



Lon W. House, Ph.D.

cell: 530.409.9702

lon@energywaterexpert.com

<https://energyandwaterconsulting.com>

2795 East Bidwell Street
Suite 100-176
Folsom, CA 95630
530.676.8956

10645 N. Oracle Rd.
Suite 121-216
Oro Valley, AZ 85737
520.297.2643

VCMWD MOOSA RFP Q&A, October 2019

1) Is there any thought of bundling the four projects instead of bidding them individually?

The Moosa RFP is currently a stand-alone, single project solicitation. We will consider bundling the remaining three projects in order to increase the size and attractiveness of these projects.

2) Who is responsible for environmental documents, permits, and inspections?

VCMWD will handle these.

3) Who owns the project at end of lease/PPA?

PPA (20 or 25 year) - we are assuming VCMWD owns the asset at the end. On our existing projects PPAs, there are three options – Extend, Owner Remove, Owner sell to VCMWD
Lease (10-15 year) - we assume the lease holder owns the asset at the end with VCMWD the option to purchase the assets.

Q4) Do you have a PPA/Lease escalation factor preference?

Given the recent significant drop in NEM solar generation values due to changes in utility rate design like TOU periods, VCMWD prefers no annual escalator. If you provide one, lower is better.

Q5) Who is responsible for project O&M?

3rd party Lease/PPA holder.

Q6) Who is responsible for system monitoring/reporting?

3rd party Lease/PPA holder.

Q7) Who is responsible for production guarantees?

3rd party Lease/PPA holder.

Q8) Who is the asset manager?

3rd party Lease/PPA holder.

Q9) Who is responsible for tree removal?

VCMWD will do tree removal. Site work (stump removal, etc.) will be responsibility of project proposer.

Q10) What is your preferred lease term?

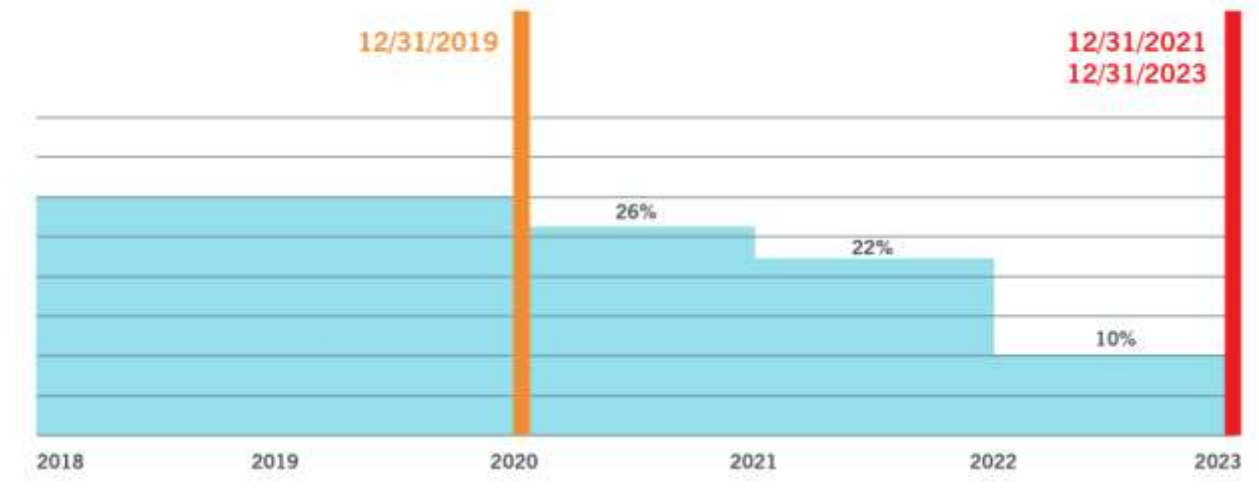
PPA – 20-25 years.

Lease - 10-15 years.

It should be noted that VCMWD is concerned about all 4 projects ending in the same couple years (and having to make decisions about what to do with all of them) and may ask to stagger the PPA/Lease terms to spread out end-of-projects decision over multiple years in the future.

Q11) Can you provide a project schedule that will ensure that we can get the 2019 30% ITC?

ITC Deadlines



According to [IRS Notice 2018-59](#), to gain the full 30% tax credit by December 31, 2019, you must pass one of two tests:

- “Physical Work Test,” meaning proof that construction is underway.
- “Five Percent Test,” that illustrates you have incurred at least 5% of the total project costs by December 31, 2019. Permits, site assessments, plans, environmental impact studies — all of these costs qualify under the test.

Project has to begin operation by December 31, 2021.

If we execute by mid-November, we should be able to get 5% done. Tree removal and environmental documents should be included in proposal with a credit incentive for VCMWD doing the work, in which case VCMWD work should count against the five percent requirement.

Here is the proposed schedule for this project.

October 22, 2019 - RFP Responses due.

October 30 - Internal analysis of responses completed. Internal report and recommendations completed.

November 18 - VCMWD Board Meeting to approve successful bidder.

This schedule would give six weeks from Board approval to finalize contracts and meet the 2019 ITC Requirements.



Solar Construction Area



Electrical Point of Interconnection

VCMWD Moosa RFP: ADDENDUM. Additional RFP Support Documents

[] Addenda

Questions and Answers

All questions regarding this RFP are due by October 8, 2019, emailed to ghoyle@vcmwd.org and to lon@energywaterexpert.com. Responses to the questions will be posted here on this website by October 15, 2019.

Additional Information

All additional relevant information for this RFP will be posted here by October 15, 2019.

[] Site Walk Information

Site walk is scheduled for 2 pm PDT on October 1 at the Lower Moosa Canyon Reclamation Facility, 8711 Circle R Drive, Valley Center, CA.

Confirmation with the names of those attending the site walk and of interest in bidding on this RFP are due by September 17, 2019 to emailed to ghoyle@vcmwd.org and to lon@energywaterexpert.com.