

Request for Proposals (“RFP”) Under the SREC-Based Financing (“SREC-II”) Program

**Atlantic City Electric Company
Jersey Central Power & Light Company
Rockland Electric Company**

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Table of Contents

1. Definitions	1
2. Introduction	2
2.1 Background.....	2
2.2 Process Overview.....	3
2.3 Project Eligibility Rules, Completion Requirements and Fees	4
2.4 General Process for Submission.....	6
2.5 Information Provided to Proponents	6
2.6 Documents	7
3. Bid Application	8
3.1 Requirements.....	8
3.2 Bid Application Submission and Processing	8
4. Pricing Proposal	9
4.1 Requirements.....	9
5. Non-Pricing Requirements	10
5.1 Requirements.....	10
5.2 Submission and Processing	12
6. Bid Evaluation and Post-Bid Process	14
6.1 Bid Ranking	14
6.2 Post-Bid Process	16
7. Reserved Rights.....	18
8. Indemnification.....	19
Appendix A. SREC Purchase and Sale Agreement	A-1
Appendix B. Consolidated Bid Application	B-1

List of Tables

Table 2-1. Round 2 RFP Quantities	3
Table 2-2. RFP Round 2 Target Schedule	7
Table 6-1. 20% of Planned Quantity (2015 or initial year of Program).....	15

1. Definitions

- » “Board” or “BPU” means the New Jersey Board of Public Utilities.
- » “Customer” means a ratepayer in ACE’s, JCP&L’s or RECO’s service territory at the premises or facility where the Project will be located.
- » “Host” means an individual or entity that owns the premises or facility where the Project will be located.
- » “Developer” means an entity that contracts with the Customer to install and operate the Project at the Customer premises.
- » “kW” means direct current kilowatts or kWdc unless specifically stated otherwise.
- » “NJCEP Application Number” means the application number assigned to the Project under the Initial Application process of the SREC Registration Program (“SRP”).
- » “Price” means the price for an SREC that the Owner would receive for each SREC transferred under the Program.
- » “Program” means the coordinated SREC II Program for each of ACE, JCP&L, and RECO.
- » “Program Participant” means a Project Owner or a Developer.
- » “Proponent” means an individual or entity that submits any part of a Proposal under the Program.
- » “Proposal” is a response to this RFP.
- » “Owner” means an individual or entity that owns the Project.
- » “Successful Project” means a Project that receives an award under this Program as determined by the Board.
- » “Seller” means an Owner of a Successful Project that executes the SREC PSA.
- » “SREC” means Solar Renewable Energy Certificate.
- » “SRP” means the New Jersey SREC Registration Program administered by the BPU.

2. Introduction

2.1 Background

2.1.1. Atlantic City Electric Company (“ACE”), Jersey Central Power & Light Company (“JCP&L”), and Rockland Electric Company (“RECO”), (collectively referred to as the Electric Distribution Companies (“EDCs”) and each, individually, as an “EDC”), are issuing this Request for Proposals (“RFP”) to select solar photovoltaic projects (“Project” or “Projects”) with which to enter into contracts for the purchase of SRECs, based on the proposed price of each Project’s SRECs. Through this RFP, the EDCs will only contract for the purchase of SRECs for the term of the SREC Purchase and Sale Agreement (“SREC PSA”), and not for energy or capacity associated with any Project.

2.1.2. Capitalized terms not explicitly defined herein take on the meaning ascribed to them in the SREC PSA.

2.1.3. Pursuant to the requirements of the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 to -107 (“EDECA”), the New Jersey Board of Public Utilities (“BPU” or “Board”) adopted Renewable Portfolio Standards (“RPS”), N.J.A.C. 14:8-2.1 et seq., which require that a specified portion of the electricity delivered to New Jersey customers be supplied from solar electric generation systems. Suppliers to New Jersey customers must comply with the RPS either by submitting SRECs or by paying a Solar Alternative Compliance Payment (“SACP”), or by a combination of the two methods. In response to the Board’s directive, each of the three EDCs filed an SREC-based financing program in 2008 with the objective, as set by the Board, to enhance the ability of suppliers to meet the RPS. The staff of the BPU (“BPU Staff”), the Division of Rate Counsel (“Rate Counsel”), and The Solar Alliance were parties to each EDC’s proceeding before the Board. The original EDC SREC-based Financing Programs, all three of which were fully subscribed, are collectively referred to as the “SREC I Program”. The last SREC I Program solicitation was conducted in September 2011 and the contracts awarded thereunder were approved by Board Orders dated November 9, 2011.

2.1.4. In November 2011, the Office of Clean Energy (“OCE”) began a series of stakeholder meetings to develop recommendations regarding the expiring EDC SREC I Program, and to address issues arising from the Solar Energy Advancement and Fair Competition Act L 2009, c.289 (“SEAFCA”) and the 2011 Energy Master Plan (“EMP”). Among the issues discussed during the stakeholder meetings was whether the EDCs’ SREC I Program should be extended or expanded. By Order dated May 23, 2012, the Board endorsed an extension of the EDC SREC I Program for a total additional capacity of 79.5 MW (ACE – 23 MW, JCP&L – 52 MW, RECO – 4.5 MW) over three years, which Board-ordered extension is hereinafter referred to herein as the “SREC II Program” or, as explained in Section 1.1.6 below, the “Program.”

2.1.5. On December 13, 2013, ACE, JCP&L and RECO each executed individual Stipulations concerning the SREC II Program (“December 13 Stipulations”). Other parties to the December 13 Stipulations included the BPU Staff, Rate Counsel, the Solar Energy Industries Association (“SEIA”), the Mid-Atlantic Solar Energy Industries Association (“MSEIA”, JCP&L Stipulation only) and NJ Land, LLC (“NJ Land”, as to the JCP&L Stipulation only). By Orders dated December 18, 2013, the Board approved the three December 13 Stipulations.

