

**REQUEST FOR PROPOSALS**  
**FOR**  
**SOLAR ENERGY PROJECTS**

**EL PASO ELECTRIC COMPANY**

P.O. Box 982  
El Paso, Texas 79960

**ISSUE DATE: August 25, 2014**



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## 1.0 OVERVIEW

El Paso Electric Company (“EPE” or the “Company”) is soliciting turnkey proposals for the engineering, procurement, and construction (“EPC”) of two utility-scale solar energy generating facilities (“Projects”) having a combined maximum capacity up to 25 megawatts on an alternating current (“MW<sub>AC</sub>”). The two Projects will be built on land provided by EPE at separate and different locations. **THIS IS A SOLAR ENERGY REQUEST FOR PROPOSALS (“RFP”) ONLY.** EPE desires to fulfill this requirement as described below:

Proposals from bidders responding to this RFP are for EPE’s purchase and ownership of the Projects identified in this document. Bidders shall submit a proposal or proposals for EPE’s equity purchase of any or all two Projects for a combined output up to 25 MW<sub>AC</sub> of generation with 20 MW<sub>AC</sub> located at Fort Bliss, Texas and 3 to 5 MW<sub>AC</sub> at EPE’s Montana Power Station site in El Paso, Texas.

The combined RFP is being issued to attract economies of scale.

To date EPE has placed 97 MW<sub>AC</sub> of new solar generation connected to or on its system with an additional 10 MW<sub>AC</sub> currently under construction.

EPE will evaluate all proposals taking into consideration the overall costs of the Projects and Bidder’s experience. EPE also requires that the proposals utilize local distributors and contractors where possible and requires that the Bidder provide details on how it will accomplish this requirement.

### 1.1 Purpose

EPE seeks competitive proposals (each, a “Proposal”) for the complete design, procurement of all material and equipment, construction and startup of two Projects which will be located at two separate sites for a combined maximum solar capacity output of up to 25 MW<sub>AC</sub>. One project will be located within the Fort Bliss Army Base (“Ft. Bliss”) located at Fort Bliss, Texas as identified in Attachment 8.3 with the capacity not to exceed 20 MW<sub>AC</sub>. A second project will be located next to EPE’s Montana Power Station (“MPS”) as identified in Attachment 8.4 for a maximum output capacity between 3 to 5 MW<sub>AC</sub>. EPE intends to take advantage of the price benefit provided by the Investment and Production Tax Credits before their current expiration by the end of 2016. Both Projects must be on-line and generating electricity by no later than November 1, 2016. EPE will take into consideration the overall cost of the Projects, Bidders experience and Bidders use of local distributors/manufacturers and contractors. Bidders are encouraged to provide a proposal for each of the two projects and a bundled proposal to build both projects, as stated above. Bidders may also

offer a proposal for any of the projects identified. EPE may elect to select one Bidder's proposals or a combination of proposals from more than one Bidder, if economically feasible to do so.

The Projects will be owned by EPE, and are expected to be interconnected at the transmission and distribution levels described below:

- Ft. Bliss 20 MW<sub>AC</sub> project is expected to be interconnected at the transmission level (115kV);
- MPS 3 to 5 MW<sub>AC</sub> project is expected to be interconnected at the distribution level (13.8 kV).

#### Eligibility of Sites

For the purpose of this solicitation, EPE will NOT consider any proposal for Projects to be developed on a site different than the sites provided by EPE.

#### Independent Monitor

An independent monitor (IM) will be used by EPE in the RFP evaluation process to ensure that the process is conducted in a fair and equitable manner. The IM will have access to all documentation provided by Bidders in relation to this RFP and will produce a final report summarizing its observations for use by EPE, which may be submitted to regulatory agencies in connection with EPE's regulatory requirements. The IM will maintain the confidentiality of all information that it reviews subject to any disclosures required by the regulatory agencies.

### **1.2 Communications**

All communications from Bidders to EPE, including questions regarding this RFP, must be submitted via email. Based upon the nature and frequency of the questions EPE receives, EPE will choose to respond to individual Bidders either directly, post a response to the question on EPE's website, or address the question through a conference call.

All submittals, inquiries, and communications related to this RFP should be directed solely to the following EPE point of contact:

Julie Bañuelos  
Contract Negotiator  
P.O. Box 982  
El Paso, Texas 79960  
Fax: (915) 543-4073  
E-mail: julie.banuelos@epelectric.com

The EPE Solar Resources Solicitation webpage can be found at:

<http://www.epelectric.com/doing-business-with-epe/2014-request-for-proposals-for-two-utility-scale-solar-energy-generating-facilities>

**All communications between Bidders and EPE shall be conducted via email. Oral communications are discouraged and shall not be binding upon EPE.**

### **1.3 Confidentiality of Responses**

EPE will consider proposals and associated information submitted by Bidders to be confidential only if such materials are clearly designated as “Confidential.” Bidders should be aware that information received in response to this RFP will be subject to the review of applicable local, state and/or federal regulatory agencies, specifically including, but not limited to, the New Mexico Public Regulation Commission (“NMPRC”) and Public Utilities Commission of Texas (“PUCT”). Information submitted in response to this RFP may become subject to federal or state laws pertaining to public access to information as a result of any reviews conducted by the aforementioned agencies. EPE shall not be liable for the release of any information subject to disclosure under any laws pertaining to public access to information. Except as required by regulatory reviews, EPE will use reasonable efforts to avoid disclosure of information designated as confidential to persons other than those involved with the evaluation, selection and any subsequent negotiations. EPE will also propose that any confidential information be provided under a protective order. If a Bidder’s proposal is selected by EPE, the Bidder shall cooperate with EPE in making technological descriptions, pricing, and other contract terms available for review as part of any regulatory approval process as EPE deems necessary or appropriate. EPE will follow applicable orders and rules of the NMPRC, PUCT, and/or other applicable agency, including any Protective Orders issued, such as disclosure of price, terms, or other information as required.

