Renewable Portfolio Standard
Customer-Sited Tier
Regional Program
Program Opportunity Notice (PON) 2156
$150,000,000 Total Funding Available
Up to $30,000,000 awarded per year

Proposals Due: May 24, 2011 by 5:00 PM Eastern Time, Round 1
August 10, 2011 by 5:00 PM Eastern Time, Round 2
All or none of the available funds for the year may be allocated to projects selected from any one due date.

Pursuant to the New York State Public Service Commission's *Order Authorizing Customer-Sited Tier Program Through 2015 and Resolving Geographic Balance and Other Issues Pertaining to the RPS Program (Order)*, issued and effective April 2, 2010,[1] the New York State Energy Research and Development Authority (NYSERDA) invites proposals for the installation of customer-sited solar photovoltaic (PV) and renewable biogas fueled electric generation projects in NYISO Zones G, H, I and J. NYSERDA's competitive selection will be based primarily on an Incentive Bid in $/kWh. Available funds for the program total $150 million for the period from 2011 through 2015. Up to $30 million in awards will be made per year; $5 million of which is to be awarded for projects to be installed in NYISO Zones G&H, and $25 million for projects to be installed in NYISO Zones I&J. It is anticipated that future rounds of this program opportunity notice (PON) will be offered in a similar manner during years 2012 through 2015.

NYSERDA will conduct a teleconference on **April 13, 2011 at 11:00 a.m. EST.** On the teleconference, NYSERDA will review the bid package requirements and address questions. Those who wish to participate in the teleconference must send an email indicating such to PON2156@nyserda.org, by 12:00 noon EST on April 7, 2011, with the subject line "Bidders' Teleconference." Respondents will be provided with a teleconference dial-in number and pass code.

Proposal Submission: Proposers must submit 2 hard copies of the proposal with a completed and signed Proposal Checklist attached to the front of each hard copy, one of which must contain an original signature, along with 1 CD of the proposal in .pdf format, compatible with a Microsoft Windows XP® based PC. Proposals must be clearly labeled and submitted to:

Roseanne Viscusi, PON 2156
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

If you have technical questions concerning this solicitation, contact either Paul Vainauskas at (518) 862-1090, ext. 3554 or pv2@nyserda.org or Edward Kear (Designated Contact) at (518) 862-1090, ext. 3269 or ebk@nyserda.org. If you have contractual questions concerning this solicitation, contact Nancy Marucci at (518) 862-1090, ext. 3335 or nsm@nyserda.org.

No communication intended to influence this procurement is permitted except by contacting either Paul Vainauskas (Designated Contact) at (518) 862-1090, ext. 3554 or pv2@nyserda.org or Edward Kear (Designated Contact) at (518) 862-1090, ext. 3269 or ebk@nyserda.org. Contacting anyone other than this Designated Contact (either directly by the proposer or indirectly through a lobbyist or other person acting on the proposer's behalf) in an attempt to influence the procurement: (1) may result in a proposer being deemed a non-responsible offerer, and (2) may result in the proposer not being awarded a contract.

***Proposals must be received by NYSERDA by 5 pm Eastern Time on the Due Date.** Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist will be returned. Faxed or e-mailed proposals will not be accepted. Proposals will not be accepted at any other NYSERDA location other than the address above. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at www.nyserda.org.

[1] http://documents.dps.state.ny.us/public/Common/ViewDoc.aspx?DocRefId=%7BC05CD0D6-8EA5-4CB9-A9FA-6ADD3AECB739%7D

Table of Contents **Page No.**

I.	Definitions	1
II.	Introduction	2
III.	Program Requirements	3
IV.	General Organization of the Proposal	8
V.	Proposal Evaluation	11
VI.	Payments	12
VII.	Payment Summary	13
VIII.	General Conditions	14
IX.	Attachments	

Attachment A Proposal Checklist
Attachment B Disclosure of Prior Findings of Non-responsibility Form
Attachment C Bid Application Form
Attachment D Strategic Locations
Attachment E Project Implementation Schedule Template
Attachment F Sample Standard Performance Agreement for Solar PV
Attachment G Sample Standard Performance Agreement for Electric Generation using Renewable Biogas Fuel Locally-fed to the Generator
Attachment H Sample Standard Performance Agreement for Electric Generation using Pipeline Directed Biogas

I. DEFINITIONS

Applicant – Non-utility entity (e.g. manufacturers, energy service companies, system installation companies, equipment distributors, financial institutions, host sites, etc.) or team submitting the proposal to PON 2156.

Bid Application Form – Form to be filled out by the Applicant which includes the Zone Group, Applicant's Incentive Bid and Capacity Block.

Budget – This is equal to the Total Dollar Amount plus up to an additional 15% for each sub-component of the Capacity Block that may be installed in a Strategic Location, not to exceed $3,000,000.

Capacity – The manufacturer's nameplate rating of the electric generator based on the eligible resource. For PV, this is the total DC power rating of the PV panels in an installation. For Renewable Biogas projects, this is the AC power rating of the prime mover based on the BTU content of the fuel being used.

Capacity Block – Total aggregated capacity in kilowatts (kW) of expected installations proposed by the Applicant. This could also be a single installation.

Capacity Factor – A predetermined value by NYSERDA: 15% for PV and 85% for Renewable Biogas projects.

Electric Generation Equipment – Solar photovoltaic or Renewable Biogas fueled equipment that generates electric power.