2.1.6. In this RFP, the EDCs, BPU Staff, and Rate Counsel are together referred to as “the Parties” and the term “Program” refers to the coordinated SREC II Program for each of ACE, JCP&L, and RECO. This RFP reflects pertinent information and material from the December 13, 2013 Stipulations as well as from the Board’s related July 22, 2015 Order.

2.1.7. The EDCs have selected Navigant Consulting, Inc. (“Navigant”) to serve as the Solicitation Manager (“SM”) for the Program. The SREC II Program solicitations are being jointly conducted by Navigant on behalf of each of the three EDCs.

2.2 Process Overview

2.2.1. The SREC II Program is being implemented over a three year period. In each of the three years of the Program, the SM will conduct 3 solicitations. There will be a maximum of nine solicitations, with each solicitation referred to as a “Round” (*i.e.*, Rounds 1 through 9).

2.2.2 The instant solicitation represents Round 2 of the Program.

2.2.3 The full amount of the planned solar capacity to be solicited in any one particular Round may or may not be awarded based on the total capacity of tendered Projects bid in the Round and based on an assessment of the competitiveness of the pricing resulting from the solicitation.

2.2.4. Proposals are being solicited in this Round 2 RFP for the following three program segments:

- » Segment 1. Net-metered residential and small commercial Projects less than or equal to 50 kW (Set-Aside and “Aspirational”).
- » Segment 2. Net metered Projects greater than 50 kW up to 2 MW (Commercial only for RECO. For ACE and JCP&L – If any Segment 2 solicitation round after Round 2 is undersubscribed by competitive bids, the Project size limit in Segment 2 shall be lifted. If the Project size limit has been lifted and, in any subsequent solicitation round, the underlying solar capacity associated with the competitively priced bids (as determined by the SM) under 2 MW overfills the planned quantity of new solar capacity for that solicitation round, the 2 MW limit shall be reinstated in the next subsequent solicitation round.)
- » Segment 3. Grid-supply Projects conditionally certified or fully certified by the Board as located on closed landfills, brownfields or areas of historic fill.

2.2.5. For this Round 2 RFP, the quantities of new solar capacity (in kW) sought by EDC and by Segment are set forth in Table 2-1 below.

Table 2-1. Round 2 RFP Quantities

Segment	Round 2 Solicitation (kW)		
	JCP&L	ACE	RECO
Segment 1 - Res/Comm Set-Aside	580	189.32	400
Segment 1 - Res/Comm Aspirational	580	250	100
Segment 2 – Res/Commercial	4,330	1,920	1,000
Segment 3 - Landfill/Brownfield/Historic Fill	0	0	1,500

2.2.6. The total number of SRECs that an EDC will be required to purchase over the entire term of an SREC-PSA shall be limited based on a cap of 1,350 kWh of solar generation per kW DC, based on the smaller of the Project’s SREC capacity as (i) bid and awarded or (ii) constructed. For example, a 10 kW Project with a ten-year SREC-PSA would have a contract limit of 135 SRECs (*i.e.*, 1,350 kWh x 10 kW/1,000 x 10 years). The term of an SREC-PSA would be limited to the earlier of ten years or the achievement of the maximum number of SRECs to be purchased, whichever occurs first.

2.2.7. Separate bids must be submitted for each proposed Project which will be ranked and selected individually. Proposals from qualified Projects will be evaluated on a price-only basis. For each EDC, all Projects are ranked by comparing the stated price of one SREC. For Projects in the ACE or JCP&L service territories, the Developer Cap (See Section 6.1.7) is then applied.

2.2.8. The SM may or may not recommend any or all of the Projects selected in this manner. There will be a confidential price limit above which bids will not be accepted and the SM will review the prices for competitiveness. The SM may recommend that not all Projects be awarded an SREC PSA whether or not the quantity bid was sufficient to meet the planned quantity.

2.3 Project Eligibility Rules, Completion Requirements and Fees

2.3.1. PROJECT ELIGIBILITY RULES

- » Only Projects that have successfully completed the Initial Application process under the SREC Registration Program (“SRP”) are eligible to submit a Proposal in this RFP. Under the Initial Application process of the SRP, the Project is assigned an application number by the New Jersey Clean Energy Program (the “NJCEP Application Number”). Proponents that have not already secured an NJCEP Application Number are encouraged to do so as soon as possible as the process may take several weeks (e.g., currently approximately six).
- » Only new net-metered Projects that are not constructed as of the date that the bid is submitted in this RFP will be eligible for participation in the SREC II Program in Segments 1 and 2.
- » To be eligible to participate in the SREC II Program, a net-metered Project must not yet be interconnected (*i.e.*, must not have received permission from the EDC to operate) and the Project must not have requested final interconnection approval from the EDC prior to the Board Order approving the results of the applicable solicitation. If a net-metered Project is completed and interconnected following Board approval and prior to the execution of the SREC PSA, the EDC will not purchase SRECs generated by the Project prior to the Commencement Date of the SREC PSA.
- » Aggregated net metered Projects, including those permitted under N.J.S.A. 48:3-87(e)(4), will be ineligible to participate in the SREC II Program.
- » To be eligible for participation in the SREC II Program, a net metered Project shall comply with N.J.A.C. 14:8-4.1(b), which requires, among other things, that a project shall deliver to the meter of one net metering customer through wires and/or other equipment, installed, owned and operated by the Customer or Project Owner and not by the EDC.
- » To be eligible for participation in Segment 3, a Project must have been conditionally or fully certified by the Board pursuant to Subsection (t) of the Solar Act of 2012. (L. 2012, c.24) (“Subsection (t)”). To receive full approval pursuant to Subsection (t), a Project is required by the Board to have fulfilled all applicable New Jersey Department of Environmental Protection (“NJDEP”) permit requirements for construction of the solar facility. These Projects may be interconnected and may have requested final interconnection approval prior to the Board Order approving the results of the applicable solicitation. If a Segment 3 Project is completed and interconnected prior to the Board approval and prior to the execution of an SREC PSA, the EDC will not purchase any SRECs generated by the Project prior to the execution of the SREC PSA.
- » A Project, whether net-metered or grid-connected, will not be eligible to participate in the SREC II Program where the net metering customer has any existing photovoltaic (“PV”) capacity installed to deliver energy on the Customer’s side of the meter that receives electric distribution service from the EDC, or the grid-connected site contains an existing solar generator, unless the proposed grid-connected Project is completely separated from the existing generation.
- » Any future construction or expansion of PV capacity by a Project under this Program for Projects receiving payments under SREC PSAs entered into earlier as part of either the SREC I Program or this SREC II Program will not be eligible to participate in this Round 2 of the SREC II Program.

