and written Q&A), determined legal completeness and technical compliance of the proposals received, conducted oral interviews with proposing teams, completed a detailed evaluation and proposal ranking, and drafted this consensus Evaluation Report for consideration by the BOE in making an award decision.

The following milestones summarize the RFP development and evaluation process:

- 11/30/18 – RFP Issued
- 12/14/18 – Pre-proposal Conference and Site Tours
- 12/18/18 – Formal Written Addenda No. 1 & Q&A Issued
- 12/20/18 – Formal Written Addenda No. 2
- 1/4/19 – Proposals Received
- 1/15/19 – Oral Interviews with Compliant Respondents
- 1/22/19 – Meeting of Evaluation Team to Rank Proposals
- 1/28/19 – Meeting with the BOE in Solar Committee
- 1/29/19 – Evaluation Report Issued

2. Responses to the RFP

The BOE received and evaluated three (3) compliant proposals in response to the RFP as outlined in Table 2. Each Respondent consisted of a team made up of, at a minimum, a project developer (typically the PPA Provider) and an Engineering, Procurement and Construction ("EPC") company. Under this structure, the PPA Provider is responsible for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the Systems. To accomplish this task, the PPA Provider will contract with an EPC to complete the required engineering and construction work.

Table 2: Overview of Respondent Teams

PPA Provider	EPC
HESP Solar (HESP)	HESP Construction (HESP)
Summit Ridge Energy	EZnergy
Spano Partners Holdings (Spano)	Advanced Solar Products (ASP)

The proposals provided all the necessary documentation as required of Respondents by the RFP. Table 3 provides an overview of the proposals that were submitted to the BOE.

Table 3: Overview of Received Proposals

Respondent	Option	Total Size (kW DC)	PPA Rate ($/kWh)	Annual Escalation Rate
ASP	1	905.76	$0.14470	1.50%
ASP	ALT 1	1,391.94	$0.09950	1.50%
ASP	ALT 2	1,365.30	$0.08750	1.50%
ASP	ALT 3	599.40	$0.05580	1.50%
ASP	ALT 4	705.96	$0.05250	1.50%
HESP Solar	1	1,154.40	$0.07900	2.00%
HESP Solar	2	1,452.99	$0.05900	2.00%
HESP Solar	ALT 1	1,500.35	$0.03900	1.50%
HESP Solar	ALT 2	1,459.28	$0.04900	1.50%
EZnergy	1	875.52	$0.05500	2.00%
EZnergy	2	1,156.48	$0.05870	2.00%
EZnergy	ALT 1	875.52	$0.06410	0%
EZnergy	ALT 2	1,156.48	$0.06830	0%

The alternative options proposed by the Respondents were categorized by the Evaluation Team into two categories. The first category contains proposals that have the majority of the Systems located on the roof and the second category contains proposals with carport canopies. The alternative options were evaluated based on these categories. ASP/Spano's Alternative Option 1 closely resembles the Option 2 requested in the RFP except it does not include Systems in all the areas included in the RFP Option 2, therefore the Evaluation Team considered this their first alternative proposal option.

Attachment 1 is a detailed summary of the key information from the proposal submitted by each responsive proposing team.

3. Decision Making Strategy and Proposal Evaluation Matrix

Evaluation of the proposals was based on point-ranking in a variety of categories, including financial benefits, technical design factors, Respondent experience, commercial factors, and educational materials. The full Evaluation Team developed a consensus ranking of each proposal within each evaluation category, leading to an overall score for each proposal between 0 and 100. The proposal with the highest score represents the strongest weighted-balance of all factors considered.

Economic merit, as determined by projected net savings realized by the project, was a dominant factor in the evaluation. As allowed by Competitive Contracting law, it is not the only factor considered in the evaluation. Other considerations, such as risk, design merit, and experience, as well as educational value, are also part of the evaluation. The strongest ranked proposal is based on a combination of relative economic strength along with these other factors.

The Evaluation Matrix used for proposal ranking, which was also included in the RFP, is as follows:

CATEGORY	EVALUATION FACTOR	WEIGHTING
Financial Benefits	**NPV of Benefits**	**50**
Design & Approach	**Design Strategy**	**10**
	Canopy Design	**7**
	Technical Approach	**10**
Respondent's Experience & Capability	**Proposal Team Experience**	**11**
	Financial Capability	**1**
Commercial Factors	**Commercial Term in PPA**	**8**
Educational Value	**Educational Materials**	**3**
Total Proposal		**100**

The Evaluation Matrix scoring for each proposal Option and alternatives are provided in **Attachment 2**. The following sections of this Evaluation Report provide a review of the evaluation criteria for each Respondent and its associated proposal.

4. Evaluation: Financial Benefits

Sterling BOE realizes economic benefits from the installation of a solar project through the energy costs savings generated by purchasing electricity from the solar project through a PPA at a cost lower than the cost of electricity that would otherwise be delivered by and/or purchased from the local electric utility (otherwise referred to as 'grid-sourced' electricity).

To calculate the estimated energy cost savings for the BOE, Gabel Associates prepared a forecast of delivery rates under the local utility tariff rate for Public Service Electric & Gas ("PSE&G") and added the forecasted electricity supply costs. Supply costs were evaluated based on both forecasted third-party supplier rates and Basic Generation Service rates ("BGS" or default service). The forecasted total electricity costs calculated as if the BOE continued the current purchasing strategy over the next fifteen (15) years was compared to the total electricity costs calculated if the BOE were to move ahead with the solar project inclusive of the PPA rates proposed by each Respondent and the reduced, remaining utility & third-party supplier electricity purchases.

