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Renewable Portfolio Standard Customer-Sited Tier Regional Program

This is a competitive program within the Customer Sited Tier of the NYS Renewable Portfolio Standard (RPS) for the installation of larger scale (>50 kW) solar PV and certain renewable biogas projects in downstate NY. A total of \$150 million (\$30 M/yr) is allocated over a five year period ending in 2015. The primary objectives of this program are to fund projects that produce the maximum amount of renewable energy within the heavily constrained downstate areas, including New York City, at the lowest cost to ratepayers. The policy objectives of the Regional Program include: 1) Fuel diversity, 2) energy price suppression, 3) economic development, 4) improved reliability, and 5) geographic balancing in funding.

Applicants are required to submit a Bid Application Form identifying the technology for the installations, the NYISO Zone Group (either G&H or I&J) of where the installations will be located since funds are allocated separately for each of these zone groups, the Capacity Block size, and an Incentive Bid (in \$/kWh) which must be based on a 3 year performance period.

Proposal evaluation consists of a 3-step process: The first step will be a screening for completeness & conformance with eligibility requirements, including a screening to reject those who bid a price above the maximum acceptable bid price. Only those deemed responsive will proceed to the next step, all others will be rejected. Step two is the Technical Evaluation and 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. To ensure the credibility of the capacity block proposed, the program requires that at least 25% by capacity be identified with signed letters of intent. For any portion of the capacity block not identified, a technical evaluation panel will review the proposing team's qualifications and marketing plan and only those deemed responsive will proceed to the next step, all others will be rejected. Step three is the Bid Comparison and this will be conducted to select projects based on price (Incentive Bid), with the lowest bids selected first.

If awarded a contract, payments for each installation will consist of two up-front payments and three annual performance payments. The up-front payments will each be 15% of the Incentive Bid multiplied by the Site Estimated Annual Energy Production over a 3 year performance period. The first payment will be made after completion of equipment delivery to the site and the second payment after proof of interconnection and successful operation of the installation.

Performance payments will be paid annually for 3 consecutive years, based on the Site Actual Annual Energy Production over each 12 month period as follows:

- For systems producing at least 80% of the Site Estimated Annual Energy Production; Payment will be 70% of the Incentive Bid multiplied by the actual energy production for that year.
- For systems producing less than 80% of the Site Estimated Annual Energy Production; Payment will be 35% of the Incentive Bid multiplied by the actual energy production for that year.

Electric utilities have identified Strategic Locations within their service territories where installation of these systems will provide benefit to the utility. Incentive payments for installations in these locations will be increased by 15%, above the standard incentive payments just described.

Finally, incentives for each installation cannot exceed 50% of the total installed system costs.

For more information please see Program Opportunity Notice (PON) 2156 located here:
<http://nyseda.ny.gov/Funding-Opportunities/Closed-Funding-Opportunities/2011.aspx>