Incentive Bid – The Applicant's requested incentive payment rate in $/kWh.

Maximum Acceptable Incentive Bid – NYSERDA has determined a Maximum Acceptable Incentive Bid it is willing to accept; any request above this value will not be funded.

Performance Period – The period for which performance payments will be made for each system in the Capacity Block. The Performance Period for this PON is three (3) consecutive years beginning on the first of the month following the production of electric energy of each system in the Capacity Block in accordance with the requirements of this program, including the approval of all necessary permits and interconnection agreements.

Pipeline Directed Biogas – Renewable biogas fuel that is contracted for delivery through a natural gas pipeline.

Renewable Biogas - For the purpose of determining eligible renewable biogas fuels, the definitions and procedures for renewable biogas contained in the NY RPS Biomass Guidebook (http://www.nyserda.org/rps/RPS_Biomass_Guide.pdf) related to anaerobic digestion will be applied. Renewable biogas is defined as fuel from the anaerobic digestion of farm, food or wastewater treatment materials that is currently not being used for the production of heat, power, or steam. Renewable feedstocks include manure, agricultural residues, high BOD industrial organic wastes (e.g. food and beverage wastes), and municipal wastewater treatment sludge. [Note: Electricity generated by landfill biogas is not eligible for this program].

Site Actual Annual Energy Production – This is the actual energy production in kWh of a specific site installation over the period of one year.

Site Estimated Annual Energy Production – Once an individual site is selected, this is the energy production in kWh of the installation over the period of one year estimated by the Applicant.

Strategic Locations – In accordance with the Order, the electric utilities in the Zone Groups have identified regions within their service territories where installation of new PV and/or Renewable Biogas fueled electric power generation systems will provide benefits to the electric distribution system. These regions are shown in Attachment D. **Incentives for installations in Strategic Locations will be paid at up to 115% of the requested Incentive Bid to the extent the $3 million budget cap is not exceeded.**

Total Calculated Energy Production = *Capacity Block x Capacity Factor x 8760 hours/year x 3 years*

This value is calculated using a fixed capacity factor defined by NYSERDA (i.e., 15% for PV and 85% for Renewable Biogas).

Total Dollar Amount – The Incentive Bid multiplied by the Total Calculated Energy Production. NYSERDA will set aside additional funding (up to 15% of the Total Dollar Amount) to allow for the added incentive for installations in Strategic Locations. The Total Dollar Amount plus this additional funding will establish the Budget should a contract be awarded. The Budget shall not exceed $3,000,000.

Zone Group –The grouping of New York Independent System Operator (NYISO) designated zones (G&H) and (I&J) for this proposal.

II. INTRODUCTION

The New York State Energy Research and Development Authority (NYSERDA) will competitively select proposals to install larger-scale (>50kW), grid-connected solar photovoltaic (PV) systems and high capacity factor electric generation projects using renewable biogas fuel and electrically interconnected on the customer side of the utility meter. The renewable biogas fuel can either be locally-fed to the generator or contracted for delivery through a utility's natural gas pipeline as Pipeline Directed Biogas as described below. Electric Generation Equipment must be installed at sites located in NYISO Zones G, H, I and J. Customers must pay the Renewable Portfolio Standard (RPS) surcharge as part of their electricity bill to be eligible for this solicitation. The following link shows the applicable NYISO zones: http://www.nyiso.com/public/webdocs/market_data/zone_maps_graphs/nyca_zonemaps.pdf.

Pipeline-Directed Biogas must originate within the Zone Group of the Electric Generation Equipment that it serves.

The solicitation seeks projects designed for prime power applications; systems designed primarily for back-up electric power applications are not eligible.

Available funds for the program total $150 million for the period from 2011 through 2015 (up to $30 million in awards per year; $5 million of which is to be awarded to Zone Group G&H and $25 million to Zone Group I&J). Proposals will be evaluated based on the overall requested Incentive Bid, along with other non-price criteria. There will be at least one competitive solicitation annually. This PON may be modified for future rounds.

III. PROGRAM REQUIREMENTS

General Information: Proposals should be submitted requesting a total number of kW (Capacity Block), which may consist of a single or multiple installations. Each installation must have a Capacity greater than 50 kW, and must be interconnected to the customer side of a single utility meter within one of the Zone Groups.

Proposal evaluation will occur via a 3-step procedure: Step (1) Screening for Completeness & Conformity with Eligibility Requirements will be conducted by a team of NYSERDA staff (only those deemed responsive will proceed to the next step, all others will be rejected); Step (2) Technical Evaluation will be conducted by a Panel consisting of non-NYSERDA personnel and NYSERDA staff to ensure that all the technical criteria specified in this PON are satisfied (only those deemed responsive will proceed to the next step, all others will be rejected); and Step (3) Bid Comparison will be conducted to select projects based on price (Incentive Bid).

Incentives will be paid upon the achievement of three milestones, equipment delivery, installation and performance, as detailed in Section VI. Installations in Strategic Locations will be paid at up to 115% of the Incentive Bid to the extent the $3 million budget cap is not exceeded.

At least 25% of Capacity Block, measured in kW, must be supported by letters of interest signed by individuals having the authority to bind the customer(s) at the time the proposal is submitted. If a single installation is proposed, it must be supported by a letter of intent.