Gabel Associates' forecasts of the local utility delivery tariff rates and the cost of grid-sourced power is the result of a detailed analysis of the delivery tariff and the market costs for power supply, by component, over the term of the PPA. The BOE currently purchases electricity through a third-party supplier through the Alliance for Competitive Energy Services ("ACES") cooperative pricing system, and the economic analysis has included the current contract costs as well as forecasted third-party supplier costs over the term. This detailed analysis takes into account the following factors:

1. The components of the utility delivery tariff rate that are not avoided as a result of the solar installation. For example, the customer charge and the major portion of the demand charges are not avoided through the purchase of solar energy generated by the System.
2. The components of grid-sourced power supply costs that are only partially avoided by a solar installation; for example, peak capacity and transmission obligations.
3. The most recent energy market fundamentals (i.e., New York Mercantile Exchange ("NYMEX") futures, Energy Information Administration ("EIA") long term escalation rates, and environmental and Renewable Portfolio Standard ("RPS") programs such as the SREC program) are incorporated to provide the best indication of future energy market prices.
4. The expiration date of the current third-party supplier ACES contract and future third-party supply rate trends. Third party supply rates after the expiration of the ACES contract were calculated as a discount from BGS rates to conservatively estimate the potential savings from a third-party supplier contract (as compared to BGS). The third-party supply rate discount in our analysis reflects an expectation of a diminishing disparity between the two rates over time.
5. The impact of future energy costs as a result of national, state, and regional environmental initiatives.
6. The impact that general energy market escalations will have upon long-term energy prices.
7. The most recent SREC market forecasted prices

All Proposal Options were evaluated based on the Net Present Value ("NPV") of the total savings over the PPA term, which is a widely adopted methodology that recognizes the time value of money and the opportunity cost of money, to the BOE. To calculate the NPV benefits provided by each proposal, Gabel Associates utilized the Respondent's proposed guaranteed ninety percent (90%) of estimated solar production during the term of the PPA multiplied by the per-kwh savings (difference between the solar PPA rate and the average cost of grid-sourced power avoided by on-site solar generation – otherwise referred to as the 'solar price-to-compare'). All savings in future years are discounted back to present value using a 5% discount rate, consistent with standard accounting practices for NPV calculations. Note that NPV is a function not just of the first year PPA rate and the annual escalator, but also of the size of the System and the fraction of the utility purchase displaced by solar generation.

Gabel Associates' economic evaluation, based on the sources and factors listed above, utilized current utility tariff prices and current energy market conditions and applied assumed annual escalation rates for different portions of the distribution tariff and grid-sourced power supply components, in order to compare each of the PPA pricing proposals to electricity costs under a 'non-solar' electricity price scenario. All proposals were benchmarked against the same 'non-solar' electricity price scenario. In preparation of the forecast of the future prices for grid-sourced electricity, the annual escalation rates applied to the various cost components range conservatively from a low of 0.0% (flat) to as high as 3.0%. The economic evaluation considered first and second-year and annual nominal (non-discounted) savings, as well as the NPV of total savings over the full 15-year term. Please see Attachment 3 for a summary of the economic analysis results.

It is important to note that there are certain charges in the BOE's electricity utility tariffs that will not be impacted in the first year but will be in the second year of operation. This mostly relates to capacity, transmission, and other demand-based charges that are set based on the maximum measurement from the previous 12-months. As such it takes 12-months for the reduction from the installed solar project to impact the electricity bills. This is difference between the first- and second-year savings is shown in Attachment 3 and below.

As noted previously, the ACES contract is expected to expire at the end of 2018, before the installation of the System. Once the solar project is in service, it may be prudent to review the BOE's participation in ACES for third-party supply for these particular electric accounts and consider a transition of these accounts back to default supply (known as BGS) at the end of the BOE's current contract commitment. While the cost benefit analysis suggests that this would be the best course of action for the BOE to maximize savings from net metering, the final decision can be made as the project nears commercial operation. The savings calculated from the economic analysis was determined based on the most likely scenario: a comparison of forecasted BGS supply costs for the remaining electricity purchased by the BOE after the installation of solar to forecasted third party supply costs for electricity (calculated as discount from forecasted BGS supply rates), if the BOE continued the current purchasing strategy without solar.

In addition to the installation of solar, the RFP required respondents to include the cost and work associated with removing the tennis courts to the south of the building and repaving this area as a parking lot. This parking lot and the canopy over the walkway are two capital projects that when included in the solar project cost lead to an avoided cost savings for the BOE. The costs of these

projects are included in the majority of the proposal options received and represent an estimated, approximate $600,000 savings. This savings is the same for all proposal in Option 1, HESP and EZnergy's proposals for Option 2, and HESPs and EZnergy's alternative proposals.

Currently the New Jersey solar incentive and solar market are in transition between the legacy SREC program and new transition and successor programs. There are many uncertainties at this time, but all Respondents confirmed during interviews that their proposed PPA rates would not change if the SREC program ends and a new, unknown and likely less lucrative incentive is created in its place.

The Evaluation Matrix contains 50 points for Financial Benefits, which are awarded proportionally based on 15-year NPV of the solar price compare analysis of the proposed system sizes and guaranteed production values. The proposal with the highest NPV is awarded the full 50 points for economic merit, and the remaining projects are awarded points in proportion to their savings NPV relative to the best proposal in the group.

The BOE received; three (3) proposal submissions for the mandatory Option 1, two (2) proposal submissions for Option 2, three (3) proposal submissions for the "roof primary" alternatives, and three (3) proposal submissions for the "canopy based" alternatives.

Advanced Solar Products & Spano Partners Holding's proposal under Option 1 does not produce a savings for the BOE and therefor received 0 points in this category. Of the two (2) remaining proposal submissions the BOE received for the mandatory Option 1, EZnergy had the highest NPV and was awarded 50 points. HESP had the second best NPV an was awarded 20.9 points.

Between the two (2) proposal submissions the BOE received for Option 2, HESP had the highest NPV and was awarded 50 points. EZnergy was awarded 32.6 points.

Of the three (3) "roof primary" alternative proposals the BOE received, HESP had the highest NPV and was awarded 50 points. Advanced Solar Products Alternative Option 4 had the second best NPV and was awarded 20.6 points, followed by Advanced Solar Products Alternative Option 3 with 16.82 points.

Of the three (3) "canopy based" alternative proposals the BOE received, HESP had the highest NPV and was awarded 50 points. EZnergy's Alternative Option 2 had the second best NPV and was awarded 19.6 points, followed by EZnergy's Alternative Option 1 with 17.7 points.

5. Evaluation: Technical Design & Approach

The evaluation of the Technical Design & Approach has several criteria including:

- Design Strategy
- Canopy Design
- Technical Approach

Each of these areas will be discussed, reviewed, and rated for each of the respondents' proposals.

a) Design Strategy

The design strategy section of the report will evaluate the proposers overall solar design practices and methods for ensuring successful completion including their respective project management approach, construction ability, subcontractors, and examples of other successfully completed projects.

