

**PSE&G Solar 4 All Program**  
**Solicitation For Proposals**

**Photovoltaic Generating Stations on Third Party-Owned Host Sites**

**Instructions to Proposers**

## **1.0 Introduction**

On August 3, 2009 PSE&G received approval from the NJ Board of Public Utilities to implement its Solar 4 All Program. This is a program that will construct 80 MW (dc) of solar generation to be owned by PSE&G over the next several years and invest approximately \$515 Million. The Program consists of two segments: Segment 1 called "Centralized Solar" (40MW) and Segment 2 called "Neighborhood Solar" (40MW). Segment 1 is further comprised of three sub-segments: (1) Segment 1a (25MW) for solar systems to be installed on PSE&G-owned sites, (2) Segment 1b (10MW) for solar systems located on third-party sites, and (3) Segment 1c (5MW) for solar systems located in Urban Enterprise Zones (UEZ's).

This document deals with Segment 1b. PSE&G is soliciting proposals from engineering, procurement, and/or construction ("EPC") contractors for the development of grid-connected Solar Systems of at least 500 kilowatts ("kW"), up to 2 megawatts ("MW") in capacity on third party-owned sites located in PSE&G's electric service territory. As described in more detail in the attached Solicitation documents, PSE&G is seeking proposals that will include a total turnkey, fixed price for the Solar System, and lease payments to the site owner for long-term use of the site (roof and/or grounds), in accordance with the Solicitation specifications. The EPC contractor(s) selected by PSE&G will be responsible for design, permitting, equipment procurement, installation and commissioning, and additional tasks as defined in more detail in the attached documents including Scope of Work. PSE&G will make milestone payments to the selected EPC Contractor(s) through the development and construction process (see Payment Milestone Schedule attached hereto), and will make final payment and take ownership of the system upon commissioning and final acceptance. This solicitation is being conducted on an 'open 'season' basis, and will remain open for a period of sixty (60) days, or until close of business on December 11, 2009. The program goal for segment 1b is for the installation of 10MW of capacity by 2012, with three tranches broken down as follows: 2.0MW commissioned and operating prior to the specified period in the 2009-10 Planning Period (June 1, 2009 - May 31, 2010); 3.1MW (5.1MW cumulative) commissioned and operating in the 2010-11 Planning Period (June 1, 2010 - May 31, 2011); and 4.9MW (10MW cumulative) commissioned and operating in the 2011-12 Planning Period. This initial open season solicitation is targeting the selection of 5.1MW of projects, covering the 2009-2010 Planning Period and the 2010-2011 Planning Period.

This document provides instructions that are part of the Solicitation requirements and must be followed by the Proposer in preparation of its response ("Proposal") to this Solicitation.

Neither this Solicitation nor any response thereto shall be construed to commit PSE&G ("Company") to pay any costs incurred by the Proposer in connection with this Solicitation or to award a solar electric photovoltaic ("PV") generating station(s) (the "Project(s)") contract (the "Contract") to any party. The Company reserves the right to reject any and all Proposals.

## **2.0 Scope of Proposal(s)**

Proposers are to submit Proposals to engineer, design, procure, project manage, construct, test, start-up and commission the Project(s) in accordance with the terms and conditions of the relevant Solicitation Documents (as defined below) and as further negotiated between the parties,

on a turnkey, lump sum fixed price basis. Where these Solicitation Documents describe the Work in general terms, but not in complete detail, it is understood and agreed that the Scope of Work (the "SOW") includes any incidental work or services which can be reasonably inferred as required and necessary to construct and complete the Project(s) in accordance with this intent.

### 3.0 Solicitation Documents

- 3.1 PV Generating Stations on Third Party Host Sites - Instructions to Proposers
- 3.2 PV Generating Stations on Third Party Host Sites - Term Sheet
- 3.3 PV Generating Stations on Third Party Host Sites – Scope of Work
- 3.4 PV Generating Stations on Third Party Host Sites – Additional Requirements, Instructions and Information

### 4.0 Solicitation Schedule

Date	Event
October 12, 2009	Solicitation Issued
October 12-23, 2009	Window for Vendor Questions
November 2, 2009	PSE&G Responses to Questions
November 3, 2009	PSE&G Begins Accepting Proposals
December 11, 2009	Deadline for Proposal Submittals

### 5.0 Basis of Award: Cost Breakdown and Examples of Evaluation Factors

The Proposer's Proposal will be evaluated on the basis of compliance with the Solicitation requirements. The following are examples of general criteria that may be applied in proposal evaluation:

#### 5.1 Price

Cost of the SOW in the evaluated Proposals:

- Total installed cost
- Estimated grid interconnection cost (while borne by PSE&G, recognize the cost for interconnection will impact the overall cost competitiveness of each proposal)
- Cost per kW (kilowatt)
- Cost per kWh (kilowatt hour) – Life of Project

#### 5.2 Generation capacity and energy production

#### 5.3 Scheduling (provide a detailed construction schedule)

#### 5.4 Technology and Innovative Approach and Potential for Educational Benefits

#### 5.5 Previous experience & credit worthiness

#### 5.6 Compliance with technical and commercial terms

#### 5.7 Performance Guarantees and Warranty Terms

#### 5.8 Site Conditions and Obstacles

Proposer is required to submit manufacturer and equipment information and specification on all primary equipment, including but not necessarily limited to panels, racking system, inverters, transformers, meters, communications systems and control systems. PSE&G reserves the right to reject any manufacturers or equipment which in PSE&G's sole discretion it deems unacceptable.