Incentive Limits: The Budget must not exceed $3 million per <u>Applicant</u> for each round of this solicitation. In addition, the incentive (excluding any "Strategic Location" bonus) for each installation shall not exceed 50% of the total installed system costs for the installation. Applicants are required to provide an estimate for the total installed costs for the Capacity Block and show that the Total Dollar Amount is no greater than 50% of the total installed costs for the Capacity Block.

Project Categories: Funding has been allocated separately for Zone Group G & H ($5 million per year) and Zone Group I & J ($25 million per year). Applicants are advised to see the Commission's Order, as cited on front page of this PON, for background information. The Applicant is required to identify the Zone Group of the projects to be installed as part of the Capacity Block in each proposal.

If the Applicant wishes to propose installations for both Zone Groups, separate proposals must be submitted for installations in each group; they will be evaluated separately. For example, multiple installations in Zones G and H can be combined into a single application. Conversely, a proposal for

multiple installations in Zones G and J will not be acceptable and will not be evaluated. If installations in both Zones G and J are desired, separate proposals must be submitted.

In addition, each proposal is limited to installations for either PV or Renewable Biogas projects. If an applicant would like to propose installations for more than one technology, separate proposals must be submitted.

Eligible Applicants: Only non-utility Applicants are eligible to submit proposals to PON 2156 (utilities and their affiliates are not eligible). Applicants are permitted to collaborate and form teams (e.g. manufacturers, energy service companies, system installation companies, equipment distributors, financial institutions, host sites, etc.) in order to meet the eligibility requirements identified herein. Applicants must show installation experience among the team members in the technologies proposed. In addition, Applicants must show that their previous experience supports the Capacity Block proposed. For example, if an Applicant proposes to install 1 MW of PV in the commercial market, the team consisting of the Applicant and its members must demonstrate in the proposal that it has in aggregate previously installed at least 1 MW of PV in the commercial market.

Third-Party Ownership: Under a third-party ownership scenario, contractors that meet the eligibility requirements included in this solicitation may be permitted to build, own and operate a CST-eligible technology at a customer's site if the customer pays the RPS surcharge <u>and if the contractual relationship between the customer and the third party clearly indicates that the entire incentive payment is being passed on to the customer</u>.

Eligible Project Locations: Installations must be at sites in Zone Group G&H or Zone Group I&J and must be grid-connected at a current electric end-user who pays the Renewable Portfolio Standard (RPS) surcharge as part of their electricity bill at the site meter.

Strategic Locations: Within the Eligible Project Locations, utilities have identified regions that would benefit from the installation of new PV and/or renewable biogas systems. Installations in these Strategic Locations will receive up to 15% increase to the Incentive Bid during payments to the extent the $3 million budget cap is not exceeded. The Strategic Locations, as determined by the utilities, are shown in Attachment D.

Eligible Technologies: Eligible technologies for this program include PV and Renewable Biogas fueled electric generation, as defined below. For all installations, the electrical output must be generated by new electric generation equipment installed after entering into a fully executed contract with NYSERDA (equipment must be new to the host site, and must be newly-manufactured/must not be refurbished), and must represent an incremental increase in electric energy production at each host site location(s) above a baseline as demonstrated by historical data or by other methods deemed acceptable to NYSERDA.

<u>Solar Photovoltaic (PV)</u>

For PV installations, all PV modules must be certified as meeting all applicable standards of the Institute of Electrical and Electronics Engineers (IEEE) and Underwriter's Laboratory (UL) 1703. All inverters must be certified as meeting all applicable standards of IEEE and UL and must meet the standards of the New York State Public Service Commission (http://www.dps.state.ny.us/08E1018/SIRDevices.pdf) and of the applicable distribution utility. Installations must be appropriately sized such that system energy production will not exceed 110% of annual historical or calculated kWh usage, as measured at the utility meter.

Renewable Biogas Fueled Electric Generation

Renewable Biogas can be used to produce electric energy at the site where the gas is generated (i.e., locally-fed), or as Pipeline Directed Biogas for sale to an end user at another location where electric energy is generated (Pipeline-Directed Biogas must originate within the Zone Group of the Electric Generation Equipment that it serves). Installations must be appropriately sized such that system energy production will not exceed 110% of annual historical or calculated kWh usage, as measured at the utility meter.

To produce electricity, any prime mover capable of converting Renewable Biogas (whether locally-fed or Pipeline Directed Biogas) to electricity is eligible including, but not limited to:

- Fuel cells
- Internal combustion reciprocating engines
- Micro-turbines
- Combustion gas turbines

The prime mover of all Renewable Biogas systems must meet an air emission limit of no more than 1.6 lbs of NOx per MWh. In addition, the Applicant will be required to obtain all environmental permits associated with the installation(s).

A System Installation Report detailing the design of the installed system, costs associated with equipment procurement and installation, and the commissioning process, including performance data measured during commissioning, will be required.

Electric generation equipment can be configured as electric-only, or as combined heat and power (CHP). If an installation is configured as CHP, program payments will be made only for the electric production component.

Customers who pay the RPS surcharge may use Renewable Biogas created at an off-site facility, as long as the facility creating the Renewable Biogas is located within the same Zone Group (Zone Group G&H, or Zone Group I&J) as the electric generator. It is not necessary for the site generating the Renewable Biogas to pay the RPS surcharge. The ownership of the fuel source is not relevant in terms of eligibility; the Renewable Biogas may be conveyed through a private pipeline or a pipeline operated by a local gas distribution company (LDC). If the site generating the Renewable Biogas conveys the Renewable Biogas to the end-user via a privately owned or LDC operated pipeline, then the supplier and end-user will be expected to follow the procedures contained in the NY RPS Biomass Guidebook for Renewable Pipeline Gas (http://www.nyserda.org/rps/RPS_Biomass_Guide.pdf) These procedures include a requirement that a contract between the supplier and the end-user be established that includes provisions for metering gas volumes to ensure that the heat input rate associated with the renewable biogas injected into a pipeline can be readily established.