Spano Partner Holdings / Advanced Solar Products:

The Spano Partner Holdings/Advanced Solar Products team has indicated that Advanced Solar Products will be providing the project management services for this project. Advanced Solar Products has verifiable experience with completing projects in a timely manner and maintaining project schedules. Advanced Solar Products stated that the project manager for this project has been involved since the development of the proposal and will remain involved through the completion of construction. Advanced Solar Products will schedule weekly meetings and provide traffic, health & safety, and staging plans prior to the start of construction.

Advanced Solar Products has extensive experience with developing, constructing, and operating solar projects. Advanced Solar Products will be using Lighton Industries for the construction portion of this project. Lighton Industries has completed several school installations in New Jersey, an extensive list of their completed projects was included in their Proposal. Lighton Industries completed projects include:

- Toms River School District, Toms River, NJ (7 Schools)
- Delaware Valley Regional High School (1 School)
- Lawrenceville Prep School, Lawrenceville, NJ
- Raritan Center, Edison, NJ
- Costco, Manahawkin, NJ

HESP Solar:

HESP Solar indicated that they will be providing the project management services for this project. HESP Solar has verifiable experience with completing projects. HESP Solar will have a project manager who will be responsible for the successful completion of the project. HESP

Solar indicated they would participate in weekly meetings during construction to provide construction status and projected construction efforts.

HESP solar indicated that HESP Construction will be the EPC firm for this project. HESP Construction has completed several school installation projects in New Jersey. HESP Construction completed projects include:

- South Brunswick School District, South Brunswick, NJ (14 Schools)
- Stafford School District, Stafford, NJ (5 Schools)
- Jackson Landfill, Jackson NJ
- Tenafly School District, Tenafly, NJ (3 Schools)
- Plumsted School District, New Egypt, NJ (2 Schools)

Summit Ridge Energy / EZnergy:

EZnergy indicated they will be providing the project management services for this project. EZnergy has verifiable experience with completing projects in a timely manner and maintaining project schedules. EZnergy will have an on-site project manager during construction. EZnergy will schedule weekly construction update meetings and will provide staging plans prior to the start of construction.

Summit Ridge Energy / EZnergy will be using EZnergy as the EPC. EZnergy has completed several projects in New Jersey. EZnergy completed projects include:

- Readington School District, Readington, NJ (3 Schools)
- Willingboro Township, Willingboro, NJ (6 Schools)
- Tenafly School District, Tenafly, NJ (3 Schools)

The Summit Ridge Energy / EZnergy team has not been awarded any solar PPA projects as a team.

Given the descriptions above the following points have been awarded:

Option 1 – All Proposers received seven (7) out of the possible ten (10) points for this category.
Option 2 – All Proposers received ten (10) out of the possible ten (10) points for this category.
Roof Primary Alternatives – All Proposers received nine (9) out of the possible ten (10) points for this category.
Canopy Alternatives – All Proposers received eight (8) out of the possible ten (10) points for this category.

b) Canopy Design

The canopy design in each of the proposals were evaluated based on their design and compared to what the District expectations were for the canopy.

Spano Partner Holdings / Advanced Solar Products:

Spano Partner Holdings and Advanced Solar Products have proposed two types of single-axis canopy designs depending on the location of the array. In addition to T-shaped canopies, they also proposed long span canopies manufactured by RBI Solar. The tilt of the proposed canopies ranges from 0° – 5°. During the interview, ASP confirmed that the proposed system would be gasketed and include a gutter system to manage rainwater and snow melt.

For these reasons the Spano Partner Holdings / Advanced Solar Products team was awarded six (6) out of the seven (7) points for this category.

HESP Solar:

HESP has proposed to use single-axis T-shaped canopies manufactured by Patriot Solar Group for this project. During the interview, HESP stated that they plan to use a corrugated deck over all the canopies. All canopy structures will include LED lighting manufactured by RAB Lighting. HESP has also proposed a tilt of 7° for the proposed canopies.

For these reasons the HESP Solar team was awarded seven (7) out of the seven (7) points for this category.

Summit Ridge Energy / EZnergy:

For this project, Summit Ridge Energy and EZnergy have proposed to use Y-shaped canopies manufactured by Genmounts. During the interview, EZnergy indicated that they would be subcontracting with Sinclair Design Company for the final design of the canopy structures. They have proposed 0°/7° tilt for all canopy-mounted solar arrays. While not included in their proposal, EZnergy confirmed during the interview that adequate lighting and a drainage system is included in their proposal.

For these reasons the Summit Ridge Energy / EZnergy team was awarded five (5) out of the seven (7) points for this category.

c) Technical Approach

The technical approach in each of the proposals were evaluated based on reviewing the preliminary system layout, sizing and production as well as the major system components. The following section provides an explanation of the review of the solar system layout, sizing and production. This section includes a table for each Respondent along with an overview of the system components that are utilized in each Respondent's preliminary solar design as well as each proposed system's compliance with the site specific and technical requirements from the RFP Appendices B and C.

Spano Partner Holdings / Advanced Solar Products:

Spano Partner Holdings/Advanced Solar Products proposed a total system size for Option 1 of 905.76 kW DC, Alternate Option 1 of 1,391.94 kW DC, Alternate Option 2 of 1,365.30 kW DC, Alternate Option 3 of 599.40 kW DC, and Alternate Option 4 of 705.96 kW DC. Spano Partner Holdings/Advanced Solar Products' proposed system layouts for Option 1, Alternate Option 1, Alternate Option 2, Alternate Option 3, and Alternate Option 4 were compared to the conceptual site plan layouts that were provided as part of the RFP and were found to be compliant.

The Spano Partner Holdings/Advanced Solar Products' Solar's proposed Option 1 has a total system guaranteed output of 1,209,961 kWh, Alternate Option 1 has a total system guaranteed output of 1,590,605 kWh, Alternate Option 2 has a total system guaranteed output of 1,555,311 kWh, Alternate Option 3 has a total system guaranteed output of 686,793 kWh, and Alternate Option 4 has a total system guaranteed output of 801,180 kWh. The Spano Partner Holdings/Advanced Solar Products team confirmed that for all their proposed Options they would be providing a 90% production guarantee. The Spano Partner Holdings/Advanced Solar Products used PVsyst for their production estimates, below is a summary of the estimated production in their proposal.

