October 8, 2017

SOLUTIONS
ARCHITECTURE
FRANK A. MESSINEO • AIA

Mrs. Stacy C. Garvey
Business Administrator
Midland Park Board of Education
250 Prospect Street
Midland Park, NJ 07432

Re: **District-wide Solar – PPA - Interview Evaluation**
Solutions Architecture Project No. 17.138

Stacy:

As you well know, bids were solicited by the New Board of Education and Solutions Architecture for the above referenced project on August 29th, 2017. This process was undertaken in accordance with competitive contracting provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-4.1(k)) and on behalf of the board of education Local Units, the Public Schools Contracts Law (N.J.S.A. 18A:18A-4.1(k)) of the State of New Jersey (the "State")

The Single Basic Mandate for the project was that the cost for energy must be below the District's current cost of electricity.

Formal Interviews were mandated as a part of the evaluation criteria for this project. Only the two highest scoring respondents were invited to participate in the interview process. A total of 100 points were possible for each candidate and the interview value was a total of 10 points.

The **first respondent, EZnergy NJ, LLC** of Toms River, NJ provided a 634.78kW DC system. System sizes at each school were as follows: High School – 447.1kW; Godwin School – 87.72 kW; and Highland School – 99.96kW.

- The expected performance output of the system in Year 1 was 736,466 kWh and the Guaranteed Minimum System Output stated in the bid was 662,819.40. It was discovered however, after running some calculations that EZnergy based their GMSO on 90% of the Year 1 output rather than 80% as required by the Bid Documents. The revised GMSO number is 589,172kWh.
- It was projected that the District's current kWh utility parity usage rate would be discounted to $0.060/kWh, and that the **savings over 15 years based upon the minimum output, could be $665,641.01.**
- For the term of the PPA, an annual escalator of 1.49% would be applied to the cost per kWh.

EZnergy were invited to interview on Friday, October 6th. They arrived at the Superintendent's office with an "army" of six team members. The handed out a prepared PowerPoint presentation and Jim Brown of the company led the presentation. It must be noted that EZnergy's presentation was negative, and moreover based upon what their competitor, Onyx, couldn't do rather than what they could do for the District. Midway through the interview they needed to be stopped so that they could re-group. We did not want their interview to be about the competition. Their responses to our questions were vague and it was apparent that they had not done a great deal of inspection even though they were present at

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the walk through. One of the issues that was discussed had to do with a potential tariff that could be implemented which would raise the cost of the panels significantly; they indicated that if the Board didn't move quickly that the tariff could change the outcome of the bid. One positive thing that EZnergy did convey is that they were willing to contract for a Guaranteed Minimum System Output equal to 90% of the Expected Performance Output.

In the end, while EZnergy's submission demonstrated a technical ability to enable them to likely complete the project, their presentation did little to convey the confidence and superiority that they were looking to get across. The general tenor of the presentation gave all present a generally bad feeling and with the unknown position of the how the tariff might affect their bid in the future, they were given 5/10 points for the presentation.

The **second respondent, Onyx Renewable Partners,** of NY provided a 771.60kW DC system. System sizes at each school were as follows: High School – 513.2kW; Godwin School – 97.0kW; and Highland School – 161.40kW.

- The expected performance output of the system in Year 1 was 856,354 kWh and the Guaranteed Minimum System Output is 685,083 kWh.
- It was projected that the District's current kWh utility parity usage rate would be discounted to $0.065/kWh and that the **savings over 15 years based upon the minimum output could be $742,425.67.**
- For the term of the PPA, an annual escalator of 1.0% would be applied to the cost per kWh.

Onyx Renewable Partners were invited to interview on Thursday, October 5th. They arrived at the Conference Room with three team members. The discussion was one that focused on the financial strength of their financial partner Blackstone, and their ability to provide the necessary system and panels in spite of a potential tariff that might be in place. Onyx indicated that in trying to stay ahead of the tariff that they had been stocking up on panels that would be used for this job and that they were confident that they had more than enough panels to handle this project regardless of the tariff; there would be no effect to their bid. Further, Onyx talked about a proprietary system that they pay for that they use to generate system output based upon weather; rather than using PV Watts – the most commonly used means for generating system output based upon weather. They indicated that PV Watts is regional and only gives the weather conditions for Newark Airport; the software that they use allows them to get within a few miles of Midland Park so that the weather data is more accurate. They reported that because of this their systems are more accurate and typically perform from 90% to 106% of their expected targeted output. As such in spite of the specifications, they were willing to contract for a Guaranteed Minimum System Output equal to 90% of the Expected Performance Output.

Pursuant to the original PPA Agreement, the selection of Qualified Respondents is subject to the provisions of the Public Schools Contracts Law, N.J.S.A. 18A:18A-1 et seq. and "New Jersey Local Unit Pay to Play" Law, N.J.S.A. 19:44A 20.4 et seq. Proposals have been evaluated in accordance with the criteria set forth in the PPA RFP and have been applied in the same manner to each Proposal received.