Metering and Data Acquisition for PV Installations: The Applicant agrees to provide, install, and maintain an internet enabled electric meter that displays instantaneous AC power and cumulative total AC energy production and, at a minimum, can record cumulative total AC energy production of the PV system on an hourly basis, store the hourly readings for at least 7 days, and can transmit recorded readings once per day to a NYSERDA designated Data Agent via e-mail, FTP, HTTP or Modbus TCP/IP. The meter must meet ANSI C12.20, be Revenue grade with a +/-0.2% accuracy, and be properly calibrated. The meter must also have battery backup to prevent the loss of data during power outages. The Applicant agrees to provide, and to maintain, an active internet connection to the meter throughout

the performance period to support daily data transmissions. Data collected from the meter will be made available to the public at http://chp.nyserda.org or other similar website specified by NYSERDA, and will be used by NYSERDA to verify the Site Actual Annual Energy Production which will inform the magnitude of annual performance payments.

Metering and Data Acquisition for Renewable Biogas Installations: The Applicant agrees to provide, install, and maintain an electric meter that displays instantaneous AC power and cumulative total AC energy production, and is capable of providing an output to a data logger. The electric meter shall be installed to account for all parasitic losses so that only net energy produced by the system is recorded. The electric meter must meet ANSI C12.20, be revenue grade with a +/-0.2% accuracy, and be properly calibrated.

The Applicant agrees to provide, install, and maintain a revenue grade gas meter that records gas input into the prime mover(s) and is capable of providing an output to a data logger. The gas meter must have an accuracy of +/- 2%, be corrected to standard temperature and pressure, and be properly calibrated. A gas meter installed by the local natural gas distribution company may meet this requirement provided it is installed so that it only records gas consumed by the prime mover(s) and is capable of providing an output to a data logger.

NYSERDA will contract with a Remote Monitoring Contractor to install and maintain a data logging system at the project site and connect such data logging system to the electric meter, gas meter, and other meters and/or sensors as applicable. The Applicant agrees to provide NYSERDA, and NYSERDA's-designated contractors, access to facilities, equipment, data (including metering and energy management data), and personnel as necessary to facilitate Remote Monitoring/Data Acquisition (RMDA). The Applicant also agrees to provide, and to maintain, an active internet connection to the data logger throughout the performance period. Data collected by the RMDA system will be made available to the public at http://chp.nyserda.org or other similar website specified by NYSERDA, and will be used by NYSERDA to verify the Site Actual Annual Energy Production which will inform the magnitude of annual performance payments.

Contracts for Pipeline Directed Biogas shall include a provision applicable to the purveyor of the biogas that requires them to comply with any auditing of the biogas that NYSERDA or NYSERDA's agent may choose to perform.

Reporting: Within thirty (30) days after the end of each of the three (3) annual payment periods during the Performance Period, the Applicant must provide a report containing the following as applicable to the installation(s):

- Monthly electric energy production data (in kWh) for the 12 month payment period (Site Actual Annual Energy Production),
- Monthly gas consumption data for renewable biogas installations (in cubic feet or MMBtu as appropriate),
- Documentation that a sufficient amount of biogas was supplied to the pipeline by the biogas producer for reconciliation on a calendar-month basis for Pipeline Directed Biogas installations (in cubic feet and MMBtu) for the 12 month payment period,
- Monthly measurements of the heating value of the biogas consumed by locally-feed biogas installations (in BTU/cubic feet) for the 12 month payment period.

Attachments F, G and H are Sample Standard Performance Contract Agreements which identify additional reporting requirement details.

Timely Completion of Installation(s): It is expected that the installations will be contracted and completed in a timely manner. The goal is to complete all installations and submit all applications for interconnection approval to the utility within 12 months of establishing a fully executed contract with NYSERDA. That fraction of projects not meeting the schedule may be canceled at NYSERDA's discretion and the Budget appropriately reduced.

Eligibility for Subsequent Rounds of Renewable Portfolio Standard Customer-Sited Tier Regional Program Solicitations: At least 50% of any previously-contracted Capacity Block under this PON, by kW, must be installed and the application(s) for interconnection approval submitted to the utility before Applicants will be permitted to submit a proposal for a subsequent round of this solicitation.

Energy Assessment for Installations: If awarded a contract, the Applicant will be required to conduct an energy efficiency assessment for each installation using a "clip board" or walk-through energy audit to determine cost-effective energy efficiency measures related to electricity use. Building owners are encouraged to but will not be required to implement energy efficiency measures thus identified. Furthermore, the Applicant must inform building owners that various techniques exist for conducting more-advanced energy benchmarking, such as the USDOE/USEPA Energy Star Portfolio Manager Benchmarking Tool (http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager), or other equivalent tools; at the building owner's request, the Applicant will help them enter utility bill information into the Tool in order to produce an Energy Use Index (EUI) and, where applicable, an Energy Star score. NYSERDA will provide the Applicant with access to informational brochures on NYSERDA and utility energy efficiency programs. The Applicant is encouraged to provide these brochures to the building owners for information. Building owners will not be required to perform the more-advanced benchmarking or implement energy efficiency measures thus identified.