## **2.0 EL PASO ELECTRIC COMPANY SYSTEM DESCRIPTION**

### **2.1 Company Overview**

EPE is a public utility engaged in the generation, transmission and distribution of electricity in an area of approximately 10,000 square miles in the Rio Grande Valley in west Texas and south central New Mexico as illustrated in Figure 1. EPE serves approximately 394,000 residential, commercial, industrial and wholesale customers. EPE distributes electricity to retail customers principally in El Paso, Texas and Las Cruces, New Mexico utilizing remote and local generating stations. EPE's Copper, Rio Grande and Newman Generating Stations are located in the El Paso area. The Palo Verde Nuclear Generating Station ("PVNGS") Units 1, 2, and 3 are located west of Phoenix, Arizona. Four Corners Generating Station Units 4 and 5 are located in northwestern New Mexico.

### **2.2 Existing Generation Resources**

As of 2014, EPE owns approximately 1,872 MW of net installed capacity. EPE owns 633 MW of generating capacity at the PVNGS and 104 MW of capacity at the Four Corners Generating Station. Of EPE's net total installed capacity, EPE owns 1,130 MW of local natural gas fired generating resources which include 62 MW at its Copper Generating Station, 316 MW at its Rio Grande Generating Station and 752 MW at its Newman Generating Station. EPE also owns approximately 1.32 MW of capacity from its Hueco Mountain Wind Ranch, and receives a total of approximately 97.246MW of solar capacity from several solar projects.

### 2.3 El Paso Electric Property

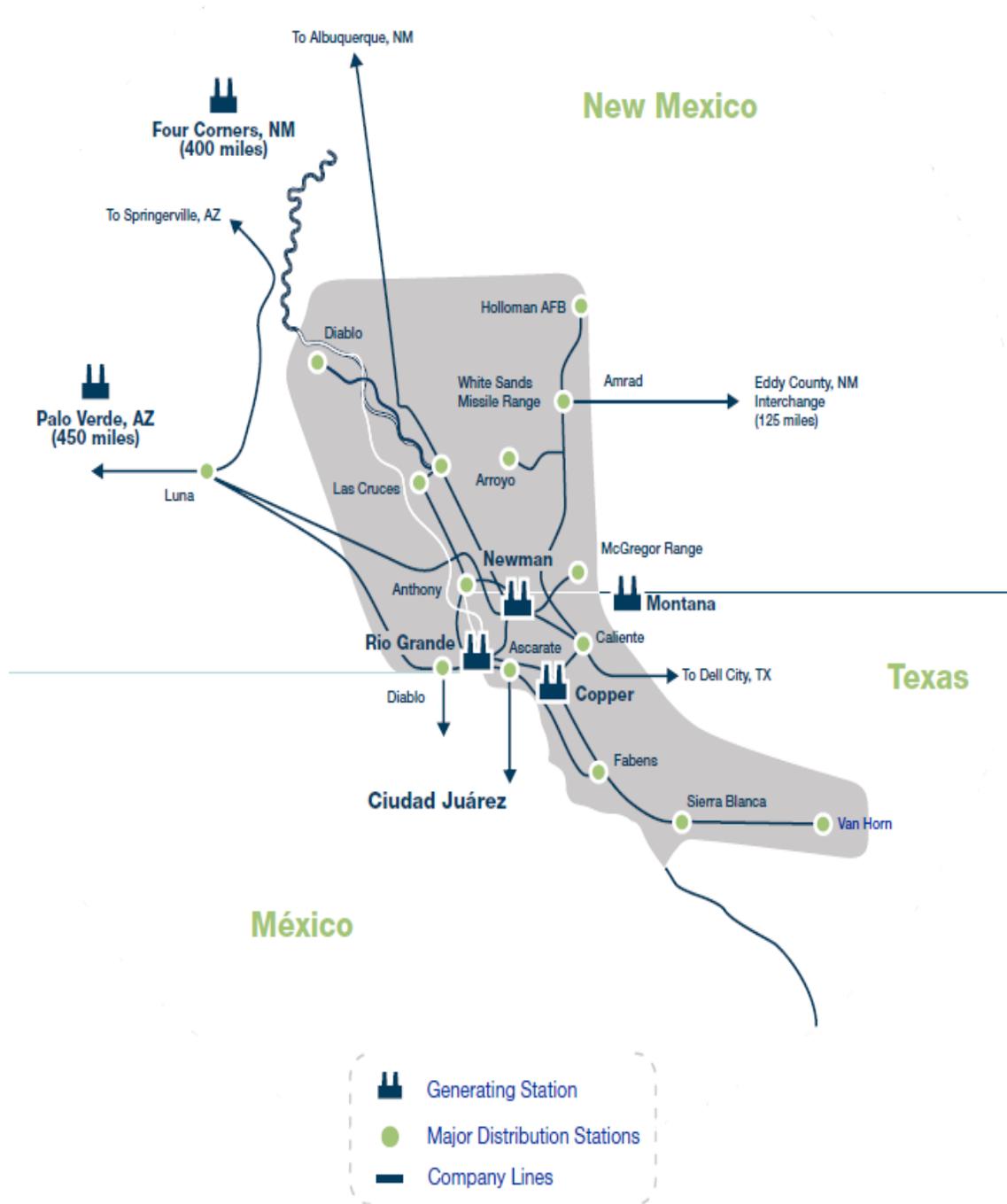


Figure 1 - EPE Service Territory and Electric System Update

### **3.0 ELIGIBLE PROJECT INFORMATION**

#### **3.1 Eligible Project Structures**

EPE will own both Projects contracted through this solicitation process. EPE is interested in selecting offers for the two projects that provide the best value for EPE. To achieve the most effective combination of offers, each facility will be evaluated independently to develop multiple project bundles. Bidders are required to submit a separate proposal for each of the two projects. In addition, Bidders can provide a bundled proposal to include both projects. However, EPE's preference is to award both facilities to one Bidder if reasonable to facilitate contract negotiations and project management efforts; as such, the bundled option will be a significant factor in the evaluation of the proposals received. Bidders who offer a bundled option for both projects should demonstrate that they have the resources to effectively manage and develop both projects.