Proposal Option	Total System Size: (kW DC)	Expected Total System Output: (kWh)	Guaranteed Total System Output: (kWh)
Option 1	905.76	1,144,401	1,209,961
ALT 1	1,391.94	1,767,338	1,590,605
ALT 2	1,365.30	1,728,123	1,555,311
ALT 3	599.40	763,103	686,793
ALT 4	705.96	901,311	811,180

Spano Partner Holdings/Advanced Solar Products' proposed equipment from the proposal and compliance to specifications are as follows:

Spano Partner Holdings/Advanced Solar Products: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Vikram Solar – SOMERA VSM.72.370.03.04 – 370 W	Yes
Inverters	Chint Power Systems – 36 kW – String Inverters – Canopy Chint Power Systems – 60 kW – String Inverters – Canopy Solar Edge – SE3.3K-US – String Inverters with Optimizers – Roof	Yes
Racking System	RBI Solar – Canopy Iron Ridge and S-5! Clamps – Standing Metal Seam Roof Panel Claw's – Polar Bear III – Flat Roof Ballasted Mounting System	Yes
DAS	Also Energy	Yes

Spano Partner Holdings/Advanced Solar Products confirmed the use of Tier 1 materials, either those listed above or equivalent.

Spano Partner Holdings/Advanced Solar Products provided design strategies in all Options and Alternate Options were compliant with the areas provided in the RFP. All the Spano Partner Holdings/Advanced Solar Products' equipment selections were in compliance with the RFP. For this category, the Spano Partner Holdings/Advanced Solar Products team was awarded the ten (10) points out of the ten (10) points maximum.

HESP Solar:

The Evaluation Team compared the total system size for Option 1of 1,154.40 kW DC, Option 2 of 1,452.99 kW DC, Alt 1 of 1,500.35 kW DC, and Alt 2 of 1,459.28 kW DC. HESP Solar's proposed system layouts were compared to the conceptual site plan layouts that were provided as part of the RFP and were found to be compliant.

The HESP Solar's proposed Option 1 has a guaranteed output of 1,287,991 kWh, Option 2 system has a guaranteed output of 1,620,142 kWh, Alt 1 System has a guaranteed output of 1,604,372 kWh and Alt 2 System has a guaranteed output of 1,617,193 kWh. All proposed options represent 90% of the expected total system output as guaranteed. HESP Solar provided the PVWatts calculations for the systems substantiating the production calculations, below is a summary of the estimated production in their proposal.

Proposal Option	Total System Size (kW DC)	Expected Total System Output (kWh)	Guaranteed Total System Output (kWh)
Option 1	1,154.40	1,431,100	1,287,991
Option 2	1,452.99	1,800,158	1,620,142
ALT 1	1,500.35	1,782,635	1,604,372
ALT 2	1,459.28	1,796,881	1,617,193

HESP Solar's proposed equipment from the proposal and compliance to specifications are as follows:

HESP Solar: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Trina Solar – TSM-DE14A(11) PERC MONO – 370 W	Yes
Inverters	Yaskawa-Solectria – PVI – String Inverters	Yes
Racking System	Patriot Solar Group – Galactic Solar Carport S-5! Clips and Iron Ridge – Flush Mount System – Pitched Roof Patriot Solar Group – Flat Roof Ballasted Mounting System	Yes
DAS	Locus Energy	Yes

HESP Solar confirmed the use of Tier 1 materials, either those listed above or equivalent.

HESP Solar's equipment selection complied with the RFP. HESP Solar was awarded ten (10) out of the ten (10) points for this category.

Summit Ridge Energy / EZnergy:

The Evaluation Team compared the total system size for Option 1 and Alt 1 of 875.52 kW DC and for Option 2 and Alt 2 of 1,156.48 kW DC. The Summit Ridge Energy / EZnergy's proposed Option 1 and Alt 1 has a system guaranteed output of 982,535 kWh, and Option 2 and Alt 2 system has a guaranteed output of 1,294,525 kWh. All proposed options represent 90% of the expected total system output. Summit Ridge Energy / EZnergy used PVwatts for their production estimates, below is a summary of the estimated production in their proposal.

Proposal Option	Total System Size: (kW DC)	Expected Total System Output: (kWh)	Guaranteed Total System Output: (kWh)
Option 1	875.52	1,091,706	982,535
Option 2	1,156.48	1,438,361	1,294,525
ALT 1	875.52	1,091,706	982,535
ALT 2	1,156.48	1,438,361	1,294,525

Summit Ridge Energy / EZnergy's proposed equipment from the proposal and compliance to specifications are as follows:

Summit Ridge Energy / EZnergy: Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Trina – 320W	Yes
Inverters	Chint – String Inverter	Yes
Racking System	Gen Mounts – Solar Canopy/Solar Carport System S-5! Clips and Unirac Solarmount GenMounts – Flat Roof Ballasted Solar Racking System	Yes
DAS	Also Energy	Yes

Summit Ridge Energy / EZnergy confirmed the use of Tier 1 materials, either those listed above or equivalent.

Summit Ridge Energy / EZnergy's equipment selection were in compliance with the RFP. For these reasons the Summit Ridge Energy / EZnergy team was awarded ten (10) out of the ten (10) points for this category.

6. Evaluation: Respondent's Experience

Each Respondent was evaluated on experience, which includes the following:

- Proposal Team Experience
- Financial Capability

Each of these areas will be discussed, reviewed, and rated for each of the respondents' proposals.

a) Proposal Team Experience

The Proposal Team Experience category focuses on each of the Respondent teams' experiences. The Evaluation Team valued the experience of the EPC firms as a greater impact to project success than the PPA provider's experience.

Spano Partner Holdings / Advanced Solar Products

Spano Partner Holdings / Advanced Solar Products (ASP) have extensive experience with developing, constructing, and operating solar projects. ASP is one of the oldest solar companies in New Jersey. ASP has developed a large amount of solar across the country.