Ineligible Projects and Costs: Electric Generation Equipment funded in whole or in part with System Benefits Charge (SBC) funding is not eligible for this program. Construction/installation work conducted prior to entering into a fully executed contract with NYSERDA, is not eligible for funding.

Projects funded by this PON are not eligible for funding for installation under other NYSERDA programs. Projects that already have a fully executed contract for Electric Generation Equipment to be funded or partially funded by NYSERDA, or any utility-funded program, are not eligible for funding under this PON. Applicants who previously entered into a contract with NYSERDA under a different program to install equipment that would be eligible for funding under this program cannot cancel participation in that program in order to reapply to this program. If a project has been submitted to another NYSERDA program, but no contract is in place, Applicants may choose to cancel participation in that program in favor of receiving funds from this Program.

State Environmental Quality Review Act: All installations must be found compatible with the New York State Environmental Quality Review Act (SEQRA) (http://www.dec.ny.gov/regs/4490.html) and relevant emissions standards, as appropriate. PV systems installed on existing buildings for installations less than 4,000 square feet (see 21 NYCRR § 503.3(a)(11)) are classified as Type II actions and will not require further environmental review.

Renewable Portfolio Standard (RPS) Attributes: Orders issued by the Public Service Commission provide that the RPS Program will support and promote an increase, to 30%, of the percentage of the

energy consumed in NYS that comes from renewable sources. When assessing and reporting on progress towards that goal, or on the composition of the energy generated and/or consumed in NYS, NYSERDA and the NYS Department of Public Service will include all electrical energy created by any project receiving funds through the NYS RPS Customer-Sited Tier Program, for the life of such projects, and the environmental attributes associated with such energy, whether metered or projected, as a part of any report, evaluation, or review of the RPS Program, whenever any such report, evaluation, or review may be conducted or issued, as renewable energy consumed in NYS. No party, including but not limited to owners, lessees/lessors, operators, and/or associated contractors shall agree to or enter any transaction that would or may be intended to result in the exportation or transmittal of any electrical energy created by any project receiving funds through the NYS RPS Customer-Sited Tier Program to any party or system outside of New York State.

IV. GENERAL ORGANIZATION OF THE PROPOSAL

Proposal Outline

The Applicant is encouraged to concisely present the information needed to fully address the evaluation criteria (see Section V). Proposals that fail to include the information requested below may be rejected as non-responsive.

Applicants must submit two (2) hard copies and one (1) write protected digital copy on compact disc of the completed proposal to the attention of Roseanne Viscusi at the address on the front of this Program Opportunity Notice (PON). For the hard copies, a single staple in the upper left corner of each copy is preferred.

- A completed and signed Proposal Checklist (Attachment A) must be attached as the front cover of your proposal. One of the hard copies must contain an original signature.
- **Late proposals, and proposals lacking the appropriate completed and signed Proposal Checklist, will be returned. Faxed or e-mailed copies will be not accepted.**
- Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response may negatively influence the evaluation of the proposal.
- Each page of the proposal should state the name of the Applicant, the PON number, and the page number.

All Proposals must contain the following:

- Completed and signed Proposal Checklist (Attachment A)
- Completed and signed Disclosure of Prior Findings of Non-responsibility Form
- Cover Letter
- Members of Applicant's Team, Qualifications, Experience and References
- Marketing and Sales Plan (if needed), letters of interest/intent, Project Implementation Schedule
- Bid Application Form
- Other Information (if applicable)

To help facilitate timely evaluation, the proposal should be organized according to the sequence above and the paper copies should be labeled with corresponding tabs.

1.0 Cover Letter

The cover letter should highlight any special features of the proposal, and include the name, phone number, and email for the point of contact within the Applicant's company. The cover letter should be signed by a representative of the Applicant's company who has the authority to bind the Applicant.

2.0 Members of Applicant's Team, Qualifications, Experience and References

Team Members

- Identify the Team leader for the entire proposal, including full contact information.
- Identify the Team members (companies/individuals) responsible for each part of the project.
- Provide an organizational chart that describes the reporting relationships of all key personnel.
- Provide resumes of key personnel who will be directly involved with the implementation of the proposed project.
- Provide Company Profiles for all major Team participants that include:
    - Year founded
    - Status (private/publicly-held)
    - Number of employees
    - States and countries in which they do business
    - Target customers (residential, commercial, industrial, government, etc.)
    - Location of Offices

Project Design and Installation Experience

Provide total and annual number of installations and aggregated capacity of previous installations performed by the team members over the last three (3) years for the technology proposed. Also identify responsibilities of the team members for the installations.

Recent Project References

Provide customer reference letters from representatives of at least three (3) systems currently operating that the Applicant has installed in the last three years. These operating systems must be the same eligible technology as the installation(s) proposed. Provide the following information for these systems.

- Customer name
- Site location
- Size of system installed
- System description
- Date installed
- Major equipment used (e.g. for PV identify module and inverter(s))
- System rating (kW_{dc} for PV systems, kW_{ac} for Renewable Biogas-fired systems)
- Name, address, telephone number and email of contact person

Quality Assurance Plan

Provide a description of the quality assurance plan to ensure that the installation(s) will be completed in accordance with industry standards and practices. Also include the warranties offered as part of the individual installation(s) and a detailed description of the service and maintenance capabilities of the Applicant's team.