#### **3.2 Eligible Generation Resources**

**Technology Requirements:** The Projects must utilize any proven reliable form of solar technology; including solar thermal, concentrated solar or photo-voltaic systems. For photo-voltaic submittals, the facilities must utilize either crystalline or thin-film (CdTe only) solar PV technology in a fixed or single axis tracking configuration. All major equipment and components must be tier-one rated. The type of technology to be used for the proposed facilities and key components must have a minimum of twelve (12) months of established production and use history at a scale equal to the capacity of the facility to be built, or larger, at a single plant location in order to be considered.

EPE will consider proposals for facilities located at each of the locations described in this RFP at Design Point Conditions (DPC) as specified in the EPC agreement applicable to each facility. The net capacity must represent the expected capacity during the first year of operation, less any losses once the energy is delivered to the facility meter on the project site. The DPC shall be 1000w/m<sup>2</sup> and 65° Celsius module cell temperature. Bidders should also identify the annual degradation factor for their project.

The following requirements apply only to the Ft. Bliss 20 MW<sub>AC</sub> Project:

Inverters for the Fort Bliss Project shall have the capability to support a future Micro-grid system. The system shall be capable of connecting and operating with a utility connection (utility-interactive mode) and with a future micro-grid (multimode) that could include engine generators, other inverter based renewable resources and energy storage in accordance with IEEE 1547. For the purposes of this RFP, the inverters shall be UL 1741 approved and have an

Adjustable Trip Limit (ATL) capability as defined by Underwriters Laboratory (UL) as well as being capable of real-time monitoring and management in the utility-interactive mode and with ATL capability via a power system controller. The inverters shall be capable of adjusting its power factor, voltage and frequency range to support a micro-grid system.

The Army is committed to reducing physical security risks and protecting national security at its installations. Accordingly, the selected Bidder will be required to comply with, and incorporate into all project-related contracts and subcontracts, certain Defense and Army Federal Acquisition Regulations Supplement solicitation provisions and contractual clauses. These provisions and clauses impose Buy American Act restrictions on contracts for photovoltaic devices, prohibit that award of contracts to terrorist countries, restrict contracts to companies controlled by a foreign government in certain circumstances, and require foreign representatives providing contractual services on Army installation to be screened.

### **3.3 Project Sites**

Ft. Bliss project site is located in Ft. Bliss, Texas. Details will be provided by EPE, subject to an executed land easement between EPE and Fort Bliss. Short listed bidders will have access to the easement terms and the awarded Bidder will be expected to comply with the terms of such easements. Each submitted proposal shall be predicated on the use of the specified project site. The enclosed survey (See Attachment 8.3) shows the approximate 218 acres designated for the development of the 20 MW<sub>AC</sub> solar energy facility. Bidders are responsible for complying with all permitting requirements.

Considering that the 20 MW<sub>AC</sub> project site is located on a federal military installation, the Contractor will be required to comply with requirements related to this site as identified in Attachment 8.6.

Qualified bidders will be provided with National Environmental Policy Act (“NEPA”) documentation, Phase I Environmental Site Assessment (“ESA”), topographical descriptions, and a geotechnical report as completed by Ft. Bliss Army Base.

The MPS project site is located within EPE’s Montana Power Station in El Paso, Texas. Each submitted proposal shall be predicated on the use of the specified project site. The enclosed survey (Attachment 8.4) shows the 20 acres dedicated for this solar energy facility at MPS.

## **4.0 BIDDER TERMS**

### **4.1 Pricing**

- a. Proposals shall include all costs necessary to deliver capacity and energy from the facility to the EPE system including, but not limited to, construction of the facility in accordance with the negotiated EPC agreement. Bidders shall provide pricing with inverters capable of operating in a “micro-grid” environment only for the Ft. Bliss 20 MW<sub>AC</sub> project. All proposal terms, conditions, and pricing are binding through the final selection notification and subsequent negotiations, as well as regulatory approvals.
- b. By submitting a proposal, each Bidder agrees to make available to the Company at any point in the bid evaluation process any financial data associated with the Bidder and its proposed project so the Company may independently verify the Bidders submitted information. Financial data may include, but shall not be limited to, data supporting the economic life of the facility, the fair market value of the facility, and any and all other costs (including debt specific to the asset being proposed) associated with the Bidders proposal. The Company may also use financial data contained in the Bidders financial statements (e.g. income statements, balance sheets, etc.) as may be necessary.

#### 4.2 Collusion

By submitting a proposal to EPE in response to this RFP, the Bidder certifies that the Bidder has not divulged, discussed or compared its Proposal with any other Bidder(s) and has not colluded whatsoever with any other Bidder or third parties with respect to this or other Proposals.

#### 5.0 RFP SCHEDULE

The following schedule and deadlines apply to this solicitation:

RFP Issuance Date	August 25, 2014
Notice of Intent to Bid Due Date	September 9, 2014
Pre-Bid Meeting and Site Visit Date	September 15, 2014
Final Submission of Questions Date	September 26, 2014
<b>Proposal Due Date</b>	<b>October 20, 2014</b>
Shortlisted Bidders notification Date	November 10, 2014

Best and Final Proposals Due	November 24, 2014
EPE Selection of Project(s) Tentative Date	December 15, 2014
Contract Negotiations and execution of EPC agreements Tentative Date	Mid-December 2014 thru Mid-February 2015

EPE reserves the right to modify, cancel or withdraw this RFP and to revise the schedule specified above if, in the sole discretion of EPE, such changes are necessary. To the extent reasonably possible, EPE will inform Bidders that have filed a Notice of Intent to Bid of any schedule change.