- » If a parcel contains multiple individually metered retail electric customers, each would be eligible to have a single Project serving their individual meter as a net metered customer.
- » Multiple Projects serving a net metered Customer on the Customer's side of the same EDC meter are not eligible to participate in the SREC II Program. Similarly, a single Project encompassing both net-metered and grid-connected interconnections would be ineligible to participate in the SREC II Program.

2.3.2 PROJECT COMPLETION REQUIREMENTS

The required times for Project completion by Segment are:

- » Segment 1 – 6 months with provision for one automatic three (3) month extension, provided that the Program Participant has filed for the necessary permits with the local government and submits the appropriate certification to the EDC.
- » Segment 2 – 12 months with the possibility for one six (6) month extension. The Program Participant must file an application for extension with the EDC between 90 and 14 days prior to the end of the initial 12 month period. The bases for consideration by the EDC for extension include (1) whether the Program Participant can document significant progress toward completion of the Project; and (2) whether the delay was unavoidable and unforeseeable at the time of the execution of the SREC PSA.
- » Segment 3 – 24 months, contingent on meeting the following requirements:
 - » At the time of the bid, Program Participant has: (1) an approved (or conditionally approved) Subsection (t) application; and (2) (i) received a system impact and feasibility study from PJM, or (ii) received written verification that such system impact and feasibility study is waived by or otherwise unnecessary by PJM, or (iii) received alternative verification from the utility of its acceptance of the Project's proposed interconnection.
 - At 9 months from SREC PSA signature: Interconnection Service Agreement signed with PJM (if applicable) and the EDC and, if needed for the Project, an Interconnection Construction Service Agreement signed with PJM.
 - At 15 months from SREC PSA signature: (1) received all state and local permits, certificates and authorizations for construction; and (2) commenced construction of the PV system site (*i.e.*, more than site preparation).

2.3.3 FEES

The following Program Participant Fees will be assessed in connection with this program:

- » Application Fee (Non-refundable)
 - ACE and JCP&L – Segment 1 - \$25; Segment 2 - \$50; Segment 3 - \$150
 - RECO – All Segments - \$150

The Application Fee must be paid via the online payment portal located at (<https://njsolarprogram.navigant.com/SitePages/Application%20Fee.aspx>) and the confirmation number provided must be included in a Proponent's Consolidated Bid Application submitted in response to this RFP.

- » Assignment Fee (per assignment of an SREC-PSA)
 - ACE and JCP&L - \$1,500
 - RECO - \$1,000
- » Administrative Fee (per SREC purchased)
 - ACE - \$17.07

- JCP&L - \$17.00
- RECO - \$30.00

The Administrative Fee will be collected from Program Participants by subtracting the Administrative Fee from the payments that the EDC remits to the selected Program Participant.

In addition to the foregoing Program Participant Fees, the EDCs will collect an SREC Transaction Fee (\$/SREC) from Program Participants by subtracting the SREC Transaction Fee from the payments that the EDC remits to the selected Program Participant. The specific SREC Transaction Fees by EDC are as follows:

- ACE - \$22.59
- JCP&L - \$31.21
- RECO - \$39.11

In developing proposals, Proponents should be aware and take into consideration that Successful Projects that enter into an SREC-PSA will be paid for transferred SRECs net of the above-referenced Administrative Fee and SREC Transaction Fee.

2.4 General Process for Submission

2.4.1. A Proposal consists of one fully completed Consolidated Bid Application, plus a completed Appendix C to the SREC PSA, if applicable.

2.4.2. The submission of a Consolidated Bid Application constitutes the Proponent's and the Owner's acknowledgement and acceptance of all the terms and conditions of this RFP, regardless of the outcome of the solicitation or the outcome of the Proponent's Proposal.

2.5 Information Provided to Proponents

2.5.1. The EDCs and the SM have established a Web site dedicated to this SREC II Program. Proponents and other stakeholders can visit the Web site to obtain information and documents related to this RFP. The Web site address is www.njsolarprogram.com. Proponents should verify that they are using the most current documents for any given solicitation.

2.5.2. The Web site consists of the following sections:

- » a home page that provides announcements of interest;
- » a page that provides the Consolidated Bid Application and any material needed to submit a Proposal in this RFP, as well as relevant Board Orders;
- » a calendar that provides the timeline for the main events in this RFP;
- » a web form that Proponents can use to register to the Web site and get automatic updates;
- » a web form that Proponents can use to ask questions and where the SM will answer each questioner individually via email;
 - an FAQ page where the questions from Proponents and answers by the SM are posted;
 - a list of announcements made to registrants to the Web site; and
 - a page with instructions to join the RFP Overview Webinar scheduled on August 28, 2015.

