



# **2008 Renewable RFP Bidder's Conference**

June 25, 2008

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# *Presentation Overview*

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- RFP overview
- Bid submittal schedule
- Evaluation criteria
- Contracts key commercial terms
- Available transmission
- Interconnection process
- Independent Auditor
- Communications

# ***RFP Overview – Technologies***

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APS is seeking competitive proposals for Renewable Energy Resources to meet a portion of its overall resource needs.

## Technologies Allowed

- Biomass/biogas/landfill gas
- Geothermal
- Solar
- Wind/hybrid wind
- Renewable natural gas
- Hydropower technologies
- APS will **NOT** consider renewable energy credits without the associated energy, demand side management-related items, research and development projects, distributed renewable energy resources, or proposals using APS sites.

## ***RFP Overview – Product Description***

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- Eligible project must produce annually at least 35,000 MWh
- Annual energy between 250,000 – 1,000,000 MWh for the sum of all projects
- Beginning in 2009 – 2013 final delivery not to exceed 12/31/2013
- Term 5 – 30 yrs.
- PPA, PPA with buyout option, build transfer (turnkey), or joint ownership options
- APS retains all environmental attributes
- Fixed prices or relatively stable prices – escalation rates must be fixed
- Must provide FIRM transmission service to any point on APS' transmission or distribution system

# ***Bid Submittal Schedule***

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<b><u>ACTIVITY</u></b>	<b><u>DUE DATE</u></b>
Issue RFP	June 5, 2008
Bidder's Teleconference	June 25, 2008
Non-Binding Notice of Intent to Bid	July 11, 2008
Signed Confidentiality Agreement to APS	July 18, 2008
RFP Responses and Submittal Fee	August 13, 2008
<ul style="list-style-type: none"><li>- Proposal Certification and Summary</li><li>- Statement of Financial Conditions and Creditworthiness</li><li>- Redlined Purchase and Sale Agreement</li><li>- Non-refundable submission fee of \$3,000 per project location</li><li>- Hardcopy of all documents with "wet" signature and one electronic version on a CD</li></ul>	

## ***Evaluation Criteria***

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- Threshold Requirements
- Screening Evaluation
- Detailed Evaluation

# ***Evaluation Criteria – Screening / Detailed Evaluation Process***

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## Quantitative Factors

- Bid price
- Additional costs
- Cost of comparable conventional generation

## Qualitative Factors

- Portfolio fit
- Credit
  - Financial Statement Review
  - Project development security
  - Post-development security
- Project viability
  - Project status
  - Project viability
  - Developer experience
  - Transmission
- Consideration of Purchase and Sale Agreement modifications