### 5.1 RFP Issuance

EPE will extend an electronic invitation to solar companies and entities that have bid in past EPE Solar Energy Projects and will post the RFP on EPE's website at <http://www.epelectric.com/doing-business-with-epe/2014-request-for-proposals-for-two-utility-scale-solar-energy-generating-facilities> to allow other entities to participate in the RFP process.

Receipt of the RFP invitation must be confirmed via e-mail response from Bidders to EPE's point of contact, Julie Bañuelos, to the following e-mail address:

julie.bañuelos@epelectric.com

### 5.2 Notice of Intent to Bid

Bidders must submit a Notice of Intent to Bid, included as Attachment 8.1, by 5:00pm Mountain Time (MT) on, September 9, 2014. The Notice of Intent to Bid may be submitted via email or facsimile to Julie Bañuelos at (915) 543-4073, Contract Negotiator. Failure to submit a Notice of Intent to Bid will result in exclusion from participation in the bid process. It is the sole responsibility of the Bidder to ascertain that the Notice of Intent to Bid is received by EPE prior to the date and time specified.

Receipt of the Notice of Intent to Bid will be confirmed via e-mail response from EPE to the Bidder.

### 5.3 Final Submission of Bidder Questions

All technical questions related to the RFP must be submitted by Friday, September 26, 2014, via email or facsimile to the following EPE representative to ensure a response prior to the proposal due date.

Richard Turner  
Assistant Vice-President Corporate Development  
100 North Stanton Street  
Location # 131  
El Paso, Texas 79901  
Fax: (915) 521-4779  
E-mail: Richard.Turner@epelectric.com

EPE will prepare written responses to questions received and distribute the questions and responses to Bidders that filed a timely Notice of Intent to Bid. Responses will be distributed to such Bidders with the question included but will not identify who originally submitted the question. Any questions related to the RFP must be submitted in writing.

### 5.4 Proposal Due Date

All proposals must be received at EPE's offices to the attention of Richard Turner, Assistant Vice-President Corporate Development at 100 North Stanton Street, Location #131, El Paso, Texas 79901 by 5:00pm Mountain Time (MT) on Monday, October 20, 2014. Any proposal submitted after the due date will be excluded from consideration. Proposals should be as complete as possible.

Five hard copies of the proposal(s) must be submitted. In addition, a soft copy of the proposal(s) must be submitted on a compact disc or USB. Facsimile submittals shall be excluded from consideration.

RFP Submission Fee: A non-refundable RFP submission fee of one thousand dollars (\$1,000) per Bidder is required in order to qualify its proposals for consideration. Filing fees should be by check made payable to El Paso Electric Company. The fee must be received by the proposal due date, October 20, 2014, per the RFP schedule table.

Bidders are solely responsible for ensuring the proposals are received by EPE in accordance with the RFP instructions prior to the date and time specified, and at the place specified. EPE shall not be responsible for any delays in mail, or by common carriers, by transmitting errors, delays, or mislabeling.

## 5.5 Tentative Date for Selection of Projects

Following a review of technical, economic and potential environmental factors, EPE will make a determination of the projects that best meet its objectives, and may initiate negotiations with those applicable Bidders. EPE will notify the selected Bidders on or before Monday, December 15, 2014.

## 5.6 Tentative Date for Contract Discussions

Should EPE choose to initiate negotiations with any Bidders, the tentative date for commencement of contract negotiations with the selected Bidders is December 15, 2014. Any contract between EPE and a Bidder will be conditioned upon prior regulatory approval by the PUCT and the NMPRC. EPE, at its sole discretion, reserves the right to reject any proposed contract(s) that result from this RFP for any reason including if subsequently issued regulatory approvals or authorizations are subject to conditions, including ratemaking treatments, which are unacceptable to EPE.

## 5.7 Proposal Validity

Each Bidder must hold its proposal open and valid for a period of two hundred forty (240) days following the submittal and during the time necessary to complete state regulatory approvals.

## 5.8 EPE Purchase of Bidder's Facility

Flexibility is afforded to Bidders regarding the facility's characteristics, as may be necessary to meet the requirements of the RFP. Proposals for Projects whose production bid amounts would exceed EPE's required capacity will not be considered.

Proposals must also provide an available energy profile (MWh or kWh) on an hourly basis for an average day in each month using the Microsoft Excel spreadsheet template located in EPE's website (<http://www.epelectric.com/doing-business-with-epe/2014-request-for-proposals-for-two-utility-scale-solar-energy-generating-facilities>) and under "EPE Solar Energy Projects RFP" (see Attachment 8.5). EPE reserves the right to request additional information from the Bidder regarding limitations or any other details related to the proposal.

EPE is responsible for obtaining any required PUCT and NMPRC approvals. Bidders are responsible for acquiring and maintaining all applicable present and future federal, state and local approvals, licenses, permits or variances, and meeting specific requirements to construct and/or operate any generation facility and associated interconnection facilities.

Bidders must provide a specific cost forecast for ongoing operations and maintenance (“O&M”). An O&M manual must be provided to EPE that details the maintenance schedule and cycle for the solar facility’s components. EPE is also interested in receiving proposals that include ongoing O&M performed by Bidders or a third-party contractor under an O&M contract. Bidder should specify contract terms and operating cost guarantees for this option.