ASP will be using Lighton Industries for the electrical construction portion of this project and French & Parrello Associates (FPA) for all permitting efforts and to conduct structural analysis where required. Lighton Industries has completed several school installations in New Jersey, an extensive list of their completed projects was included in their Proposal. As a team, ASP, Lighton and FPA worked on several projects including their most recent school projects:

- Delaware Valley Regional High School – 1,033 kW DC (with IGS Solar)
- Allamuchy Elementary School – 295 kW DC
- Hopewell Valley Central High School – 826 kW DC
- Evesham Township BOE – (4 schools)
- Plainfield Public School District BOE – (8 schools)

Lighton Industries completed projects include:

- Toms River School District, Toms River, NJ (7 Schools)
- Delaware Valley Regional High School (1 School)
- Evesham Township BOE – (4 schools)
- Plainfield Public School District BOE – (8 schools)
- Lawrenceville Prep School, Lawrenceville, NJ
- Raritan Center, Edison, NJ
- Costco, Manahawkin, NJ

Spano Partners Holdings, a local solar and real estate land developer will be the PPA provider under their proposal. Spano Partners Holdings has taken ownership of a number of large commercial and utility-scale projects in New Jersey. At present, Spano Partners Holdings is in the process of installing systems on approximately 30 schools in NJ including school districts in the towns of Middletown and Delsea.

The team is currently working on several school projects including Middletown Township BOE (17 schools) and Delsea Regional SD (2 schools).

Based on prior experience of Spano Partners Holdings / Advanced Solar Products and their subcontractors, the Spano Partners Holdings / Advanced Solar Products team has been awarded eleven (11) out of the eleven (11) points for this category.

HESP Solar:

HESP Solar indicated that HESP Construction will be the EPC firm for this project. HESP Construction is a recently created company that provides EPC services solely to HESP Solar and will serve as a project manager, oversee engineering and construction. Additional work is proposed to be completed by KMB Design Group (structural and electrical engineering) and other subcontractors which were not identified in HESP's proposal.

HESP Solar has completed several school installation projects in New Jersey including the following:

- South Brunswick School District, South Brunswick, NJ (14 Schools)
- Stafford School District, Stafford, NJ (5 Schools)
- Jackson Landfill, Jackson NJ
- Tenafly School District, Tenafly, NJ (3 Schools)
- Plumsted School District, New Egypt, NJ (2 Schools)
- Manchester & Haledon School Districts, Haledon, NJ (2 Schools)

HESP Construction, due to the time it has been in the market, completed less projects than HESP Solar, but is currently in construction on a number of the schools listed above.

HESP Solar was awarded ten (10) out of the eleven (11) points in this category.

EZnergy/Summit Ridge Energy:

EZnergy/Summit Ridge Energy will be using EZnergy and D. R. Energy Solutions, LLC as the EPC. Summit Ridge Energy is relatively unknown in the New Jersey public school solar market. EZnergy and D. R. Energy Solutions has completed several projects in New Jersey including:

- Readington School District, Readington, NJ (3 Schools)
- Willingboro Township, Willingboro, NJ (6 Schools)
- Tenafly School District, Tenafly, NJ (3 Schools)

The EZnergy/ Summit Ridge Energy team has not been awarded any solar PPA projects as a team and Summit Ridge Energy has not entered into any PPAs with any public schools in New Jersey. For these reasons, EZnergy/Summit Ridge was awarded eight (8) out of the possible eleven (11) points for this category.

b) Financial Capability

The Financial Capability category focuses specifically on whether the Respondent provided enough information (audited financials, bank letters, etc.) for the Evaluation Team to determine whether the proposing team is financially capable building the project. The Evaluation Team awarded all Respondents, the full, one (1) point if they provided audited financials. Both Spano Partners Holding and Summit Ridge Energy did not provide audited financials therefore those teams were awarded half a point in this category.

7. Evaluation: Commercial Factors

Each Respondent was evaluated on the following commercial factors:

- Production Guaranty (including guarantying the existing system production in Option 2)
- PPA Adjustment Factors
- Requested PPA changes

Each of these areas will be discussed, reviewed, and rated for each of the Respondents' proposals.

a) Production Guaranty

Each of the Respondents were asked to provide a production guaranty. In the industry it is typical for PPA providers to provide a ninety percent (90%) production guarantee (however, some market participants offer higher production guarantees) that is "trued-up" periodically over the term of the PPA. Some PPA providers will provide a schedule of guaranteed production over the term and some will offer a 90% weather-normalized guarantee, in which case the weather-normalization occurs during the true-up calculation and thus potentially reduces or increases the actual percentage below or above 90%.

The Evaluation Team focused on the difference in the "true-up" time period. Each Respondent proposed a different period of time during which the guarantee would be calculated. Typically, Respondents provide a three (3) to five (5) year true-up period. Advanced Solar Products and HESP offered production guaranties within this typical time frame. EZnergy offered a one (1) year true-up period.

b) PPA Adjustment Factors

Each of the Respondents were asked to indicate on the Proposal Quotation Form included in the RFP adjustment factors for unforeseen project costs that are imposed by the local utility during the interconnection process. All of the Respondents proposed adjustment factors that were of proper magnitude to the Evaluation Team.

c) Requested PPA Changes

Each of the Respondents were asked to indicate on the Proposal Quotation Form included in the RFP whether their proposal would require material changes to the Form PPA provided in Appendix A-1 of the RFP. All three (3) Respondents indicated that their proposals do not require any material changes to the Form PPA or that they agreed to include the minimum terms and conditions contained in Exhibit A-1 in their respective PPA.

d) O&M

Spano Partner Holdings / Advanced Solar Products:

The Spano Partners Holdings / Advance Solar Products team indicated that Advanced Solar Products will provide operations and maintenance service for Spano Partner Holdings. Maintenance response time for normal calls is within 24 hours and emergency maintenance response is within four hours of a call. Advanced Solar Products indicated they would perform an annual service inspection of the system. Spano Partner Holdings may consider other operations and maintenance providers; however, Spano Partner Holdings will ensure similar requirements and safety standards are maintained.

HESP Solar:

HESP Solar indicated they will be self-performing the operation and maintenance for this project. They will be using their real-time monitoring system to track key performance indicators and will respond quickly in the event of a component failure. HESP is also currently looking into subcontracting this work out to an equivalently qualified firm allowing them to focus on other efforts. HESP Solar anticipates a minimum of two service inspections per year.