2.5.3. The SM has established the target schedule set forth below in Table 2-2 for this Round 2 solicitation. PLEASE NOTE that all dates starting with the preliminary review of recommendations with the Parties are tentative.

Table 2-2. RFP Round 2 Target Schedule

Date	Action
August 12, 2015	Release of RFP for Round 2
August 28, 2015	Optional RFP Overview Webinar (11:00 AM)
October 12, 2015	Consolidated Bid Application due (12:00 PM)
October 23, 2015	SM reviews preliminary recommendations with BPU Staff, EDCs and Rate Counsel for input
November 2, 2015	Deadline for any opportunity for input – SM develops final recommendations to the Board
November 9, 2015	SM submits Round 2 recommendations to Board
November 30, 2015	Board Meeting and Written Order
December 7, 2015	Round 2 Final Awards Announced
January 18, 2016	Execute SREC PSAs with Round 2 Winners

2.5.4. On August 28, 2015 at 11:00 AM, the SM will conduct an optional informational Webinar for prospective bidders. During the Webinar, the SM will describe the RFP process and prospective bidders may submit questions electronically. Responses to questions submitted during the Webinar will be posted to the RFP Web site in the FAQ section. Instructions for joining the RFP Overview Webinar are available on the Web site (<https://njsolarprogram.navigant.com/SitePages/Webinar.aspx>).

2.6 Documents

2.6.1. This RFP consists of a total of three documents. This primary document is referred to as the “RFP Rules.” In addition, the following two appendices are attached to the RFP Rules:

- » Appendix 1: SREC Purchase and Sale Agreement (specific to Segments 1, 2 or 3);
- » Appendix 2: Consolidated Bid Application

3. Consolidated Bid Application

3.1 Requirements

3.1.1. A Proponent is required to submit a complete Consolidated Bid Application even if it had submitted a proposal in a previous round which it intends to resubmit.

3.1.2. Using the Consolidated Bid Application, the Proponent must provide a single email address for the primary contact, and the Project's NJCEP Application Number.

3.1.3. Using the Consolidated Bid Application, the Proponent must provide contact information for the primary contact (the "Representative") who will be responsible for submitting the Consolidated Bid Application for the Project. The contact information for the Representative must include: (i) name; (ii) phone number; and (iii) email address. The Proponent may also provide an alternate phone number and a facsimile number for the Representative.

3.1.4. Using the Consolidated Bid Application, the Proponent may also provide contact information for a second individual (the "Alternate").

3.1.5. The SM will attempt to contact the Representative or the Alternate on Bid Day at the email addresses or phone numbers provided should the Consolidated Bid Application be incomplete or require clarification.

3.1.6 By submitting the Consolidated Bid Application, the Proponent accepts all of the terms and conditions of this RFP.

3.2 Consolidated Bid Application Submission and Processing

3.2.1. The deadline for submission of the Consolidated Bid Application is 12:00 PM (noon) Eastern Prevailing time ("EPT") on Monday, October 12, 2015 ("Bid Day")

3.2.2. The Consolidated Bid Application must include all information required under the RFP Rules.

3.2.3. Each Proponent must submit the Consolidated Bid Application electronically by email to the SM at njsolar@navigant.com. A Proponent who experiences technical difficulty with the submission of the Bid Application Form by email must advise the SM of this fact as soon as practicable. Note that no hard copies of the Consolidated Bid Application are to be submitted unless specifically requested by the SM.

3.2.4. If a Consolidated Bid Application is incomplete or requires clarification, the SM will contact the Representative by phone and explain the nature of the deficiency. The SM will email a deficiency notice to the Proponent. The Proponent will have until the Cure Deficiency Deadline (October 21, 2015, see Section 5.2.8) to respond by re-submitting a Consolidated Bid Application that is complete and consistent with the requirements of the RFP Rules. If a Proponent to whom a deficiency notice is issued does not respond or provide a complete Consolidated Bid Application consistent with all the requirements by that time, the Proponent will not be permitted to participate further in this Round 2 solicitation.

3.2.5. Only one Consolidated Bid Application may be submitted for a given NJCEP Application Number and Project.

4. Pricing Proposal

4.1 Requirements

4.1.1. Section 7 of the Consolidated Bid Application provides for the Proponent's Pricing Proposal pursuant to which a Proponent is required to submit the following information: (i) the Price; (ii) the Segment (iii) the size of the Project; and (iv) the EDC territory in which the Project will be located. The EDCs reserve the right to require the SM to reject any Pricing Proposal that contains extraneous information.

4.1.2. The Price must be expressed in dollars and cents per SREC. This Price is the price for an SREC that the Owner would receive for each SREC transferred to the EDC under the SREC PSA if the Project receives an award.

4.1.3. The pricing in the Pricing Proposal must be the same for the full term of the SREC PSA which will be the lesser of a 10 year term or attainment of the SREC purchase cap, whichever occurs first.

4.1.4. The size of the Project must be expressed in kilowatts ("kW") and must be rounded to the third decimal. The size of the Project must correspond to the size of the Project approved as part of the Initial Application process under the SRP. The size of a Project is based on the nameplate DC rating of the photovoltaic solar system.

4.1.5. If the Owner of a Successful Project in a previous solicitation Round did not enter into the SREC PSA, a Pricing Proposal for the same Successful Project may be re-submitted as part of a Consolidated Bid Application in a subsequent solicitation Round at the same or at a lower price. A Pricing Proposal may not be re-submitted at a higher price for the same Successful Project unless: (a) the Owner of the Project provided the cash deposit for the Successful Project in the previous solicitation Round within the timeframe required, and (b) the period between the submission of Pricing Proposals is no less than 6 months. For purposes of this Section, a Project is the "same" Project as a previously Successful Project if the Projects are in the same location and have (i) the same EDC account number at the location where the Project will interconnect (for Segments 1 and 2) and (ii) the same NJCEP Application Number (for Segment 3).