## 5.9 Interconnection Requirements

Bidders are responsible for any interconnection costs and arrangements associated with the points of interconnection identified by EPE. However, since EPE has identified the sites for the three projects, the related interconnection costs of the project will be addressed after the short-list has been selected. A meeting will be scheduled with the short-listed candidates to discuss the interconnection requirements and associated costs.

Each facility must deliver capacity and energy by directly interconnecting to EPE’s transmission (115kV) and/or distribution system (13.8 kW) or as otherwise determined by EPE. The successful bidder will be responsible for initiating and completing the interconnection application. Bidders are expected to manage the interconnection process as part of its scope of services.

For interconnection inquiries relating to this RFP, Bidders must pose questions via email or facsimile to EPE’s point of contact:

Richard Turner  
Assistant Vice-President Corporate Development  
Email: [richard.turner@epelectric.com](mailto:richard.turner@epelectric.com)

## 6.0 SUBMITTAL PREPARATION INSTRUCTIONS

### General Information

a. Currency

Prices and dollar figures must be clearly stated in nominal United States Dollars.

b. Schedule

Proposals shall be submitted in strict accordance with the RFP schedule.

c. Extensions

EPE will not grant any extensions to the RFP schedule and will not accept late proposals. Any proposal received after the scheduled date will be not be considered and the Bidder will be notified of its elimination.

d. Reservation of Rights

EPE reserves the right to accept or reject in its sole discretion any or all proposals for any reason at any time after submittal. EPE also reserves the right to select an offer that is not the lowest price, if EPE determines that to do so would result in the greatest value to EPE's customers.

e. Failure to Comply

Failure to comply with all requirements of this RFP may result in the rejection of the applicable proposal in EPE's sole discretion.

f. No Liability

Bidders that submit proposals do so without legal recourse against EPE or its directors, management, employees, agents, contractors or independent monitor based on EPE's rejection of any proposal or for failure to execute any agreement in connection with this law or equity, for any reason whatsoever relating to EPE's acts or omissions arising out of or in connection with this RFP. EPE shall not be liable to any Bidder or to any other party in law or equity, for any reason whatsoever relating to EPE's acts or omissions arising out of or in connection with this RFP. EPE further declares that it will incur no financial liability or obligation for Bidder's costs in preparing proposals.

g. Return of Documents

None of the materials received by EPE from Bidders in response to this RFP will be returned. All proposals and exhibits will become the property of EPE, subject to the provisions for confidentiality described in this document.

**Proposal Content**

Proposals must be prepared in accordance with the guidelines set forth in this section. Failure to follow the preparation instructions may result in the exclusion of the proposal from consideration.

Each proposal should be organized by section as described below. Each page of the proposal shall have the following information in top right corner.

- 2014 Solar Energy Projects RFP
- Bidder Name
- Project Name

All of the following sections shall be completed or identified as "Not Applicable".

6.1 Proposal Content Requirements

This section outlines the content and format requirements for both proposals submitted in response to this RFP. Unless EPE in its sole discretion elects

otherwise, proposals that do not include the information requested in this section will be ineligible for further evaluation, unless the information requested is not applicable or relevant to a given proposal. EPE reserves the right to conduct any further due diligence it considers necessary to fully understand and evaluate proposals.

## 6.2 Proposal Format

A complete proposal will include a thorough written discussion about the project, assembled in the following format:

- Tab 1 - Executive Summary
- Tab 2 - Project Description and Technical Information
- Tab 3 - Project Costs
- Tab 4 - Experience and Qualifications
- Tab 5 - Transmission, Distribution and Interconnection
- Tab 6 - Financial Information
- Tab 7 - Standard Proposal Forms

### **Tab 1 - Executive Summary**

The Executive Summary should provide an overall description of the proposal. The description should include details about the type of solar energy project being proposed and key benefits to EPE. The summary should specify the technology, size of project, and an explanation of how and to what extent the Bidder intends to use local distributors/manufacturers, and contractors where possible to construct the solar generating facility.

### **Tab 2 - Project Description and Technical Information**

All proposals must include a thorough description of the project including, but not limited to, the following:

#### **Project Description**

All proposals must provide a comprehensive description of the project, including project name, location, nameplate AC capacity rating, accredited capacity, in-service date, equipment and configuration, permitting, transmission and interconnection plan, milestones, meteorological studies/data and other pertinent information.

#### **Equipment Description**

At a minimum, proposals should indicate for all major equipment the (1) name of the manufacturer, (2) model name and number, (3) key metrics and characteristics of the equipment, (4) performance history of the equipment, (5)

terms of warranties and/or guarantees, (6) contracting status, and (7) availability of equipment and planned delivery dates.

The following technical information should be discussed in this section, as applicable for the project proposed.

- Major equipment manufacturers
- Description of technology and configuration
- Summary of the commercial operating experience of the equipment used or to be chosen
- Solar system layout and characteristics
- Electrical interconnection metering
- Level of efficiency
- AC capacity rating
- Communications, control and instrumentation
- Facility limitations that may constrain operation
- Typical day hourly profile
- Proposed construction period
- Project Management
- Quality assurance plans
- Performance guarantees and warranties
- Start-up testing
- Factory and performance tests
- Design life loading (wind, seismic, etc.)
- Description of pre-operational milestones (i.e., construction financing, commencement, installation, testing and completion dates)
- Description of frequency and duration of scheduled maintenance of facility
- Provide any information that could impact the cost, construction schedule or output capability of the project
- Annual degradation rate

### **Project Schedule**

All proposals must provide a detailed schedule of project development activities and target completion dates for financing, engineering, permitting, equipment procurement, construction, startup and commissioning. Describe the overall development strategy and work plan that will ensure that the project can be developed in time to meet the proposed commercial operation date.