NYSERDA, at its discretion, may inspect or have a third party inspect any individual installation for adherence to appropriate codes and professional standards pertaining to the installation(s).

3.0 Marketing and Sales Plan, Project Implementation Schedule

If proposing a Capacity Block for which all the sites are not yet specified, provide a detailed and comprehensive marketing and sales plan that demonstrates how the Applicant will meet the Project Implementation Schedule for the Capacity Block, including the typical type and size of end-use customer sector(s) to be targeted and the approach(es) that will be used to reach them.

At least 25% of Capacity Block, measured in kW, must be supported by letters of interest signed by individuals having the authority to bind the customer(s) at the time the proposal is submitted. If a single installation is proposed, it must be supported by a letter of intent.

Regardless of whether the proposal is for a single site or a multi-site Capacity Block, Applicants must submit a detailed Project Implementation Schedule (see Attachment E), which describes the plan for completing the installation(s) (expected kW milestones and timing for each installation). When developing the Project Implementation Schedule, Applicants should take into consideration the time required for all outside approvals including but not limited to obtaining permits and the utility's interconnection process. The Project Implementation Schedule should include, at a minimum, major development milestones in kW for each month for each installation as listed below:

- Customer agreements signed
- All permits obtained
- System installation
- Application for Interconnection submitted to the local utility
- Interconnection approval received
- Data transmittal to website

4.0 Bid Application Form

Applicants must complete the Bid Application Form (Attachment C). Two versions are provided; a Microsoft Excel document that can be filled out electronically; and a .pdf document that can be printed and filled out manually. The Applicant is responsible for the accuracy of the information provided on this form. The form must be completed as follows:

- Identify the eligible technology
- Select one of the two eligible Zone Groups for the installation(s)
- Enter the Capacity Block in kW for either the PV or Renewable Biogas installation(s)
- Enter the Incentive Bid in $/kWh
- Enter the estimate for the total installed system costs for the Capacity Block

In the electronic version of the Bid Application Form the Total Dollar Amount is auto-calculated; in the .pdf version this value needs to be calculated manually. Note: If the Total Dollar Amount exceeds $3 million, the proposal is unacceptable from a financial standpoint and will not be funded.

5.0 Other Information

If necessary, provide additional information to assist NYSERDA in reviewing and evaluating the proposal. For Pipeline Directed Biogas proposals, the Applicant will need to show proof that a sufficient amount of biogas is available to support the installation(s).

V. PROPOSAL EVALUATION

Proposals will be evaluated separately for Zone Group G & H and Zone Group I & J.

Proposal evaluation will occur via a 3-step procedure: Step (1) Screening for Completeness & Conformity with Eligibility Requirements will be conducted by a team of NYSERDA staff (only those deemed responsive will proceed to the next step, all others will be rejected); Step (2) Technical Evaluation will be conducted by a Panel consisting of non-NYSERDA personnel and NYSERDA staff to ensure that all the technical criteria specified in this PON are satisfied (only those deemed responsive will proceed to the next step, all others will be rejected); and Step (3) Bid Comparison will be conducted to select projects based on price (Incentive Bid). Proposals rejected during any step or ultimately not selected due to bid price can re-propose in subsequent rounds and/or subsequent solicitations.

NYSERDA has determined a Maximum Acceptable Incentive Bid it is willing to accept; any request above this value will not be funded. Proposers are encouraged to offer best price bids.

STEP 1: Screening for Completeness & Conformity with Eligibility Requirements

SCREENING CRITERIA
• Proposal was submitted by the due date and signed by an authorized representative of the Applicant's team. • Bid Application Form is completed and signed. • Proposal is for installation(s) in Zone Group G&H or I&J. • Proposal is for **either** the installation of PV systems or Renewable Biogas systems. • Incentive Bid does not exceed the Maximum Acceptable Incentive Bid; any request above this value will not be funded. • Total Dollar Amount does not exceed $3,000,000 per Applicant.

STEP 2: Technical Evaluation Panel Criteria

Proposals that satisfy the requirements of the Screening Criteria will be reviewed by a Technical Evaluation Panel (TEP) to ensure that all the technical criteria are satisfied. If the TEP determines that the proposal's documentation of adequate conformance to the technical criteria is insufficient, the proposal will be rejected from further processing, regardless of the Incentive Bid.

TECHNICAL CRITERIA
• Applicant has sufficient experience in the technology for the proposed installation(s). 1. Was all of the required team member information provided as listed in section 2.0? 2. Does the aggregated capacity of previous installations support the Capacity Block proposed, including consideration of the technology and the customer sector? • Project references are included and are associated with past installations in the proposed technology. 1. Were three references included in the proposal for previous installations, each greater than 50 kW? 2. Were these installations in the technology proposed? 3. Were the installations installed within the last three years? • Marketing and sales plan (if needed) adequately demonstrates the ability of the Applicant to meet the target Project Implementation Schedule. 1. For sites not identified, did the Applicant provide a plan to show how the balance

of the Capacity Block will be secured?
    2. Were letters of interest provided for installations above the 25% minimum?
- Implementation Schedule is complete and reasonable.
    1. Does the schedule support completion of the Capacity Block within a 12 month period?
    2. Is the schedule realistic given the size of the Capacity Block proposed?
- At least 25% of Capacity Block, by kW, is supported by letters of interest/intent signed by the prospective customer(s).
    1. Do letters support at least 25% of the proposed Capacity Block?
    2. Are the installations identified located in one of the eligible NYISO Zone Groups?
- Quality assurance plan is sufficient to ensure installation(s) will be completed in accordance with industry standards and practices.
    1. Does the Applicant have a formal documented quality plan in place?
    2. Does the quality plan address items such as industry standards followed, service and maintenance capabilities, and warranties offered?
    3. Are the service and maintenance capabilities sufficient to ensure continued quality operation of the installation(s)?

