



Black Horse Pike

REGIONAL SCHOOL DISTRICT

*Engaging Students, Fostering
Achievement, Inspiring Excellence*



2019 BHPRSD Solar Energy Project Bid Evaluation Report





TABLE OF CONTENTS

Contents

1. INTRODUCTION	3
2. RESPONSIVENESS REVIEW	3
A. EZENERGY	3
B. HESP Solar, LLC	3
C. Solar Landscape, LLC	3
3. SUMMARY OF ACCEPTED BIDS	4
A. EZENERGY Solar Energy Solutions –	4
B. HESP Solar, LLC	4
C. Solar Landscape	5
4. EVALUATION CRITERIA	6
5. SUMMARY and RECOMMENDATIONS.....	9



1. INTRODUCTION

This report serves as an evaluation and recommendation regarding Black Horse Pike Regional School District's ("BHPRSD" or "District") 2019 Solar Photovoltaic Energy Project at Highland and Triton High Schools (the "Project") for which competitive proposals for a finance, design and build solar installation were solicited by way of Request for Proposals issued by the District in coordination with Blue Sky Power. Bids were received by BHPRSD and opened at a public bid opening on June 4, 2019. Three bids were received by BHPRSD, submitted by the following proposers, listed alphabetically:

- A. EZENERGY NJ
- B. HESP Solar, LLC
- C. Solar Landscape, LLC

Blue Sky Power ("BSP") serves as BHPRSD's Energy Consultant. In that capacity, BSP reviewed and analyzed the accepted bids and recommends that the District award the Project to HESP Solar ("HESP") based upon numerous factors, including its experience and strength in New Jersey and public school solar projects, complete proposal and demonstrated financial capability and ability to bring the Project to completion, and its commitment to operate the system, and reasonable price.

2. RESPONSIVENESS REVIEW

A. EZENERGY

BSP reviewed the EZENERGY Bid for responsiveness – compliance with the minimum submission requirements. EZENERGY's bid was deemed responsive to the minimum submission requirements.

B. HESP Solar, LLC

BSP reviewed the HESP Solar Bid for responsiveness – compliance with the minimum submission requirement. HESP Solar's bid was deemed responsive to the minimum submission requirements.

C. Solar Landscape, LLC

BSP reviewed the Solar Bid for responsiveness – compliance with the minimum submission requirement. Review of Solar Landscape's bid found that the bidder submitted all required legally mandated forms and those evidencing capability, yet omitted non material forms. This omission was administratively remedied and Solar Landscape has provided all forms.



3. SUMMARY OF ACCEPTED BIDS

A. EZENERGY Solar Energy Solutions –

Base Bid

PPA price per kWh for Year 1 of the 15-year PPA Term and annual escalator

<u>Year</u>	<u>PPA Price (\$/kWh)</u>	<u>Escalator (%)</u>
1	\$0.0503	2%

Facility/Site	Proposed System Size (kW DC)	Estimated Year 1 Production (kWh)
Highland High School	375 kW DC	475,825 kWh
Triton Regional High School	691.88 kW DC	840,847 kWh
Total	1,066.88 kW DC	1,316,312kWh

Alternate

PPA price per kWh for Year 1 of the 15 years program as well as the proposed annual escalator with contingencies if the Highland High School arrays qualify only for the replacement program.

<u>Year</u>	<u>PPA Price (\$/kWh)</u>	<u>Escalator (%)</u>
1	\$0.0646	2%

Facility/Site	Proposed System Size (kW DC)	Estimated Year 1 Production (kWh)
Highland High School	375 kW DC	475,825 kWh

B. HESP Solar, LLC

Base Bid

PPA price per kWh for Year 1 of the 15-year PPA Term and annual escalator

<u>Year</u>	<u>PPA Price (\$/kWh)</u>	<u>Escalator (%)</u>
1	\$0.069	1.5%





Facility/Site	Proposed System Size (kW DC)	Estimated Year 1 Production (kWh)
Highland High School	363 kW DC	444,675 kWh
Triton Regional High School	727.5 kW DC	886,335 kWh
Total	1,090.5 kW DC	1,331,010 kWh

Alternate

PPA price per kWh for Year 1 of the 15 years program as well as the proposed annual escalator with contingencies if the Highland High School arrays qualify only for the replacement program.