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All complete and qualified submissions have been reviewed and evaluated by the Superintendent of Schools, Business Administrator, the Director of Facilities and their Architect and Energy Consultant.

The following criteria has been used to evaluate all proposals and the following scores were received:

SOLAR PROJECT - PROPOSAL EVALUATION -MIDLAND PARK PUBLIC SCHOOL DISTRICT - Solar PPA											
PPA EVALUATION CRITERIA:	Total Possible Points	ONYX	NOTES	Eznergy	NOTES	HESP SOLAR	NOTES	PFISTER ENERGY	NOTES	SPANO/ RAI	NOTES
• **COST CRITERIA:** Financial Benefits of the Proposal -- Factors to be considered include guaranteed minimum output and any degradation over time; Power purchase discount ($/kWh) • The BOE is desirous of a PPA discount rate per kWh below the supplied default utility rate for a period of 15 years. • Capacity - Total Design Output (kW) Guaranteed • System price • Power purchase discount ($/kWh)	45	45	Onyx's initial PPA price of .065 was also competitive; even moreso was a very competitive 1.0% escalator resulted in a very first place for district savings. Onyx provided the largest system design. With a potential savings on minimum output of $742,425 dollars. - They later agreed to contract at 90% of expected output which increases the savings to $835,229 based upon minimum guaranteed output	40	EZEnergy's initial PPA price of .060 was very competitive; when combined with their 1.49% escalator resulted in close 2nd place for district savings. Eznergy provided the second largest system design however, calculated their Year 1 Guaranteed Minimum Output on 90% instead of 80% as required. (Their numbers were adjusted downward on the evaluation - their savings totaled $665,641.01)	30	HESP Solar's initial PPA price of .064 was competitive; but when combined with their 1.9% escalator pushed them into 3rd place for district savings. HESP provided the 4th largest system size however, calculated their Year 1 Guaranteed Minimum Output on 90% instead of 80% as required. (Their numbers were adjusted downward on the evaluation - their savings totaled - $618,390.32)	15	Pfister's initial PPA price of .098 was much higher than the others and was closer to the District's current rate; but when combined with their 2.0% escalator dropped the district savings considerably. Pfister provided the 3rd largest system size with a savings of only $274,001.18	0	SPANO/RAI - Their original submission had double bid forms one each for Spano and RAI - one form was filled in but not signed the other was signed but not filled in. The value was over the District's current rate making their submission defective.
• **TECHNICAL CRITERIA:** Responsiveness and understanding of the scope of work/services, site conditions and proposed management thereof. Clarity and conciseness of submittal • Knowledge of New Jersey Regulations for permitting and construction of renewable energy system; and a further knowledge of the NJ programs, requirements, regulations, and financial incentives	15	15	Onyx provided a comprehensive proposal that showed clear understanding of the scope of services. References revealed no issues with past projects and an knowledge of the process	15	Ezenergy provided a comprehensive proposal that showed clear understanding of the scope of services. They failed to show panels on certain portions of the roof because they did not complete the walk through	10	HESP provided a comprehensive proposal that showed clear understanding of the scope of services.	10	Pfister provided a fairly comprehensive proposal that showed an understanding of the scope of services.	0	SUBMISSION WAS NON RESPONSIVE
• **MANAGEMENT CRITERIA:** History and financial strength of the PPA provider firm and any subcontracting firms used in designing and installing Photovoltaics and providing Power Purchase Agreements for projects of 200kWh or greater;	30	25	Onyx provided significant data regarding their history and past projects; Submitted data on Financial Strength was limited but was later clarified in the interview	20	Ezenergy provided significant data regarding their history and past projects; Data on Financial Strength was limited	25	HESP provided significant data regarding their history and financial information	20	Pfister provided significant data regarding their history and past projects; Data on Financial Strength was limited	0	SUBMISSION WAS NON RESPONSIVE
• **INTERVIEW EVALUATION** - Presentation; Understanding Technical Factors; Understanding Financial Factors	10	10	Onyx put on a strong performance at the interview - showing a mastery of the Solar and PPA process and solid financial backing - they also showed great forsight in lieu of a potential tarrif.	5	Eznergy dropped the ball on the interview; overloading the room with personnel most of whom did not speak; their presentation was negative - more about what Onyx couldn't do that what they could.	0	NOT INTERVIEWED	0	NOT INTERVIEWED	0	SUBMISSION WAS NON RESPONSIVE
Total Points	100	95		80		65		45		0	

Based upon the above noted tabulation and the attached Bid Proposal Breakdown and estimated savings, Solutions Architecture would recommend entering into a Contract with Onyx Renewable Partners for the installation of Solar arrays at all three District Schools.

It is recommended that the Board attorney review all aspects of the proposals received, including each respondent's compliance with the regulations and procedures of Local Public Contract's Law and the NJ SREC program.

If you have any questions or require additional information, please contact me at fm@solutions-arch.comor contact me at (201) 618-0606.

Sincerely,

Frank A. Messineo, AIA
Principal

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