4.1.6. A Price that is not expressed in dollars and cents per SREC will automatically be rejected. A Price that has more than 2 decimals is not permitted.

5. Non-Pricing Requirements

5.1 Requirements

5.1.1. Non-Pricing requirements of the Consolidated Bid Application comprise the following sections:

- » Section 1. Project Information
- » Section 2. Proponent Contact Information
- » Section 3. Customer Information
- » Section 4. Developer Information
- » Section 5. Owner and Host Information
- » Section 8. Certifications (Project Characteristics)
- » Section 9. Certifications (SREC Purchase and Sale Agreement)
- » Section 10. Company Ownership Supplement Form
- » Section 11. Customer Acknowledgement
- » Section 13. Final Checklist
- » Section 14. SRP Acceptance

A Proponent must submit all the information required by the foregoing sections of the Consolidated Bid Application.

5.1.2. Pursuant to Section 1, each Proponent is required to provide the following information: (i) name of Project; (ii) size of Project; (iii) location of Project; (iv) the Segment in which the Project is participating; (v) description of equipment including name of manufacturer; (vi) name and address of Customer; (vii) Customer utility tariff rate schedule; (viii) EDC Customer account number; (ix) name and address of Developer; (x) name of the Developer's parent company, defined as an entity with a majority ownership interest in the Developer (direct parent and ultimate parent, if applicable); (xi) identity of the Owner; and (xii) identity of the Host.

5.1.3. Pursuant to Section 2, each Proponent will provide contact information for the Representative who will be submitting the Consolidated Bid Application and an alternate Representative.

5.1.4. Pursuant to Section 3, each Proponent must provide primary contact information of an individual who can answer questions regarding the qualification materials. This individual must be available from Monday, October 12, 2015 to Thursday, October 22, 2015 to provide any additional materials or clarifications requested by the SM. This individual must be the primary contact for the Project. This individual may specify whether the individual prefers its correspondence with the SM by fax or by email. The individual must specify a fax number or an email address.

5.1.5. Pursuant to Section 4, each Proponent will provide company entity information pertaining to the Developer including contact information for a representative of the Developer.

5.1.6. Pursuant to Section 5, a Proponent must identify the Owner of the Project and must identify the Host.

5.1.7. If the Owner of the Project is not the same individual or entity as the Host, the Proponent must submit one (1) electronic copy in pdf format of Appendix C to the SREC PSA signed by the Host.

5.1.8. Pursuant to Section 6, each Proponent will provide Owner and Host information including (in cases where the Host is not the owner of the premises) the identity of the owner of the premises where the Project will be located along with pertinent contact information.

5.1.9. Pursuant to Section 8, Each Owner must certify that the Project includes all of the following characteristics:

- » the Project entails the construction of a solar electric (Photovoltaic or PV) system that produces electricity directly from sunlight;
- » for Segments 1 and 2, the Project is not yet constructed and the Project has not requested or completed interconnection prior to the Board Order on the results of this Round 2 solicitation;
- » the Project will be deemed to be connected to the distribution system per BPU rules and applicable laws;
- » for Segment 3, a Project must have been conditionally or fully certified by the Board pursuant to Subsection (t) of the Solar Act of 2012. (L. 2012, c.24). To receive full approval pursuant to Subsection (t), a Project is required by the Board to have fulfilled all applicable NJDEP permit requirements for construction of the solar facility. These Projects may be interconnected and may have requested final interconnection approval prior to the Board Order approving the results of each solicitation;
- » Segment 3 Proponents will submit an affidavit with their solicitation Consolidated Bid Application attesting that all remediation unrelated to the installation or operation of the solar facility has been completed and that no portion of the SREC price bid is attributable to remediation unrelated to the solar facility;
- » Segment 3 Proponents will also provide the SM with an itemization of costs related to the “additional cost of constructing and operating a solar electric power generation facility on a brownfield, on an area of historic fill, or on a properly closed sanitary landfill. The Owner makes these certifications by completing Section 8 (the “Certifications” section) of the Consolidated Bid Application; and
- » each Owner must certify that the Project is not part of a bidding agreement with another Proponent.

5.1.10. Pursuant to Section 9, each Owner must agree to the terms of the SREC PSA without modifications including:

- » the requirement for an inspection of the Project at the Owner's sole cost and expense to verify and certify that the SRECs generated by Owner's Project are eligible for use in complying with the New Jersey RPS;
- » the requirement for the appropriate metering (“SREC Meter”) installed and maintained at the Owner's sole cost and which meets the EDC's, the Board's and PJM's accuracy standards to record the solar generation of Owner's Project;
- » the requirement that the SREC Meter be capable of measuring the electricity generated from the continued operation of the Project throughout the term of the SREC PSA so as to be reported to PJM GATS and if requested, to the EDC;
- » the requirement for the Owner to agree to arrange for net metering arrangements with the EDC that meets the requirements of the Board's net metering rules and any applicable EDC tariff provisions (applicable to Segment 1 and 2 Projects only).
- » the Owner will leave its Pricing Proposal open for a period of 120 days from Bid Day;

- » if the Proponent is approved for award of an SREC PSA, the Owner of the Project will sign the SREC PSA (Appendix 1 to these RFP Rules) within 5 business days of being given a Final Notice of Award by the EDC (as explained below) and, if the Owner of the Project is not the same individual or entity as the Host, will provide 3 originals of Appendix C to the SREC PSA with original signatures from the Host. (The EDC will give such notice no earlier than 45 days after the date of service of the Board Order, as further explained in Section 5);
- » the Owner of the Project will execute with PJM GATS a "Standing Order" for the automatic transfer of created SRECs from the Project GATS account to the respective EDC's GATS account.

