



**2009 Renewable Small
Generation RFP
Bidder's Conference**

April 16, 2009

Presentation Overview

- RFP Overview / Requirements
- Eligible Technologies and Requirements
- Evaluation Criteria / Process
- PPA
- Interconnection Options
- Bid Submittal Requirements
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- Partnerships

RFP Overview / Requirements

- APS is seeking competitive proposals for renewable energy from small generation resources to meet the requirements of APS' Small Generation Pilot Program.
- Targeted annual energy - 45,000 MWWhs
- Minimum project size – 1,500 MWWhs/year
- COD no later than December 31, 2011
- Term 5 – 30 years

RFP Overview / Requirements (Cont'd)

- APS' facilities will not be permitted
- Must deliver energy using firm transmission service to the APS transmission, sub-transmission or distribution system
- Only Purchase Power Agreements will be considered
- APS' retains all RECs

Eligible Technologies and Requirements

- Biogas, landfill gas, biomass, geothermal, solar, wind, hybrid wind and solar and eligible hydropower
- Distributed Energy proposals will **NOT** be accepted
- Technical Viability
 - Technology and key components must have a minimum of 6 months production data
 - Must been in operation at a scale of 100 kW or larger
- Respondents must meet at least 3 out of 5 criteria which include:
 - Community participation partnerships
 - School/educational partnerships
 - Geographic diversity (outside Phoenix Metro area)
 - Job creation
 - Leverage of other funding sources (not including federal/state tax credits)

Evaluation Criteria / Process

Quantitative Factors

- Pricing shall be fixed
 - Fixed escalation/yr.
- Pricing shall also include all credit support and post-development security
- Additional costs
- Cost of comparable conventional generation

Qualitative Factors

- Credit
 - Financial Statement Review
 - Post-development security
- Project viability
 - Project status
 - Developer experience
- Consideration of Purchase and Sale Agreement (PPA) modifications

PPA

- Expect minimal if any redlines
- Streamlined:
 - Performance Testing
 - Milestones
 - Damages / Defaults
 - Credit and Collateral Requirements

Interconnect Options

Interconnect Request



1. Interconnect Distribution (<69kV)
2. No Transmission Impacts ($\geq 69\text{kV}$)
3. All Output to APS
4. Self-certify as FERC QF

All "Yes"



Distribution Interconnect



Bryan Gernet

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Any "No"



Transmission FERC Interconnect



Longer time-frame
& more \$\$\$

Rex Stulting

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602.250.1644

Bid Submittal Requirements

- Confidentiality Agreement
- Bidder's fee - \$2,000/respondent
- Proposal Certification and Summary
 - APS strongly encourages Respondents to follow the format provided
 - Solar and wind to include Annual Estimated Delivered Energy MS Excel spreadsheet
- Statement of Financial Conditions and Creditworthiness Qualifications
- Redlined PPA (only necessary modifications)
- Generation interconnection studies if applicable
- Complete hardcopy package and CD-ROM or flashdrive

Bid Submittal Schedule

ACTIVITY	DUE DATE
Issue RFP	March 25, 2009
Bidder's Conference	April 16, 2009
Non-Binding Notice of Intent to Bid	April 30, 2009
Signed Confidentiality Agreement to APS	May 28, 2009
RFP Responses and Submittal Fee	June 4, 2009
Short-list Bidder Notification	July 23, 2009

Independent Monitor

- Selected Merrimack Energy Group, Inc.
- Role:
 - Ensure RFP process is conducted in a fair and equitable manner
 - Validate that APS applied the Certified Procurement Procedure appropriately
- Deliverable:
 - Report to APS

Communications

- E-mail questions to renewablerfp@aps.com
- Anonymous responses to questions will be posted on the website - www.aps.com/rfp
- Check for updates on the website
- APS RFP Contacts
 - Gordon Samuel - (602) 250-2298
- APS Interconnection Contacts
 - Rex Stulting - (602) 250-1644
rex.stulting@aps.com
 - or
 - Bryan Gernet – (602) 371-6959
bryan.gernet@aps.com

Partnerships

- Wickenburg Economic Development Partnership
- Dysart Unified School District
- City of Surprise
- Chandler-Gilbert Community College
- City of Cottonwood
- City of Somerton
- Coach Stop RV Park / City of Wellton
- Yuma County
- City of San Luis
- City of Yuma
- City of Flagstaff
- Yavapai College – Verde Valley Campus
- City of Chandler
- Northern Arizona University
- City of Prescott
- Town of Cave Creek