Bidders must provide a high level project development and completion schedule along with key milestone dates for each proposal submitted. If Bidder provides proposals for multiple projects or a two project bundle, Bidder must provide a project schedule which demonstrates how the Bidder intends to mobilize its workforce and resources to complete multiple projects within the proposed schedule.

**Risk Management and Insurance Program**

Bidders shall provide a list of existing insurance contracts, listing policies by coverage, expiration date, insurer and limits per policy. Also, on a per coverage basis, provide current experience modifier and prior Loss History for the last Three (3) years. Bidders shall also describe their Risk Management program if insurance coverage will derive from a parent company. Additional information may be requested based on information provided with the original proposal.

**Operations and Maintenance Plan**

Bidders shall describe the operations and maintenance plans or services for the generation facilities associated with their proposals. Discuss the current or expected O&M plan, including staffing, budget, management and control over any facility, authority over the O&M budget, and guarantees on O&M costs. Provide a description of the basic philosophy for performing O&M and include a discussion of contracting for outside services, if applicable. Bidders are encouraged to submit the cost of a three year service plan.

**Permitting Status**

Proposals must describe all federal, state, and local permits that will be required for the project and state whether any permits have been secured, and if not, whether applications have been filed. Proposals must report on the status of any pending applications and any feedback from permitting agencies and describe the expected time frame to obtain the necessary permits after application submittal to agencies.

**Regulatory and Environmental Compliance**

Bidders are exclusively responsible for meeting all required federal, state, and local permits, licenses, approvals and/or variances, current or future. Bidders are required to demonstrate that all required permits have been attained or provide a specific timeline for future permit approval.

Provide information on the following as applicable.

- Regulatory permits
- Environmental Clearance for sensitive resources (such as cultural, protected species, etc.
- Other applicable permits

**Tab 3 -Project Cost**

Proposals must clearly state the all-in turnkey installed project cost minus any interconnections costs. Interconnection costs will be provided to shortlist Bidders to include in the best and final proposals. Bidders must provide a breakout of the costs such as modules, inverters, transformers, balance of

plant, credit support, etc. Bidders must offer project costs valid for at least two hundred forty (240) days following the proposal due date and during the time required for EPE to obtain PUCT and NMPRC approvals. Bidders shall provide pricing with inverters capable of operating in a “micro-grid” environment only for the Ft. Bliss 20 MW<sub>AC</sub> project.

#### **Tab 4 – Experience and Qualifications**

The capability and experience of any Bidder must be demonstrated to provide assurance that the Bidder, and any other party involved in the proposal, has adequate competence, resources and skill. Each proposal must include the following information as a minimum.

- Description of technical experience, specifically with respect to solar energy facilities similar to those proposed and collaboration efforts with electric utilities, if any
- Description of operating and maintenance experience
- Description of completed projects and customers with a specific identification of projects on which the Bidder has served as an EPC contractor or similar role.

Note: If proposal for one or more projects is selected for the short-list, EPE will request more details regarding the list of projects at different stages of development (completed, under construction, and under development) and will require a point of contact be provided along with a description, size (kW/MW), cost, initiation date, and completion date for each project listed.

#### **Tab 5 – Transmission, Distribution and Interconnection**

EPE will identify the interconnection points. Bidders shall be responsible for all interconnection applications and study costs.

#### **Tab 6 – Financial Information**

The financial viability of any proposal must be demonstrated to provide assurance that the Bidder, and any other party involved in the proposal, has adequate financial capability. Each proposal must include the following information at a minimum:

- Most recent financial report for the Bidder and any other parties involved, or most recent copy of CPA audited (or Reviewed) income statement, balance sheet and cash flow statement
- Provide Annual reports for the three most recent fiscal years that include CPA audited (or Reviewed) financial statements or CPA audited (or Reviewed) consolidated income statement and balance sheet for the three most recent fiscal years

- Investment rating of Bidder or its parent company by Moody's and/or Standard & Poor's as applicable
- Description of any current credit issues raised by rating agencies, banks, or accounting firms
- Description of construction financing for the project, include any financing commitments and available lines of credit
- Financial guarantees from affiliates or others, as appropriate
  - Note: If proposal for one or more projects is selected, EPE will request points of contact for financing partners/institutions and manufacturers providing lines of credit
- A list all lawsuits, regulatory proceedings, or arbitration in which the Bidder or its affiliates or predecessors have been or are engaged in that could affect Bidder's performance of its bid
  - Identify the parties involved in such lawsuits, proceedings, or arbitration, and the final resolution or present status of such matters

## 7.0 EVALUATION PROCESS

EPE will assess, pursuant to the requirements of the RFP and the evaluation criteria developed by EPE, the proposals to determine which, if any, will provide the most value for EPE's customers. EPE will evaluate bids based on all-in turnkey installed cost, overall cost per kWh and life cycle cost on a net present value basis, utilization of local inputs and other relevant factors. The assessment will consider economic and technical factors.

### Proposal Review

EPE will use both quantitative and qualitative criteria to evaluate proposals. EPE will first determine if each proposal satisfies the threshold requirements summarized below. Those that do will be further evaluated through EPE's screening evaluation described below. Only those proposals that satisfy the requirements of the screening evaluation will be further evaluated. If at any time during the evaluation process EPE determines that a proposal does not meet its requirements, including timely submission of all documents pursuant to this RFP, such proposal will no longer be considered for this RFP and EPE will notify the Bidder accordingly during its notification process.