5.1.11. Pursuant to Section 10, each Proponent will provide the information necessary for the preparation of the SREC PSA including the structure of the entity (*e.g.*, corporation, limited liability company, partnership, sole proprietorship) and the contact information for the signatory of the SREC PSA..

5.1.12. Pursuant to Section 11, a Proponent must provide one of the following acknowledgments from the Customer: (i) if the Customer is the Owner, the Customer acknowledges that the Customer will sign the SREC PSA if the Project receives an award; (ii) If the Customer is not the Owner, the Customer acknowledges that the Customer will agree to net metering arrangements with the EDC and acknowledges that the Owner will sign the SREC PSA if the Project receives an award.

5.1.13. Pursuant to Section 13 the Proponent completes the Checklist which confirms that it is submitting all required documents.

5.1.14. Pursuant to Section 14, each Proponent must show that the Project has successfully completed the Initial Application process under the SRP administered by the Board. To satisfy this requirement, each Proponent provides all of the following:

- » A copy of the acceptance letter for the Project from the Office of Clean Energy or its designees under the Initial Application process of the SRP; and
- » A copy of the completed application materials under the SRP, including all attachments.

5.1.15. The Proponent is solely responsible for knowing and understanding the requirements of the SRP.

5.1.16. No more than one Proposal can be submitted in a given solicitation for a given NJCEP Application Number and Project.

5.2 Submission and Processing

5.2.1. The deadline for submission of the Consolidated Bid Application and any other required documents is 12:00 PM (noon) EPT on Monday, October 12, 2015.

5.2.2. Each Proponent must submit 1 electronic copy of the Consolidated Bid Application (provided as Appendix 2 to these RFP Rules). Unless otherwise instructed by the SM, the Proponent must submit the Consolidated Bid Application, in MS Word format, by email to the SM at njsolar@navigant.com.

5.2.3. Each Proponent must meet all the requirements of the RFP Rules. A Proponent's Proposal may only be recommended for an award by the SM if the Proponent's Consolidated Bid Application is complete and consistent with such requirements.

5.2.4. The SM will acknowledge the receipt of the Consolidated Bid Application on the business day that it is received. The SM sends any such acknowledgement to the individual identified in Section 9.

5.2.5. The Consolidated Bid Application for a Proponent who does not submit a Pricing Proposal will not be processed.

5.2.6. No later than Friday, October 16, 2015 at 12:00 PM (noon) EPT, the SM will send a notice to each Proponent, which states one of the following: (i) the submitted materials are complete and no further action is required on the part of the Proponent; or (ii) the submitted materials will not be evaluated at this

time and no further action is required on the part of the Proponent; or (iii) the submitted materials were evaluated and found to be deficient.

5.2.7. Subject to Section 5.28, if the complete Proposal for a Project is not evaluated by Friday, October 16, 2015 at 12:00 PM (noon) EPT, the SM will not evaluate the Proposal in the current Round 2 solicitation for that Project. The SM may take such action only if the quantity bid for the EDC territory in which the Project is located exceeds the planned quantity by a factor of 200% or more and if the SM assesses that the Pricing Proposal for the Project is not competitive. The SM will send a notice to such Proponent advising the Proponent of this fact no later than Friday, October 23, 2015 at 6:00 PM EPT.

5.2.8. If the Proposal is deficient, the Proponent has until 4:00 PM EPT on Wednesday, October 21, 2015 to provide any clarifications or additional materials requested by the SM. All Proponents with deficient qualifications materials are strongly encouraged to submit any clarifications or additional materials earlier to allow time for any issues that may remain to be resolved. No later than Thursday, October 22, 2015 at 6:00 PM EPT, the SM will send a final notice to such Proponent, which states one of the following: (i) the submitted materials are complete; or (ii) the submitted materials remain deficient and the Proponent's Project will not be recommended for an award.

6. Bid Evaluation and Post-Bid Process

6.1 Bid Ranking

6.1.1. The SM will not recommend a Proposal for which the Consolidated Bid Application is incomplete or fails to respond to any requirement of this RFP for the Round 2 solicitation. Proposals may fail to be recommended, may fail to receive an award, or may fail to receive a SREC PSA with the EDC for any of the following reasons, without limitation: (i) failure to provide clarification or additional information regarding the Proposal as requested by the SM; (ii) illegal conduct, attempts or the appearance of attempts to improperly influence the consideration or ranking of the Proposals; and (iii) failure to honor any of the representations made in the Proposal.

6.1.2. Within 15 days of SM selection/award, each EDC, BPU Staff and Rate Counsel will send to the SM for its consideration, each of their recommendations for a pricing “soft cap” (*i.e.*, guidance as to the price above which bids should not be accepted) that will consider, among other things, the lowest SREC price bid, the SACP and the distribution of SREC prices for all Projects submitted.

6.1.3. The SM will rank Pricing Proposals for each EDC separately.

6.1.4. The SM’s review process will not include review of the financial basis for proposed pricing (*e.g.*, creditworthiness, financial underpinnings for Proposal, terms of agreement with Host (if any)).