<u>Year</u>	<u>PPA Price (\$/kWh)</u>	<u>Escalator (%)</u>
1	\$0.069	1.5%

Facility/Site	Proposed System Size (kW DC)	Estimated Year 1 Production (kWh)
Highland High School	363 kW DC	444,675 kWh

C. Solar Landscape

Base Bid

PPA price per kWh for Year 1 of the 15-year PPA Term and annual escalator

<u>Year</u>	<u>PPA Price (\$/kWh)</u>	<u>Escalator (%)</u>
1	\$0.056	1%

Facility/Site	Proposed System Size (kW DC)	Estimated Year 1 Production (kWh)
Highland High School	375.1 kW DC	474,000 kWh
Triton Regional High School	695.3 kW DC	845,000 kWh
Total	1,070.4 kW DC	1,319,000 kWh

Alternate

PPA price per kWh for Year 1 of the 15 years program as well as the proposed annual escalator with contingencies if the Highland High School arrays qualify only for the replacement program.





<u>Year</u>	<u>PPA Price (\$/kWh)</u>	<u>Escalator (%)</u>
1	\$0.056	1%

Facility/Site	Proposed System Size (kW DC)	Estimated Year 1 Production (kWh)
Highland High School	375.1 kW DC	474,000 kWh

The price does have a disclaimer that the price is subject to its own structural analysis. If the analysis finds that the roof does not have sufficient structural capacity and the PV capacity decreases by 5% or more as a result, then they reserve the right to negotiate a price adjustment.

4. EVALUATION CRITERIA

Through the RFP process, BSP evaluated the bids both individually and as compared to each other based upon the criteria set forth in the RFP. That criteria, set forth in the RFP considers the following specific factors:

1. PPA price per kWh;
2. PPA price escalator;
3. Overall quality and responsiveness of the bid;
 4. Proposed System configuration and design, including maximization of the available area for solar panels and the projected System performance;
 5. Degree to which System performance estimates are substantiated by industry experience and studies/documentation;
6. Bidder’s consideration of safety, as it relates to System design, operation and construction;
7. Bidder’s consideration of security, as it relates to System design, operation and construction;
8. Design detail;
9. Consideration of aesthetics in overall System design;
10. Bidder’s documented experience in successfully financing and/or installing, managing, maintaining and operating solar projects of similar scale;
11. Feasibility of the bidder’s proposed financing plan;
12. Qualifications of bidder’s staff/team, with regard to solar project design, installation, project management, finance and management of Solar Renewable Energy Credits (“SRECs”) and PPA obligations;
13. Financial strength of bidder;
14. Quality of the proposed educational component for the District installations;
15. The extent to which the bidder proposes creative arrangements by which to share the benefits of the System, including but not limited to SREC revenue sharing and ownership of other System environmental attributes; and
16. Clarity and conciseness of bid.

The Basis of Award is the proposal which is most advantageous to the District, price and other factors considered.





Proposal Qualifications

Each responsive proposal is addressed below:

A. EZENERGY

The overall quality of the bid is basic, with limited specifics and much of the requested information being deferred to be provided subsequent to award.

Experience: EZENERGY provides its firm experience and lists several projects it has constructed – many of which are public schools (62 of varying sizes). EZENERGY provides the requested 5 references, including NJ public schools, a NJ public university, and municipality. Interesting to note is EZENERGY emphasizes its work for Toms River schools, but notably does not provide the project as a reference. EZENERGY has an experienced team, organization chart, and biographies (not resumes) for team members. Interesting also is the proposal seems to speak in terms of construction projects, not management and maintenance experience. This omission impacts the evaluation, as it is in the District's interest to understand the proposer's plan to operate and manage the system. Project marketing cutsheets are also provided as part of the proposal. EZENERGY NJ is a 51% Woman Owned Small Business.

Financing: The proposal does not have a well-defined financing plan for the project. It includes a letter from the CFO of a potential funding partner, Summit Ridge Energy, LLC and states it is backed by Aligned Intermediary Investment Funds. Summit's Company sheet, speaks only about investments in PJM/Maryland, Massachusetts and New York. A review of their web site does not provide any information about assets under management. The specific financing plan for this project is not specific and the proposal does not provide any information about financing the long term operation of the system.

System Design Concept: EZENERGY provides some basic information about the proposed system design. It provides a production summary and equipment list; it does not include a system layout. Significantly, the proposal completely defers until after award items which were specifically requested in the RFP: Installation plan, electric plan, interconnection plan, site preparation information, controls, operations manuals, communication platform and education plan. In addition, the EZENERGY proposal has another technical shortcoming – it does not include rapid shutdown capability and not meeting the AC capacity constraints at Highland High School. These are significant shortcomings and further demonstrates EZENERGY lack of project understanding. Our Engineer for the Project has the following conclusion regarding EZENERGY's proposal: EZENERGY does not provide enough information in their bid to perform a thorough technical review and it does not meet the technical scope of the RFP. Additionally, The basis of design components are the current lowest quality

Operation/Maintenance: No information is provided.