STEP 3: Incentive Bid Evaluation

Proposals that meet the Screening Criteria and the Technical Evaluation Panel Criteria will be ranked based on the Incentive Bid. Selection for awards will begin with the proposal with the lowest Incentive Bid, working sequentially through the next lowest Incentive Bid until the proposal with the highest Incentive Bid which does not exceed the Maximum Acceptable Incentive Bid is reached, or until the funding allocation is depleted, whichever is reached first. Any remaining funding for the year not awarded during the first round will be available for a subsequent round of proposals.

VI. PAYMENTS

The payment process is designed to encourage the installation of high performing systems. If awarded a contract, payments for each individual installation will consist of a combination of up-front payments and performance payments.

Up-Front Payments:
The first up-front payment will be paid upon demonstration to NYSERDA that all major equipment for that installation has been procured and delivered to the host site, all necessary permits and approvals have been acquired, and initial approval from the utility has been received. This payment will be 15% of the Applicant's Incentive Bid ($/kWh) multiplied by the Site Estimated Annual Energy Production of that installation multiplied by the 3 year Performance Period (if installation is in a Strategic Location, the Incentive Bid will be multiplied by 1.15).

The second up-front payment will be paid after the system has been connected to the grid (proof of interconnection is required via a letter or email from the local distribution utility), and has proven capable of providing data to the website specified by NYSERDA. Inspection by NYSERDA or NYSERDA's agent may also be required prior to payment. This payment will be 15% of the Applicant's Incentive Bid ($/kWh) multiplied by the Site Estimated Annual Energy Production of that installation multiplied by the 3 year Performance Period (if installation is in a Strategic Location, the Incentive Bid will be multiplied by 1.15).

Performance Payments: Performance payments will be paid annually for three (3) consecutive years, based on the Site Actual Annual Energy Production over each year. Payments will be calculated and paid based on performance, as follows:

- For any given year of the three year Performance Period, a performance payment equal to 70% of the Applicant's Incentive Bid ($/kWh) multiplied by the Site Actual Annual Energy Production (kWh) (if installation is in a Strategic Location, the Incentive Bid will be multiplied by 1.15) will be made to those installations producing at least 80% of the Site Estimated Annual Energy Production.

- For any given year of the three year Performance Period, a reduced performance payment equal to 35% of the Applicant's Incentive Bid ($/kWh) multiplied by the Site Actual Annual Energy Production (kWh) (if installation is in a Strategic Location, the Incentive Bid will be multiplied by 1.15) will be made to those installations producing less than 80% of the Site Estimated Annual Energy Production.

Installation(s) performing above the Site Estimated Annual Energy Production will be paid for the Site Actual Annual Energy Production as long as the contracted Budget is not exceeded.
For Pipeline Directed Biogas installations payments associated with electricity generation will be conditioned on the end-user demonstrating that a sufficient quantity of renewable biogas has been purchased during each calendar month to support electricity generation in that same month.

Monthly energy production data for a period of twelve (12) months must be submitted annually with each performance payment request. Monthly gas purchase or production, and consumption data, as applicable, for a period of twelve (12) months must also be submitted for renewable biogas installations. In addition, data on the heating value and/or chemical composition of the biogas must be provided for installations directly consuming biogas (as opposed to using Pipeline Directed Biogas).

The Applicant must submit an annual report to NYSERDA identifying the Site Actual Annual Energy Production within 30 days after the twelve (12) month period. Attachments F, G and H are Sample Standard Performance Contract Agreements which identify additional reporting requirement details.

VII. PAYMENT SUMMARY

1. Contractors will contact NYSERDA when an individual project has been defined and will establish a Site Estimated Annual Energy Production over the 3 year period for that project.
2. NYSERDA will use the Incentive Bid to determine the amount of the two up-front payments.
    - Sites in Strategic Locations: First up-front payment = .15 x (Incentive Bid x 1.15) x Site Estimated Annual Energy Production x 3 years
    - Sites in Strategic Locations: Second up-front payment = .15 x (Incentive Bid x 1.15) x Site Estimated Annual Energy Production x 3 years
    - Other Sites: First up-front payment = .15 x Incentive Bid x Site Estimated Annual Energy Production x 3 years
    - Other Sites: Second up-front payment = .15 x Incentive Bid x Site Estimated Annual Energy Production x 3 years
3. After one year of operation, the contractor will provide NYSERDA with the Site Actual Annual Energy Production for the year.
4. NYSERDA will provide performance payments according to actual performance as follows:

- Sites in Strategic Locations: If Site Actual Annual Energy Production ≥ 80% of Site Estimated Annual Energy Production, then performance payment = .70 x (Incentive Bid x 1.15) x Site Actual Annual Energy Production
- Sites in Strategic Locations: If Site Actual Annual Energy Production < 80% of Site Estimated Annual Energy Production, then performance payment = .35 x (Incentive Bid x 1.15) x Site Actual Annual Energy Production
- Other Sites: If Site Actual Annual Energy Production ≥ 80% of Site Estimated Annual Energy Production, then performance payment = .70 x Incentive Bid x Site Actual Annual Energy Production
- Other Sites: If Site Actual Annual Energy Production < 80% of Site Estimated Annual Energy Production, then performance payment = .35 x Incentive Bid x Site Actual Annual Energy Production

5. Steps 3 and 4 will be repeated for two additional years.

VIII. GENERAL CONDITIONS

Proprietary Information: Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2) (d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSERDA that the Applicant wishes to have treated as proprietary and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 www.nyserda.org/about/nyserda.regulations.pdf. However, NYSERDA cannot guarantee the confidentiality of any information submitted.