Favorable proposal characteristics include:

- Solar Projects – EPE seeks solar projects and will consider the overall project cost
- Low Cost – EPE seeks proposals that will provide low-cost projects
- High Efficiency and Performance – Proposals that provide high efficiency and performance will provide additional value to EPE

- Completeness and Responsiveness – Proposals must meet all criteria set forth in the RFP. A thorough explanation of all aspects of the proposal should be included. Detailed Project Engineering should be provided
- Financial Viability and Creditworthiness – Success of the project relies on the financial capabilities of all parties involved; Bidders should have a proven financial track record and be able to provide documentation that demonstrates access to financial resources required to complete the project
- Experience – EPE seeks proposals from Bidders that possess extensive engineering, construction, technical, operating and maintenance experience, and a history of successful projects of a similar nature
- Compliance with Texas and New Mexico regulations

## **Threshold Evaluation**

### **Step 1 – Bid Eligibility Determination**

Each proposal will be reviewed to determine if it meets the requirements outlined in this RFP.

The Company reserves the right to reject any, all, or portions of any proposal received for failure to meet any criteria set forth in this RFP.

- The proposal must be submitted on time and comply with the submission instructions.
- The corresponding application fee must be submitted as instructed

### **Step 2 – Initial Bid Screening Process**

The Company will calculate the levelized cost in U.S. Dollars per megawatt hour (“\$/MWh”) for each bid based on information provided in the proposal and will rank the results from lowest cost to highest cost. A reasonable number of the lowest priced proposals will be identified for further evaluation efforts. Bidders are advised that total life cycle cost will be a major factor in EPE’s evaluation, but EPE may consider other qualitative factors. Proposals with prices significantly above the others may not receive further screening evaluation.

### **Step 3 – Due Diligence**

The Company will conduct due diligence efforts primarily focused on those proposals that pass through the initial screening process described in Step 2.

#### Other Due Diligence

The Company will conduct other due diligence as part of the overall bid evaluation process, including, but not limited to, consideration of the following proposal characteristics:

- Bidder or developer experience
- Financial strength/credit worthiness of the bidder
- Reasonableness of the generation profile proposed

- Financing plan · Development, construction and operation experience
- Solar technology, availability, and warranties
- Risk Management, coverages, loss histories, description of program
- Environmental permitting and compliance
- Safety record · QA/QC experience
- Project operational characteristics
- Supply-Chain risk
- Counterparty viability
- Transmission or distribution access plan feasibility and arrangements
- Transmission or distribution upgrades schedule assessment
- Construction and equipment supply plans and arrangements
- Operations & Maintenance Plan
- Project execution planning
- Bidders ability to complete multiple projects within the proposed schedule
- Environmental impact and profile
- Contract risk related to the development of the project
- Bidder's performance on previous projects with the Company

#### Step 4 – Best and Final Proposal

Subsequent to short-list selection and due diligence by EPE, short-listed Bidders will be allowed to submit a best and final proposal. EPE will evaluate the best and final proposals submitted and select the final proposals that will be subject to contract negotiations.

### 7.1 EPE's Selection of Bids and Discussions with Bidders

#### a. Meetings with Shortlisted Parties

EPE may conduct meetings with shortlisted parties to gain a greater understanding of the structure and components of each proposal. EPE may also require the shortlisted Bidders to submit project and/or Bidder-specific pro forma financial statements by year for the applicable facility development and construction period, including income statements, balance sheets and statements of cash flows. EPE will reevaluate any significant changes to the proposal based on new understanding of each shortlisted Bidder's proposal as a result of the shortlist meetings.

#### b. Final Evaluation and Selection

After conclusion of the shortlist meetings and detailed evaluation of the best and final proposals, EPE may make a final selection of one or more proposals for negotiation of the EPC Agreements. EPE will notify shortlisted Bidders whose proposals are eliminated from further consideration in accordance with the RFP schedule.

c. Right to Terminate Negotiations

If EPE cannot reach acceptable EPC agreement terms with the final selected Bidder or Bidders, EPE reserves the right to terminate negotiations with such Bidders and begin discussions with other Bidders, begin a new solicitation, or cancel this RFP. Furthermore, EPE, in its sole discretion, reserves the right to not select any proposals for negotiation of any EPC agreement if warranted by its evaluation.

## Notice of Disclaimer

EPE has prepared the information provided in this RFP to assist interested persons and entities in making a decision whether to respond with a proposal. EPE reserves the right to modify, change, supplement or withdraw the RFP at its sole discretion. No part of this document or any other correspondence from EPE, its employees, officers or consultants shall be taken as legal, financial or other advice, nor as establishing a contract or any contractual obligations. All communication between Bidders and EPE shall be conducted in writing.

EPE makes no representations or warranties regarding the completeness of the information contained within the RFP and does not purport that this RFP contains all of the information needed for Bidders to determine whether to submit a proposal. Neither EPE nor its employees, officers or consultants will make, or will be deemed to have made, any current or future representation, promise or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information contained within the RFP or any other information provided to Bidders.

Bidders who submit proposals do so without legal recourse against EPE, or EPE's directors, management, employees, agents or contractors, due to EPE's rejection, in whole or in part, of their proposal or for failure to execute any agreement with EPE. EPE shall not be liable to any Bidder or to any other party, in law or equity, for any reason whatsoever related to EPE's acts or omissions arising out of, or in connection with, the RFP process.

Bidders who submit proposals do so without legal recourse against EPE, or EPE's directors, management, employees, agents or contractors, due to EPE's rejection, in whole or in part, of their proposal or for failure to execute any agreement with EPE. EPE shall not be liable to any Bidder or to any other party, in law or equity, for any reason whatsoever related to EPE's acts or omissions arising out of, or in connection with, the RFP process.

EPE reserves the right to reject, for any reason, any and/or all proposals. EPE further reserves the right to waive any irregularity or technicality in proposals received, or to consider alternatives outside of this solicitation, at its sole discretion, to satisfy its capacity and energy needs. In addition, EPE reserves the right, in its sole discretion, to modify or waive any of the criteria contained herein and/or the process described herein.