Summary: EZENERGY's proposal relies on its past experience, lists of projects, potential financial backing, and team member experience, and low price. Significantly, however, the technical elements of the proposal lacks information necessary to make a meaningful comparison of systems, system design, operating plans, and financial plans, all of which are important factors to compare to other proposals. Moreover, the lack of this information, along with technical design concept shortcomings, significantly diminishes confidence that EZENERGY can perform this project properly.



B. HESP Solar LLC

The overall quality of the bid is complete and thorough.

Experience: HESP Solar provides its firm experience and lists several projects it has constructed – many of which are public schools. They have a summary of Net metered installed/managed projects (64MW), rooftop mounted installed/managed projects, projects managed in last 3 years (1.8MW), and net metered projects in NJ (53 MW), and managed for public agencies (43 MW). HESP Solar provides project information (equipment, inverters, cost, yield) for 29 projects; 19 of them provide the contact references. Ten are NJ public school districts, cities, landfills, and health care centers. HESP Solar has experienced identified team members, and biographies (not resumes) for team members, and project role descriptions. The proposal describes installation and operation of a solar system.

Financing: The proposal provides its financial plan for the project. HESP Solar states that it has access to debt and equity, but clearly states its ability and willingness to finance itself. HESP Solar provides its financial statements with auditor review/summary to demonstrate its financial capability. BSP has performed a cursory review of the financials and there appears to be adequate financial capability and a plan in place to finance the execution of the project.

System Design Concept: HESP Solar supplied a preliminary system concept layout, electrical line drawings, energy forecast simulations (pvwatts) and basic schedule. The technical proposal also provides a summary of the project development, Preliminary Concept, Engineering process, permitting, construction, operation and maintenance. They also provide a design approach and identify components/equipment, roof mounting systems, and data acquisition system. It provides warranty information and component specification sheets.

Operation/Maintenance: HESP Solar provides information regarding monitoring, training, and maintenance. It identifies the data monitoring system and interval data. HESP Solar describes its plan for training, compliance with safety standards, and coordination with local fire departments. HESP provides sufficient level of detail for its maintenance plan during operation.

Summary: HESP Solar provides a complete proposal and sufficiently addresses the elements requested in the RFP. Based on the information provided, HESP Solar is capable and qualified, and has a clear plan to construct and operate the system. If awarded, the District will have confidence that HESP Solar can execute the project.

C. Solar Landscape, LLC

The bid addresses the items sought in the RFP.

Experience: Solar Landscape LLC provides its firm profile and submits a lists of PV projects it has performed. Solar Landscape is based in NJ and performs projects regionally. The partial project list highlights twelve (12) commercial solar rooftop projects in Connecticut (3), New York (3) and New Jersey (6). It includes a private school facility and university. There are no NJ public school projects identified. They have provided 5 primary references for projects in NJ. They also include a list of contacts for 34 PV projects installed. Solar Landscape LLC has identified experienced team members, and biographies (not resumes) for team members, and project role descriptions. The project development manager and project pm have managed more than 150 and 200 PV projects respectively. The director of construction has overseen more than 115MW of capacity.



Finance: Solar Landscape will finance and own the system. Solar Landscape clarified that they currently have more than \$10,000,000 in assets under ownership/management producing approximately 10-15 MW. Solar Landscape utilizes an experience commercial construction lending firm with more than \$1 billion loaned. Permanent financing – tax equity – will be sought and potentially pooled with other NJ solar PV projects.

System Design Concept: Solar Landscape LLC supplied a preliminary system concept layout, construction major activity bar chart schedule, and energy annual production simulation (pvwatts). The technical proposal also provides a system description, confirmation of warranties, equipment list, and confirmation of inverters safety – shut down capabilities. Solar Landscape addresses installation plan and staging requirements, electric work, warranties, controls, communication platform, and sample operation and maintenance manual. It provides component specification sheets, commissioning manual, and form of PPA.

Operation/Maintenance: Solar Landscape will own and operate the system and make necessary repairs during the term of the PPA. An operation and maintenance manual was provided with the proposal.

Summary: Solar Landscape provides a generally complete proposal and sufficiently addresses the elements requested in the RFP. Based on the information provided, Solar Landscape is capable and qualified to install PV at commercial/industrial rooftops, and has a plan to construct and operate the system. It is important to note that Solar Landscape does not appear to have significant NJ public school project experience – this might be mitigated by the extent of experience in completed projects for large commercial clients in NJ. If awarded, the District can have confidence that Solar Landscape can execute the project.