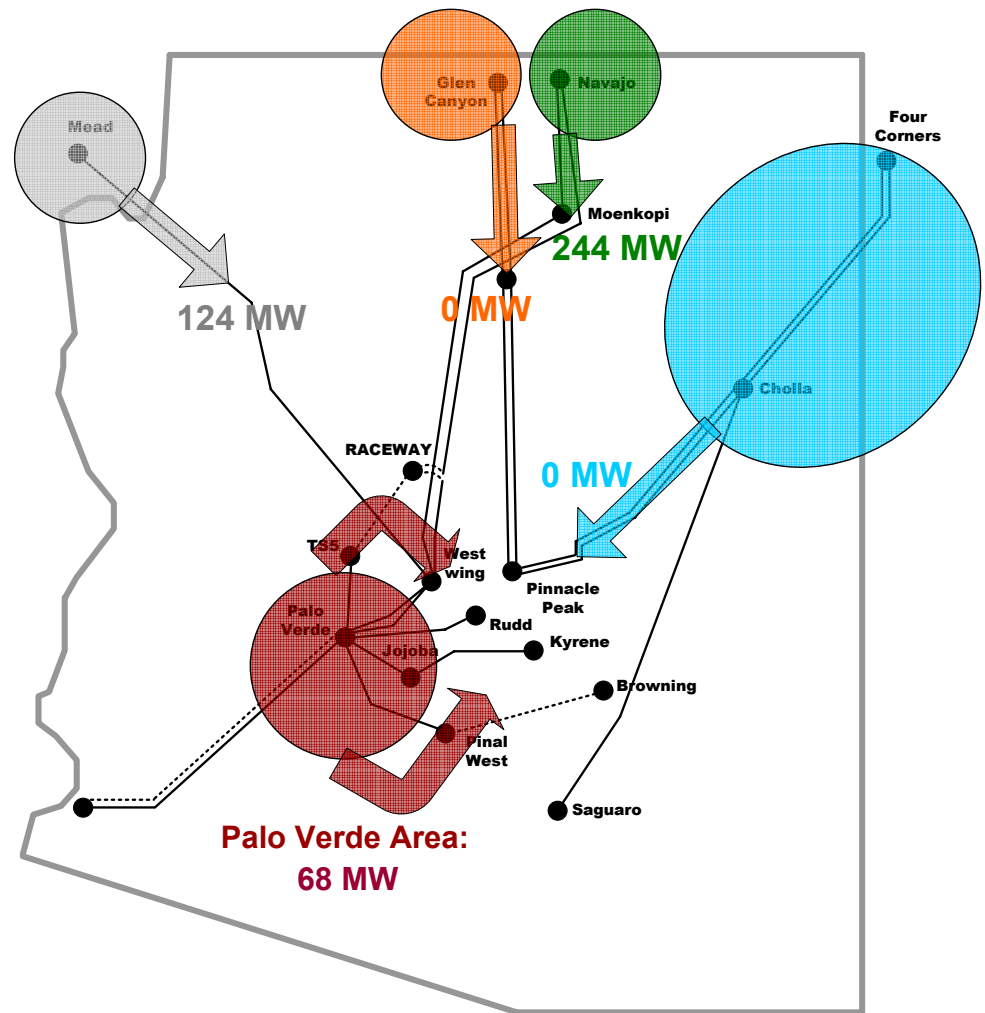
## ***Contracts Key Commercial Terms***

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- Summary of basic requirements contained in Section 2.1, to be completed by Respondent
- Development Security, derived based on formula in Section 9.1
- Post-Development Security, TBD by APS after short listing
- Minimum performance requirements: capacity, availability, delivered energy
- APS to receive energy and all environmental attributes/RECs
- Damages: failure to perform, event of default, sale to third party
- Termination rights, in addition to monetary damages; tied to project milestones, achievement of COD, performance requirements, and events of default.

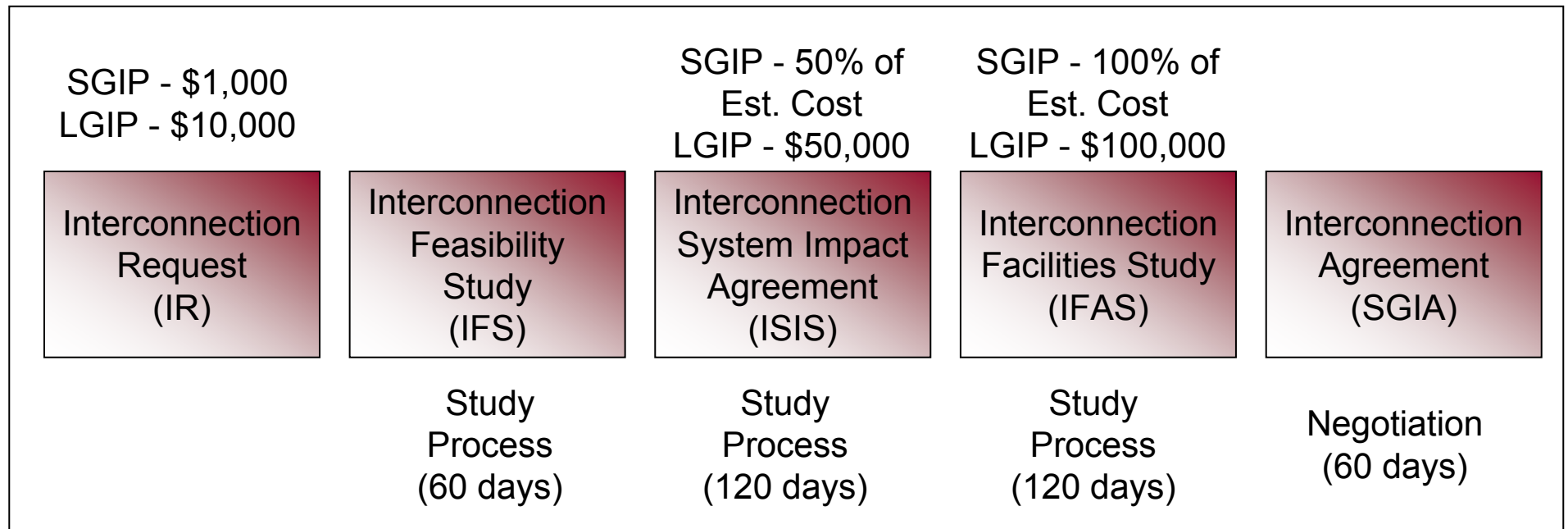
## 2010 APS Transmission Available for Market Contracts

- Limited Availability
- MWs represent today's estimate of what may be available in 2010
- MWs may change for various reasons
- Lowest transmission cost alternative will be considered to bring resource to load



## *Interconnection Process – Small / Large Generator Interconnection Procedures (SGIP / LGIP)*

- Interconnection Request is not a pre-requisite to bid
- Bidder's responsibility to contact APS Transmission for interconnect request
- 12-24 month interconnection process
- Costs associated with interconnection must be included in bid price



# *Independent Auditor*

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- Selected Navigant Consulting
- Role:
  - Ensure RFP process is conducted in a fair and equitable manner
  - Validate that APS applied the certified procurement procedure
- Deliverable:
  - Provide updates to ACC staff as requested
  - Produce final report and certification

## *Communications*

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- E-mail questions to [renewablerfp@aps.com](mailto:renewablerfp@aps.com)
- Anonymous responses to questions will be posted on the website - [www.aps.com/rfp](http://www.aps.com/rfp)
- Check for updates on the website
- APS RFP Contacts
  - Gordon Samuel – (602) 250-2298
- APS Transmission Interconnection Contact
  - Rex Stulting - (602) 250-1644
  - [rex.stulting@aps.com](mailto:rex.stulting@aps.com)