6.1.5. Project pricing will be ranked according to price per SREC over the ten year term of the SREC PSA.

6.1.6. The SM will conduct the Project ranking in the following sequence for each EDC:

- i. Proposals will be reviewed for eligibility and completeness – ineligible/incomplete proposals and those that have not paid the Application Fee and provided the corresponding payment confirmation number will be rejected.
- ii. Proposals will be ranked by Price.
- iii. Appropriate Developer Caps will be applied for each segment.
- iv. Segment participation in the solicitation and ranking process will be assessed.
- v. Preliminary findings (segment participation, Developer Cap, competitiveness of pricing, recommendations for next round of solicitation) will be developed.
 - Please note that the latest accepted proposal in the solicited Segment may not yield an aggregate MW of Project agreements that exceeds the size of the Segment by more than 150 kW.
- vi. Preliminary findings and recommendations will be presented to the EDCs, BPU Staff and Rate Counsel for input.
- vii. Recommendations to the Board, which will be presented to the Board by BPU Staff will be prepared.

6.1.7. For Projects in the ACE and JCP&L service territories, the SM will apply the Developer Cap to the initial selection of Projects for each respective EDC. The Developer Cap for any one bidder (including all affiliated entities) in Segment 1 shall be limited to no more than 20% of the capacity awarded in any one solicitation Round, unless that solicitation Round is undersubscribed, and no more than 20% of the capacity of the Program from all solicitations in Segment 1. In Segment 2, any one bidder (including all affiliates) shall be limited to no more than 20% of the Program capacity from all solicitation Rounds in Segment 2. The Board has exempted RECO from this requirement.

6.1.8. For ACE and JCP&L, the SM will apply the Developer Cap to each Developer, whether or not the Developer is the Proponent. The SM will require the Proponent to disclose the Developer’s majority owner and ultimate parent as part of the qualification package.

6.1.9. The SM will apply the Developer Cap so that the combined awards (associated with any one Developer, or any combination of affiliated Developers under the same majority ownership) across all Program solicitations for Segments 1 and 2 for a given EDC (*i.e.*, ACE or JCP&L) individually, do not exceed 20% of the planned Program quantity of new solar capacity for such EDC. If a Developer, or any combination of affiliated Developers under the same majority ownership, exceeds the Developer Cap by more than the amount specified in Section 6.1.7 above, the SM will, in the applicable solicitation Round, remove from consideration one or more Projects with higher SREC prices from the Developer (or combination of affiliated Developers under the same majority ownership) so that the Developer (or any combination of affiliated Developers under the same majority ownership) no longer exceeds the Developer Cap.

6.1.10. The SM may recommend to the Board that the application of the Developer Cap for ACE and JCP&L in connection with a solicitation be modified. Such modification may be made to take into account the level of subscription in the Program or comments by the Parties in response to the SM’s preliminary recommendations. Table 6-1 below provides the quantities equivalent to 20% of the planned quantities for the initial year of the Program.

Table 6-1. 20% of Planned Quantity (2015 or initial year of Program)

EDC	Planned Quantity	20% of Planned Quantity
JCP&L	20,800 Kw	4,160 Kw
ACE	9,200 Kw	1,840 Kw

Source: Orders dated December 18, 2013

6.1.11. For Projects in the RECO service territory, the SM will apply the Affiliate Cap to the initial selection of Projects. The Affiliate Cap is 50% of the MW goal to be solicited for each year of the three years of the Program taking into account awards in prior solicitation Rounds in the current year (*i.e.*, no one entity or combination of affiliated entities can obtain more than 50% of the MW goal for any one year of the Program). The SM will apply the Affiliate Cap so that the awards in this Round 2 solicitation for RECO that are associated with all affiliates of RECO that are not regulated by the Board do not exceed 50% of the planned quantity by more than 50 kW. If affiliates of RECO together exceed the Affiliate Cap by more than 50 kW, the SM will remove from consideration one or more Projects proposed by the affiliates starting with the Project with the highest price per SREC so that the affiliates no longer exceed the Affiliate Cap. The SM may recommend to the Board that the application of the Affiliate Cap for RECO be modified to take into account the level of subscription in the Program or comments by the Parties in response to the SM’s preliminary recommendations

6.1.12. If there is a tie for the last accepted Project, the SM will make a recommendation to the Board on how to fill the planned quantity. The SM may consider a number of factors in making this recommendation, including, for example, whether the aspirational goal for the smaller segment has been met.

6.1.1.3. For ACE and JCP&L, the SM will obtain a final selection of Projects after ranking the Projects based on the price per SREC, applying the Developer Cap to each Developer, and considering any ties.

6.1.14. The planned quantity of new solar capacity may, or may not, be met. There will be a confidential price limit above which bids will not be accepted and, as part of the selection process, the SM will review the Prices for competitiveness. The SM may recommend that not all Projects be awarded an SREC PSA whether or not the quantity bid was sufficient to meet the planned quantity.

6.2 Post-Bid Process

6.2.1. The SM will review preliminary results and recommendations with the EDCs¹, BPU Staff and Rate Counsel for input, but final recommendations for BPU Staff presentation to the Board shall be based on SM's own independent assessment.

6.2.2. Within 10 days after receiving the preliminary recommendations from the SM, the EDCs, BPU Staff and Rate Counsel will send their recommendations to the SM regarding the price above which bids should not be accepted.

6.2.3. The SM will consider the input from the EDCs, BPU Staff and Rate Counsel and will develop its final recommendations. The SM will present these final recommendations in a confidential report to the Board 20 days after presenting its preliminary recommendations. The final recommendations include proposed awards to Projects that submitted complete and compliant Proposals and recommendations for the parameters of the next solicitation.

6.2.4. BPU Staff will present the SM's recommendations to the Board, which will decide whether to accept or reject each award. This decision is expected within 20 days of the SM making its recommendations to the Board or at the next scheduled agenda meeting.