Summit Ridge Energy / EZnergy:

Summit Ridge Energy / EZnergy's indicated that EZnergy will be performing the operation and maintenance for this project for at least the first five years. They will be using their real-time monitoring system to track key performance indicators and will respond quickly in the event of a component failure. EZnergy anticipates a minimum of two service inspections per year. Summit Ridge Energy may consider other operations and maintenance providers; however, Summit Ridge Energy will ensure similar requirements and safety standards are maintained.

Based on the above descriptions, the Evaluation Team awarded all Proposers six (6) points, except for HESP which received the full eight (8) points available in this category.

8. Evaluation: Education Value

The BOE recognized that the solar system could serve as a significant asset for enhancing student learning and community engagement. Solar energy systems are particularly helpful for supporting enhanced curriculum and project work for Science, Technology, Engineering, and Mathematics ("STEM") programs. The RFP encouraged Respondents to highlight educational content as part of their proposal. The Evaluation Team assessed the merit of this educational content by considering the value of displays and outreach programs, as well as specific content for enhancing curriculum.

All three (3) Respondents provided descriptions of the types of education materials that they will make available for the BOE as part of their proposal. All three (3) Respondents indicated that the BOE Administration and the BOE's STEM programs will have access to the raw data from the data acquisition systems and weather station as part of this project as well as various:

- Presentations
- Staff Training
- Assemblies for the students
- Science Fairs

Two (2) Respondents, Solar Landscape/Spano and HESP, received the maximum three (3) for this category for offering comprehensive curriculum materials, assemblies and presentations as well as HESP offering to fund a science fair. The Evaluation Team determined that the EZnergy's proposed educational materials when compared to these Respondents, was lacking, therefore the EZnergy received two (2) out of a possible three (3) points in this category.

9. Recommendation

The RFP process attracted a competitive range of proposals. Following a legal and technical review, three (3) proposals were determined to be complete and legally and technically compliant with the requirements of the RFP.

The economic analysis indicates that the solar project will provide substantial savings to the BOE, compared with continuing the current purchase strategy for electricity over the 15-year term. If the BOE decides to purchase the system at the end of the term (based on a fair market value determination), there will likely be strong economic value for the remaining operating life of the equipment (estimated to be an additional 10 years or more). The relatively predictable price of solar electricity also provides a hedge against future price increases of utility supply. Based on these economic considerations, the Evaluation Team believes that the implementation of a solar project would be beneficial for the BOE.

In addition to economics, there will be other benefits to the BOE, including reduced carbon footprint, points in the Sustainable Jersey for Schools program, and a unique asset for student and community engagement. Proposals included educational content, including public displays, outreach efforts, and curriculum content.

The strongest ranked proposal under mandatory Option 1 is from EZnergy and Summit Ridge Energy with 88.5 points and provides savings of approximately $35,967 in the first year, approximately $36,449 in the second year, and an approximate 15-year net present value (NPV) of savings of $413,582.

The strongest ranked proposal under elective Option 2 is from HESP Solar with 66.9 points and provides savings of approximately $48,278 in the first year, approximately $58,075 in the second year, and an approximate 15-year NPV of savings of $709,918.

The Evaluation Team did consider and evaluate the alternative proposals provided by Respondents. Advanced Solar Products and Spano Partners Holding submitted four alternative proposals each with variations of how much of the Systems are located on canopies or the roof areas as well as the location of the canopies. One of ASP/Spano's alternative proposal options included panels in the front parking lot along Warwick Road, this proposal options was not considered due to the location of these panels. EZnergy provided two alternative proposal options that kept the locations and sizes of the Systems the same as the RFP requested options, except that the alternative proposals had higher PPA rates and 0% escalators. HESP provided two alternative proposal options each with variations of how much of the Systems are located on canopies or the roof areas as well as the location of the canopies.

These alternative proposals were separated into two categories, roof primary proposals and canopy based proposals. As such, the evaluation team found that HESP Alternative Options 1 and 2 provide the most savings in these categories, respectively. HESP Alternative Options 1 is the strongest ranked alternative proposal under the roof primary category with savings of approximately $82,510 in the first year, approximately $92,156 in the second year, and an approximate 15-year NPV of savings of $1,114,378. And, HESP Alternative Options 2 is the

strongest ranked alternative proposal under the canopy based category with savings of approximately $64,843 in the first year, approximately $75,140 in the second year, and an approximate 15-year NPV of savings of $924,572.

The Evaluation Team finds that the received proposals deliver meaningful savings for the BOE, are competitive with current market practice, and deliver other benefits that are significant. All compliant proposals were ranked by the Evaluation Team, based on consideration of price and other factors. Based on the Evaluation Team's conclusions and the points allocated as described in the previous sections of this report, the proposals under Option 2 and Canopy Based Alternative Options present the best opportunity for savings and the avoided capital projects. HESP Solar received the highest score and provides the most benefit with the least risk to the BOE in both of these categories. The Evaluation Team recommends awarding the PPA to the highest ranked Respondent under the BOE's preferred proposal option.