Procurement Lobbying Requirements - **State Finance Law sections 139-j and 139-k**: Procurement lobbying requirements contained in State Finance Law sections 139-j and 139-k became effective on January 1, 2006. The texts of the laws are available at: http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html. In compliance with '139-j and '139-k of the State Finance Law, for proposals submitted in response to this solicitation that could result in agreements with an annual estimated value in excess of $15,000, additional forms must be completed and filed with proposals: (1) a signed copy of the Proposal Checklist including required certifications under the State Finance Law and (2) a completed Disclosure of Prior Findings of Non-Responsibility form. Failure to include a signed copy of the Proposal Checklist referenced in this solicitation will disqualify your proposal.

Omnibus Procurement Act Of 1992: It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:	A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development
Division For Small Business
30 South Pearl Street
Albany, NY 12245

Empire State Development
Minority and Women's Business Development Division
30 South Pearl Street
Albany, NY 12245

Limitation: This solicitation does not commit NYSERDA to award a contract, to pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSERDA reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in NYSERDA's best interest.

Disclosure Requirement: The Applicant must disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, and shall describe circumstances for each. When an Applicant is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of NYSERDA after the award of a contract, NYSERDA may exercise its stop-work right pending further investigation, or terminate the agreement; the Service Provider may be subject to penalties for violation of any law which may apply in the particular circumstances. Applicants must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

State Finance Law sections 139-j and 139-k: NYSERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements which can be found at http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html The attached Proposal Checklist calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k and the Disclosure of Prior Findings of Non-responsibility form includes a disclosure statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.

Tax Law Section 5-a: NYSERDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSERDA having a value in excess of $100,000, to certify to the Department of Taxation and Finance (the "Department") whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. See, ST-220-TD (available at http://www.tax.state.ny.us/pdf/2006/fillin/st/st220td_606_fill_in.pdf). Prior to contracting with NYSERDA, the prospective contractor must also certify to NYSERDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a prospective contractor prior to contacting and filed with NYSERDA. See, ST-220-CA (available at http://www.tax.state.ny.us/pdf/2006/fillin/st/st220ca_606_fill_in.pdf). The Department has developed guidance for contractors which is available at http://www.tax.state.ny.us/pdf/publications/sales/pub223_606.pdf.

Contract Award: NYSERDA anticipates making multiple awards under this solicitation. It may award a contract based on initial proposals without discussion, or following limited discussion or negotiations pertaining to the Sample Standard Performance Agreement. Each Proposal should be submitted using the most accurate cost and technical information available. NYSERDA may request additional data or material to support proposals. NYSERDA expects to notify Applicants in approximately 8 to 10 weeks from the Proposal due date whether each Proposal has been selected to receive an award. Contracting

will be through a Standard Performance Contract Agreement (Agreement). Sample Agreements are shown as Attachments F, G and H.

Insurance: Selected Applicants will be required to maintain or cause to be maintained throughout the term of this Agreement, commercial general liability insurance for bodily injury liability, including death, and property damage liability, incurred in connection with the performance of this Agreement, with minimum limits of $1,000,000 in respect of claims arising out of personal injury or sickness or death of any one person, $1,000,000 in respect of claims arising out of personal injury, sickness or death in any one accident or disaster, and $1,000,000 in respect of claims arising out of property damage in any one accident or disaster; and (2) Commercial automobile liability insurance in respect of motor vehicles owned, licensed or hired by Applicant for bodily injury liability, including death and property damage, incurred in connection with the performance of this Agreement, with minimum limits of $500,000 in respect of claims arising out of personal injury, or sickness or death of any one person, $1,000,000 in respect of claims arising out of personal injury, sickness or death in any one accident or disaster, and $500,000 in respect of claims arising out of property damage in any one accident or disaster. All such insurance shall be evidenced by insurance policies, each of which shall: **(1) name or be endorsed to cover the Applicant as the insured, and NYSERDA and the State of New York as additional insureds**; (2) provide that such policy may not be cancelled or modified until at least 30 days after receipt by NYSERDA of written notice thereof; and (3) be reasonably satisfactory to NYSERDA in all other respects.

IX. ATTACHMENTS

Attachment A	Proposal Checklist
Attachment B	Disclosure of Prior Findings of Non-responsibility Form
Attachment C	Bid Application Form
Attachment D	Strategic Locations
Attachment E	Project Implementation Schedule Template
Attachment F	Sample Standard Performance Agreement for Solar PV
Attachment G	Sample Standard Performance Agreement for Electric Generation using Renewable Biogas Fuel Locally-fed to the Generator
Attachment H	Sample Standard Performance Agreement for Electric Generation using Pipeline Directed Biogas