#### **6.0 Period for Vendor Questions**

Any explanation desired by Proposers regarding the meaning or interpretation of the Solicitation Documents must be requested in written form. All vendor questions must be submitted in writing by no later than 5 p.m. on October 23, 2009 via the following dedicated mailbox: [thirdpartysolar@pseg.com](mailto:thirdpartysolar@pseg.com). Written responses to these requests will be posted by 5 p.m. on November 2, 2009 on PSE&G's website at the following location: [www.pseg.com/thirdpartysolar](http://www.pseg.com/thirdpartysolar). Any oral explanations or instructions given will not be binding on the Company and should not be relied upon by the vendor.

#### **7.0 Proposal Validity Period**

Proposals submitted in response to this Solicitation shall state that the Proposal is valid for a minimum period of 60 days beyond the closing date of this open season Solicitation.

#### **8.0 Submission of Proposal**

Proposals are to be submitted electronically via email (via the dedicated mailbox [thirdpartysolar@pseg.com](mailto:thirdpartysolar@pseg.com)) and must be received no later than the Proposal deadline. Proposals received after this date may not be considered. Proposals will become the exclusive property of the Company. **DO NOT COPY ANYONE ELSE SINCE THIS IS A SEALED PROPOSAL PROCESS.**

#### **9.0 Compliance**

Proposals with exceptions taken to the requirements of this Solicitation may be deemed non-responsive and rejected in their entirety. Any exceptions or clarifications on any of the Solicitation Documents shall be submitted in a narrative tabular form cross-referenced to the exact paragraph in the specific Solicitation Document to which the exception or clarification applies. These comments or clarifications must be explicit and, along with Proposer's complete Form of Proposal, will be the only items considered by the Company when evaluating the Proposer's Proposal.

#### **10.0 Signature and Authority**

The Proposer's Proposal shall constitute an offer and must be signed by a duly authorized representative(s) of the Proposer.

#### **11.0 Addenda to the Solicitation**

The Company reserves the right to amend or clarify the Solicitation by addenda or letters of clarification, issued at any time. If such addenda or clarifications are of such magnitude as to warrant, in the sole opinion of the Company, the postponement of the date for the receipt of Proposals, written notification will be issued to all Proposers announcing the revised date.

## **12.0 Errors and Omissions**

The Company is not liable for errors or omissions contained in any of the Solicitation documents.

## **13.0 Proprietary Nature**

This Solicitation and all documents and information contained herein, is proprietary to the Company and cannot be used for any purposes other than in connection with this Solicitation. By accepting these documents, the Proposer agrees not to use these documents or any of the information obtained as result of the Proposer's participation in the Solicitation process for any purpose other than the preparation of a Proposal. All Proposals become the property of the Company. It is not intended that information presented by any Proposer will be made publicly available; however, the Company undertakes no obligation to hold or treat Proposals or information submitted by Proposers as confidential and may disclose such information to any person employed in connection with the Project(s), or as may be required as part of regulatory review of Solar-4-All program costs.

## **14.0 Sites and Proposer Responsibility**

Proposer will in its Proposal identify the site for the roof-mounted or ground-mounted Solar System. Proposer is responsible for examining site and performing all related due diligence and necessary remedial work, if any, related to installation of the Solar System on the site. Such due diligence includes but is not limited to: 1) for roof-mounted systems: structural load analysis, sealed by a NJ licensed professional engineer, to assure that roof has adequate support to bear the weight of the proposed Solar System including racking and any required ballasting, as well as the staging of rooftop arrays and ballasting equipment; wind load study, sealed by a NJ licensed professional engineer, to assure that proposed Solar System and racking/mounting/ballasting system can safely withstand maximum wind speed ratings for the area; shading analysis; assurance that the remaining useful life of roof matches or exceeds contracted life of system; and assurance that existing roof warranties, if any, will not be voided as a result of the proposed Solar System, and are in fact upheld if not extended; 2) for ground-mounted systems: analysis of existing site and soil conditions including known, pre-existing hazardous substances in soils and ground water; and identification of and adherence to any land use restrictions (e.g. wetlands, tree-clearing, etc.). Proposer will also be responsible for obtaining all necessary permits to construct and operate the proposed Solar System. Proposer will be responsible for the security of the site during the period up to and including commissioning and acceptance by PSE&G.

Proposer is not required to have completed all due diligence and permitting work identified above prior to Proposal submittal; however Proposer shall include in its Proposal a description of the site that addresses the initial assessment of each of these applicable factors. In addition, the description of the site should include an assessment of the security of the site and Solar System after commissioning, and a description of measures that will be employed by the site Owner to provide ongoing security.