Attachment 1
Solar Proposal Summary

Sterling Regional High School BOE Solar RFP Proposal Opening Results 1/4/19								
Repondent	Option	PPA Rate ($/kWh)	Escalation Rate	System Size (KW)	Expected Output (kWh)	Unforseen Costs Adjustment Factor ($/kWh)		Project Development Costs Adjustment Factor ($/kWh)
ASP	1	$ 0.1447	1.5%	905.76	1,144,401	$50,000-$99,999.99	$0.0030	$0.0006
						$100,000-$149,999.99	$0.0060	
						$150,000 and above	$0.0180	
	ALT 1	$ 0.0995	1.5%	1391.94	1,590,605	$50,000-$99,999.99	$0.0020	$0.0004
						$100,000-$149,999.99	$0.0039	
						$150,000 and above	$0.0117	
	ALT 2	$ 0.0875	1.5%	1,365.30	1,555,311	$50,000-$99,999.99	$0.0020	$0.0004
						$100,000-$149,999.99	$0.0040	
						$150,000 and above	$0.0120	
	ALT 3	$ 0.0558	1.5%	599.40	686,793	$50,000-$99,999.99	$0.0045	$0.0009
						$100,000-$149,999.99	$0.0090	
						$150,000 and above	$0.0270	
	ALT 4	$ 0.0525	1.5%	705.96	811,180	$50,000-$99,999.99	$0.0038	$0.0008
						$100,000-$149,999.99	$0.0076	
						$150,000 and above	$0.0228	
HESP	1	$ 0.0790	2.0%	1154.40	1,431,100	$50,000-$99,999.99	$0.0001	$0.0001
						$100,000-$149,999.99	$0.0002	
						$150,000 and above	$0.0004	
	2	$ 0.0590	2.0%	1452.99	1,800,158	$50,000-$99,999.99	$0.0001	$0.0001
						$100,000-$149,999.99	$0.0002	
						$150,000 and above	$0.0004	
	ALT 1	$ 0.0390	1.5%	1500.35	1,782,635	$50,000-$99,999.99	$0.0001	$0.0001
						$100,000-$149,999.99	$0.0002	
						$150,000 and above	$0.0004	
	ALT 2	$ 0.0419	1.5%	1459.28	1,796,881	$50,000-$99,999.99	$0.0001	$0.0001
						$100,000-$149,999.99	$0.0002	
						$150,000 and above	$0.0004	
Eznergy	1	$ 0.0550	2.0%	875.52	1,091,706	$50,000-$99,999.99	$0.0082	$0.0006
						$100,000-$149,999.99	$0.0123	
						$150,000 and above	$0.0164	
	2	$ 0.0587	2.0%	1,156.48	1,483,361	$50,000-$99,999.99	$0.0062	$0.0004
						$100,000-$149,999.99	$0.0093	
						$150,000 and above	$0.0124	
	ALT 1	$ 0.0641	0.0%	875.52	1,091,706	$50,000-$99,999.99	$0.0094	$0.0007
						$100,000-$149,999.99	$0.0141	
						$150,000 and above	$0.0188	
	ALT 2	$ 0.0683	0.0%	1,156.48	1,483,361	$50,000-$99,999.99	$0.0072	$0.0005
						$100,000-$149,999.99	$0.0108	
						$150,000 and above	$0.0144	

Attachment 2
Proposal Ranking Evaluation Matrix

Option 1

CATEGORY	EVALUATION FACTOR	WEIGHTING	Eznergy	HESP	ASP
Financial Benefits	NPV of Benefits	50	50	20.9	0
Design & Approach	Design Strategy	10	7	7	7
	Canopy Design	7	5	7	6
	Technical Approach	10	10	10	10
Respondent's Experience & Capability	Proposal Team Experience	11	8	10	11
	Financial Capability	1	0.5	1	0.5
Commercial Factors	Commercial Term in PPA	8	6	8	6
Educational Value	Educational Materials	3	2	3	3
Total Proposal		100	88.5	66.9	43.5

Option 2

CATEGORY	EVALUATION FACTOR	WEIGHTING	Eznergy	HESP
Financial Benefits	NPV of Benefits	50	32.6	50
Design & Approach	Design Strategy	10	10	10
	Canopy Design	7	5	7
	Technical Approach	10	10	10
Respondent's Experience & Capability	Proposal Team Experience	11	8	10
	Financial Capability	1	0.5	1
Commercial Factors	Commercial Term in PPA	8	6	8
Educational Value	Educational Materials	3	2	3
Total Proposal		100	74.1	99

Roof Primary Alternatives

CATEGORY	EVALUATION FACTOR	WEIGHTING	HESP 1	ASP 4	ASP 3
Financial Benefits	NPV of Benefits	50	50	20.6	16.82
Design & Approach	Design Strategy	10	9	9	9
	Canopy Design	7	7	6	6
	Technical Approach	10	10	10	10
Respondent's Experience & Capability	Proposal Team Experience	11	10	11	11
	Financial Capability	1	1	0.5	0.5
Commercial Factors	Commercial Term in PPA	8	8	6	6
Educational Value	Educational Materials	3	3	3	3
Total Proposal		100	98	66.1	62.32

Canopy Based Alternatives

CATEGORY	EVALUATION FACTOR	WEIGHTING	Eznergy 1	HESP 2	Eznergy 2
Financial Benefits	NPV of Benefits	50	17.7	50	19.6
Design & Approach	Design Strategy	10	8	8	8
	Canopy Design	7	5	7	5
	Technical Approach	10	10	10	10
Respondent's Experience & Capability	Proposal Team Experience	11	8	10	8
	Financial Capability	1	0.5	1	0.5
Commercial Factors	Commercial Term in PPA	8	6	8	6
Educational Value	Educational Materials	3	2	3	2
Total Proposal		100	57.2	97	59.1

Attachment 3
Economic Analysis

Option 1

	PPA Rate ($/kWh)	Escalation Rate	System Size (KW)	Guaranteed Production (kWh)	Year 1 Savings	Year 2 Savings	15 Year Savings	15 Year NPV
ASP-1	$0.1447	1.50%	905.76	1,029,961	($55,328)	($55,472)	($828,702)	($573,913)
HESP-1	$0.0790	2.00%	1,154.40	1,287,990	$14,672	$14,824	$254,759	$172,838
Eznergy - 1	$0.0550	2.00%	875.52	982,535	$35,967	$36,449	$606,931	$413,582

Option 2

	PPA Rate ($/kWh)	Escalation Rate	System Size (KW)	Guaranteed Production (kWh)	Year 1 Savings	Year 2 Savings	15 Year Savings	15 Year NPV
HESP-2	$0.0590	2.00%	1,452.99	1,620,142	$48,278	$58,075	$1,051,091	$709,918
Eznergy - 2	$0.0587	2.00%	1,156.48	1,335,025	$38,345	$39,864	$681,179	$462,935