D. Proposal Cost Comparison to the District: In order to provide a conservative comparison of each bid and the potential savings, the Savings Analysis spreadsheet attached hereto, uses a utility escalator rate of 3% which is the average commercial utility rate increase in New Jersey over the last 60 years as provided by the United States Energy Information Administration. Additionally, we used the District’s utility bills from the last 12 months to arrive at a utility comparison rate of \$0.102 kWh, which includes supply and delivery charges, but excludes the decrease in demand charges that the District will realize once ACE resets the demand amount based on the reduced usage for one year. Demand is typically calculated at four various peak demand days and will be reduced as these are typically high solar production days. Therefore, the savings actually realized by the District after year 1 of solar operation will likely exceed the savings projections provided.

5. SUMMARY and RECOMMENDATIONS

Blue Sky Power reviewed all accepted bids in their entirety and prepared a responsiveness and economic analysis of each proposal to determine the benefits to the District. Bids were evaluated pursuant to the criteria described above, considering details of the project plan, technical and cost proposals, as well as the overall impression of the proposals based upon the documents submitted in response to the RFP. Based upon that process, BSP makes the following observations and recommendation.

EZENERGY presented an experienced team, identified many comparable public sector/school solar projects it performed and offered the second lowest price proposal. Our Engineer found however that its technical proposal to be the third ranked of those submitted as a result of the technical proposal lacking and



deficient as it deferred or omitted submission of many key items. Significantly, EZENERGY did not address rapid shutdown, lacked a clear financial plan, and little to no mention of on-going operation/maintenance.

HESP Solar presented a thorough and complete bid package which displays experience in New Jersey and regional solar projects, ability to finance and construct the project, includes a maintenance plan, and offers a reasonable price, although not the lowest. HESP Solar presents the best overall technical proposal submission.

Solar Landscape presented an experienced team, demonstrated ability to finance, design, install and operate the system, and offered a price which presented the most potential savings to the District. Solar Landscape's technical proposal ranks similarly to HESP Solar and is significantly more complete than that proposed by EZENERGY.

As part of review, BSP calculated the estimated savings to the District from each of the proposals submitted. Solar Landscape LLC offered substantial savings to the District over 15 years at \$1,257,758 due to its low 1% escalator, within \$40,000 of the lowest price. EZENERGY offered the best savings to the District over 15 years at \$1,296,303. HESP Solar offered the least savings to the District over 15 years at \$949,298. Significantly, all the prices proposed to the District are commercially reasonable and offer significant savings to the District over the PPA term.

The Basis of Award is to the Proposal which is most advantageous to the District – the District is not required to award to the lowest bid. In this instance, the two lowest bids offer almost identical savings. The second lowest bid Solar Landscape LLC offered savings very close to the lowest bid and submitted an adequate technical proposal, yet the proposal does not demonstrate substantial public school experience. The apparent low bidder, EZENERGY, whose price is very close to that of Solar Landscape, has a significantly deficient technical proposal as compared to the other two proposals received. The bidder with the highest price, HESP Solar, arguably has the best overall technical proposal – however the price proposed and the consequent lower savings to the District impacts the overall proposal.

Based upon BSP's comprehensive review of the accepted bids, and consideration of each of the factors set forth in the RFP, Blue Sky Power recommends to the District that it award the bid for the District Solar Project to Solar Landscape.



Attachment A

Savings Analysis Worksheet (See detailed Sheet and Tabs attached)



Black Horse Pike Regional School District
Results of Solar RFP Bids - Bidder's Electricity Production, PPA Proposal, and Estimated Cost Savings Summary
Systems Variously Attributable to Triton High School & Highland High School



Black Horse Pike
REGIONAL SCHOOL DISTRICT
*Engaging Students, Fostering
Achievement, Inspiring Excellence*

Summary of Results - Savings Analysis of All Bidders

Key
Bid with largest estimated savings

Bidder Name	Base Bid					Alternate/Optimal Bid				
	System Size (kW, DC)	Year 1 Production Estimate (kWh)	Year 1 PPA Rate (\$/kWh)	Annual PPA Escalation Rate (%)	Estimated Cost Savings over 15-year Project Lifetime (\$)	System Size (kW, DC)	Year 1 Production Estimate (kWh)	Year 1 PPA Rate (\$/kWh)	Annual PPA Escalation Rate (%)	Estimated Cost Savings over 15-year Project Lifetime (\$)
EZENERGY	1,066.88	1,316,312	\$0.0503	2.00%	\$1,296,303	1,066.88	1,316,312	\$0.0646	2.00%	\$982,516
HESP	1,090.50	1,331,010	\$0.0690	1.50%	\$949,298	1,699.50	2,077,035	\$0.0690	1.50%	\$1,481,375
Landscape	1,070.40	1,319,000	\$0.0560	1.00%	\$1,257,758	1,070.40	1,319,000	\$0.0560	1.00%	\$1,257,758