No Bidder will have any claim whatsoever against EPE, its employees, officers, or consultants arising from, in connection with, or in any way relating to this RFP. Without limiting the generality of the foregoing, each Bidder agrees, by and through its submission of a proposal, that rejection of a proposal will be without liability on the part of EPE, its employees, officers, or consultants, nor

shall a Bidder seek recourse of any kind against any of the foregoing on account of such rejection. The filing of a proposal shall constitute an agreement of the Bidder to each and all of these conditions. Each Bidder and recipient of this RFP is responsible for all costs incurred in evaluating, preparing and responding to this RFP. Any other costs incurred by any Bidder during negotiations are also the responsibility of the Bidder.

**8.0 ATTACHMENTS**

- 8.1 Notice of Intent to Bid
- 8.2 Data for All Projects
- 8.3 Fort Bliss Solar Project Site Information
- 8.4 MPS Solar Project Site Information
- 8.5 Energy Profile Spreadsheet
- 8.6 Fort Bliss Solar PV Project Requirements and Specifications

**8.1 Notice of Intent to Bid (Complete the Notice of Intent for each Project to be proposed)**

1. Company Name: \_\_\_\_\_

2. Company Address: \_\_\_\_\_  
\_\_\_\_\_

3. Contact Person Information:

Name	
Title/Position	
Mail Address	
Courier Address (if different)	
Telephone Number	
Fax Number	
E-mail Address	

4. Project Facilities Proposed: \_\_\_\_\_  
\_\_\_\_\_

5. Size (MW): \_\_\_\_\_

6. Authorized Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

7. Date: \_\_\_\_\_

The Notice of Intent to Bid may be submitted via facsimile to Richard Turner at (915) 521-4779, or mailed to Richard Turner, Assistant Vice President Corporate Development, at P.O. Box 982, Location 131, El Paso, Texas 79960. Receipt of the Notice of Intent to Bid will be confirmed in an e-mail from EPE to the Bidder. **This form should be delivered to the above address no later than 5:00pm Mountain Time (MT) on September 9, 2014.**

**8.2 Data for All Projects**

1. Provide a detail description of each solar project:

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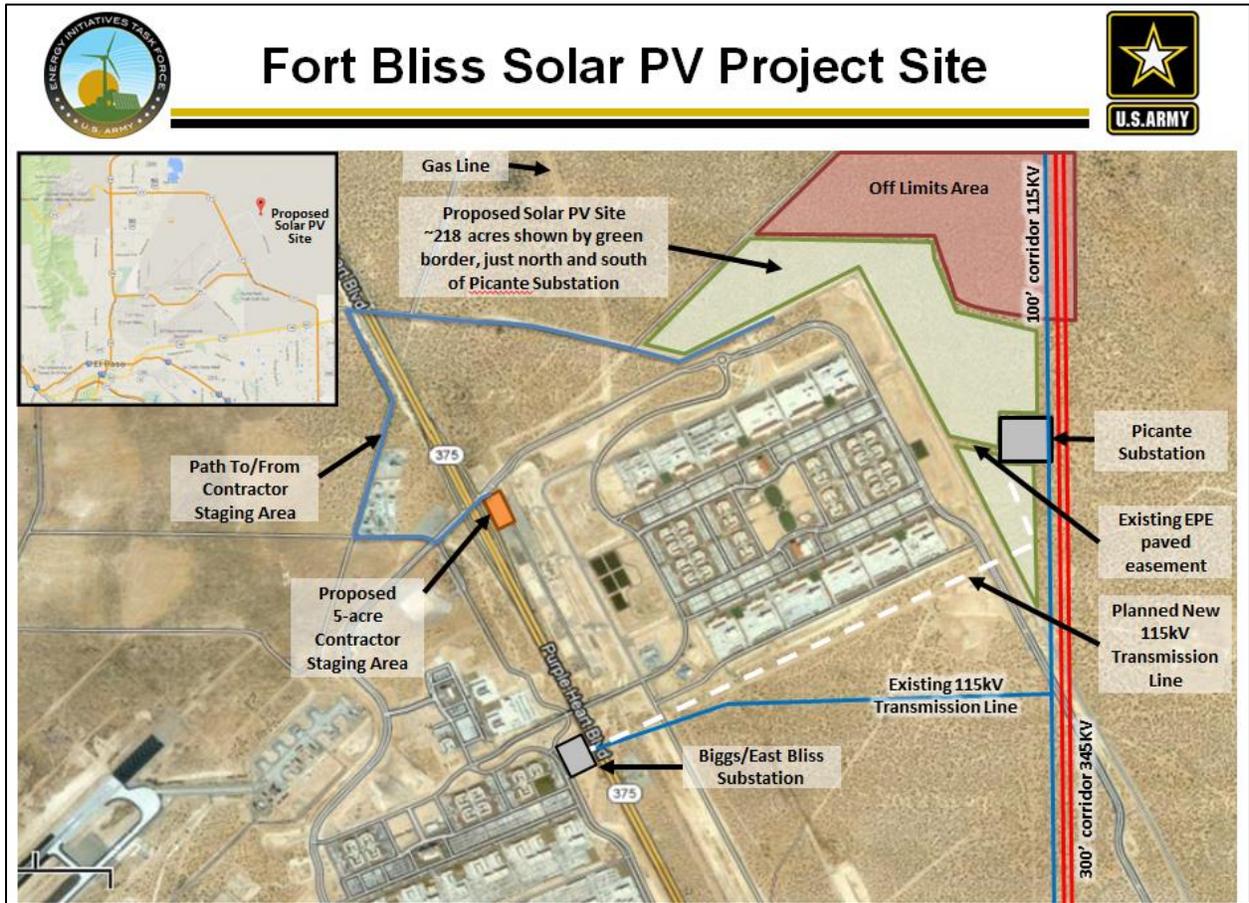
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8.4 MPS Project Site