Alternative Proposals

	PPA Rate ($/kWh)	Escalation Rate	System Size (KW)	Guaranteed Production (kWh)	Year 1 Savings	Year 2 Savings	15 Year Savings	15 Year NPV
~~ASP- ALT 1~~	~~$0.0995~~	~~1.50%~~	~~1,391.94~~	~~1,431,545~~	~~($16,774)~~	~~($15,703)~~	~~($137,039)~~	~~($105,587)~~
~~ASP- ALT 2~~	~~$0.0875~~	~~1.50%~~	~~1,365.30~~	~~1,399,780~~	~~$2,129~~	~~$3,488~~	~~$167,865~~	~~$103,566~~
ASP- ALT 3	$0.0558	1.50%	599.40	618,114	$25,862	$26,396	$459,249	$311,038
ASP- ALT 4	$0.0525	1.50%	705.96	730,062	$31,854	$32,490	$561,838	$380,838
HESP - ALT 1	$0.0390	1.50%	1,500.35	1,604,372	$82,510	$92,156	$1,648,011	$1,114,378
HESP - ALT 2	$0.0490	1.50%	1,459.28	1,617,193	$64,843	$75,140	$1,371,178	$924,572
Eznergy - ALT 1	$0.0641	0.00%	875.52	982,535	$27,026	$28,628	$595,429	$394,471
Eznergy - ALT 2	$0.0683	0.00%	1,156.48	1,335,025	$25,529	$28,671	$666,670	$436,729

ASP Alt 1 does not provide an economic savings and ASP Alt 2 included a carport canopy array in the parking lot along Warwick Rd. and therefore, was not considered further.

Attachment 4
Unforeseen Project Cost Adjustment Sensitivity Analysis

Respondent	Option	System Size (DC)	Escalation	Adj. Factor-Unforseen Costs	PPA Rate	Year 1 Savings	15 Year Savings	15 Year NPV
ASP	1	905.76	1.50%	$50,000-$99,999.99	$0.147700	($58,418)	($878,413)	($608,006)
				$0.003000				
				$100,000-$149,999.99	$0.150700	($61,508)	($928,124)	($642,098)
				$0.006000				
				$150,000 and above	$0.162700	($73,868)	($1,126,968)	($778,470)
				$0.018000				
	ALT 1	1,391.94	1.50%	$50,000-$99,999.99	$0.101500	($19,637)	($183,101)	($137,177)
				$0.002000				
				$100,000-$149,999.99	$0.103400	($22,357)	($226,860)	($167,188)
				$0.003900				
				$150,000 and above	$0.111200	($33,523)	($406,503)	($290,391)
				$0.011700				
	ALT 2	1,365.30	1.50%	$50,000-$99,999.99	$0.089500	($671)	$122,825	$72,676
				$0.002000				
				$100,000-$149,999.99	$0.091500	($3,471)	$77,784	$41,787
				$0.004000				
				$150,000 and above	$0.099500	($14,669)	($102,376)	($81,771)
				$0.012000				
	ALT 3	599.40	1.50%	$50,000-$99,999.99	$0.060300	$23,202	$416,454	$281,689
				$0.004500				
				$100,000-$149,999.99	$0.064800	$20,542	$373,659	$252,339
				$0.009000				
				$150,000 and above	$0.082800	$9,902	$202,479	$134,940
				$0.027000				
	ALT 4	705.96	1.50%	$50,000-$99,999.99	$0.056300	$29,080	$517,205	$350,228
				$0.003800				
				$100,000-$149,999.99	$0.060100	$26,306	$472,572	$319,618
				$0.007600				
				$150,000 and above	$0.075300	$15,209	$294,041	$197,178
				$0.022800				

Respondent	Option	System Size (DC)	Escalation	Adj. Factor-Unforseen Costs	PPA Rate	Year 1 Savings	15 Year Savings	15 Year NPV
HESP Solar	1	1,154.40	2.00%	$50,000-$99,999.99	$0.079100	$14,543	$252,612	$171,372
				$0.000100				
				$100,000-$149,999.99	$0.079200	$14,415	$250,465	$169,906
				$0.000200				
				$150,000 and above	$0.079400	$14,157	$246,170	$166,974
				$0.000400				
	2	1,452.99	2.00%	$50,000-$99,999.99	$0.059100	$48,116	$1,048,390	$708,074
				$0.000100				
				$100,000-$149,999.99	$0.059200	$47,954	$1,045,690	$706,230
				$0.000200				
				$150,000 and above	$0.059400	$47,630	$1,040,288	$702,542
				$0.000400				
	ALT 1	1,500.35	1.50%	$50,000-$99,999.99	$0.039100	$82,349	$1,645,430	$1,112,607
				$0.000100				
				$100,000-$149,999.99	$0.039200	$82,189	$1,642,849	$1,110,837
				$0.000200				
				$150,000 and above	$0.039400	$81,868	$1,637,687	$1,107,297
				$0.000400				
	ALT 2	1,459.28	1.50%	$50,000-$99,999.99	$0.042000	$64,682	$1,368,576	$922,788
				$0.000100				
				$100,000-$149,999.99	$0.042100	$64,520	$1,365,974	$921,004
				$0.000200				
				$150,000 and above	$0.042300	$64,196	$1,360,770	$917,435
				$0.000400				
Eznergy	1	875.52	2.00%	$50,000-$99,999.99	$0.063200	$27,911	$472,623	$321,881
				$0.082000				
				$100,000-$149,999.99	$0.067300	$23,882	$405,469	$276,030
				$0.012300				
				$150,000 and above	$0.071400	$19,854	$338,314	$230,179
				$0.016400				
	2	1,156.48	2.00%	$50,000-$99,999.99	$0.064900	$30,068	$543,198	$368,725
				$0.006200				
				$100,000-$149,999.99	$0.068000	$25,930	$474,207	$321,620
				$0.009300				
				$150,000 and above	$0.071100	$21,791	$405,216	$274,515
				$0.012400				
	ALT 1	875.52	0.00%	$50,000-$99,999.99	$0.073500	$17,790	$461,637	$301,471
				$0.009400				
				$100,000-$149,999.99	$0.078200	$13,173	$394,741	$254,970
				$0.014100				
				$150,000 and above	$0.082900	$8,555	$327,845	$208,470
				$0.018800				
	ALT 2	1,156.48	0.00%	$50,000-$99,999.99	$0.075500	$15,917	$527,426	$339,939
				$0.007200				
				$100,000-$149,999.99	$0.079100	$11,111	$457,804	$291,544
				$0.010800				
				$150,000 and above	$0.082700	$6,305	$388,182	$243,149
				$0.014400				