6.2.5. Once the Board renders a decision on the results, the SM will prepare for each Segment the following information for incorporation in a Board Order:

- » total number and total MW of Projects that submitted Proposals;
- » total number and total MW of Projects by Segment that received awards;
- » total number and total MW of Projects that were rejected; and
- » the low and average prices of the accepted Projects.

6.2.6. The SM will communicate to each Proponent who did not receive an award the reason for the rejection.

6.2.7. If the Board accepts the results of the solicitation, the SM will provide to each Proponent of a Successful Project an Initial Notice of Award, which shall not become binding until the SREC PSA is signed pursuant to Section 6.2.9. In the Initial Notice of Award, the SM will identify the Project that has been awarded an SREC PSA and will provide contact information for the EDC. The SM will also specify the amount of the cash deposit that Successful Proponents must make within 14 days of Board approval.

6.2.8. Within 14 days of the Board's issuance of a written order approving a bid selection, the winning bidder must provide a cash deposit equal to \$75 per Project kW, but not less than \$500 and not more than \$20,000. The deposit will be returned to the bidder, without interest, at the Commencement Date (as defined in the SREC PSA) or will be forfeited in accordance with the General Terms and Conditions of the SREC PSA.

6.2.9. Reasonably promptly after the service of a Board Order approving the results of the solicitation, the EDC will provide to the Owner of a Successful Project a draft of the SREC PSA. This draft is for the convenience of the Proponents, but has no legal effect. The SREC PSA will not be executed until the Board Order is no longer subject to appeal and then only if the Proponent otherwise continues to meet the requirements to receive an executed SREC PSA. The SREC PSA will become legally binding only upon full execution.

6.2.10. The EDC will send to the Owner of a Successful Project a "Final Notice of Award" once the Board Order is no longer subject to appeal which will be no earlier than 45 days after the date of service of the Board Order. The Owner must sign the SREC PSA, as provided under Section 6.2.9 above, within five (5)

¹ EDCs will review results and recommendations for their particular service territories only.

business days of being given such a notice by the EDC and shall also provide, if required, 3 originals of Appendix C to the SREC PSA with original signatures from the Host. The Appendix C is required if the Owner of the Project is not the same individual or entity as the Host.

6.2.11. The specific timing of activities provided in this Section is subject to adjustment if, for example the timing for an activity falls on a weekend or holiday.

6.2.12. The Owner may request that the EDC approve a modification in the size (kW) of the actual constructed Project of up to 10%. However, the Project size may decrease greater than 10% due to circumstances including, but not limited to, structural or electrical deficiencies leading to a reduction of planned PV panels, adherence to net metering sizing requirements, or space limitations, but in no instance will the Project be permitted to be in excess of 10% larger than bid. The EDC will approve such a modification provided that the Project continues to satisfy all other requirements related to this Program and that this modification: (a) does not change the Segment to which the Project belongs; (b) does not cause the Developer Cap to be exceeded; and (c) does not cause the Project to exceed 50 kW for Segment 1 or 2 MW for Segment 2.

7. Reserved Rights

7.1.1. JCP&L, ACE, RECO, or the SM will not be liable to any Proponent, bidder, Owner, Host, Customer, Developer, or any other party for failure to obtain an award or for failure to execute an SREC PSA. Nothing herein may be construed to bind JCP&L, ACE, and RECO unless and until the Board has made awards to certain Projects. The RFP Rules describe the procedures that the SM expects to follow in selecting Projects for recommendation to the Board but each Proponent agrees and acknowledges that the Board alone renders a definitive decision on the Projects that receive awards under this Program. Nothing herein may be construed to bind JCP&L, ACE, and RECO to make any payments to a given Project, Owner or Seller unless and until the Board has made awards to certain Projects and an SREC PSA has been executed for a given Project and is effective. Once effective, it is the SREC-PSA and not these RFP Rules or any documents relating thereto that will govern the relationship between, and the responsibilities of, the parties to the SREC PSA.

7.1.2. The SM reserves the right to reject Proposals submitted in response to this RFP solicitation that are incomplete, or do not conform with the requirements of these RFP Rules, or are submitted beyond the deadline for submission, or are submitted by a Proponent that tries to unduly influence in any way the evaluation process.

8. Indemnification

8.1.1 In submitting a Consolidated Bid Application, the Proponent agrees, at its own cost and expense, that it shall hold harmless, indemnify, and defend ACE, JCP&L, RECO and the SM and their subsidiaries, affiliates, successors and assigns, and each and every one of their respective past, present, or future officers, directors, trustees, employees, shareholders, executors, administrators, successors and assigns, other than entities that are also Proponents, against any and all manner of past, present or future claims, demands, disputes, controversies, complaints, suits, actions, proceedings or allegations of any kind which in any manner relate to, arise out of, or result from any false statement in the Proponent's Proposal or any breach of any covenant by the Proponent.

Appendix A. SREC Purchase and Sale Agreement

Please refer to the applicable SREC II PSA corresponding to the proposed Project as posted in PDF format in the Documents section of the RFP Web Site:

- Appendix A – ACE SREC II PSA – Segment 1
- Appendix A – ACE SREC II PSA – Segment 2
- Appendix A – ACE SREC II PSA – Segment 3
- Appendix A – JCPL SREC II PSA – Segment 1
- Appendix A – JCPL SREC II PSA – Segment 2
- Appendix A – JCPL SREC II PSA – Segment 3
- Appendix A – RECO SREC II PSA – Segment 1
- Appendix A – RECO SREC II PSA – Segment 2
- Appendix A – RECO SREC II PSA – Segment 3

Appendix B. Consolidated Bid Application

Please refer to the electronic file in Microsoft Word format posted in Documents section of the RFP Web Site titled "Appendix B – Consolidated Bid Application."