



Boothbay Pilot – Request for Proposals Questions and Answers

GridSolar will provide answers to all of the questions received related to the RFP for the Boothbay Pilot Project. We will provide answers to all questions received – the party asking the question will remain anonymous.

Questions and answers are provided below. As new questions are received, they will be added above the older ones, so the most recent will appear at the top of the list below. Each question and answer will be dated, based on the date of the answer.

June 13, 2013

1. ***Bid evaluation criteria.*** Section 6 of the RFP indicates that the submittal of company literature or qualifications and a cover letter is optional. And the specific technical information required to support the NTA Resource Application Forms seems fairly basic. Given that bidders might be submitting very little technical or company information, it would seem that the selection will be almost entirely based on the bidders' proposed Capacity Prices. Can you provide more detail on the evaluation criteria by which a selection will be made?

Response – The criteria are as specified in the PUC Order. There will be an attempt to secure different types of NTA Resources, but within each resource, the primary criteria will be price.

2. ***Counterparty risk.*** Exhibit N indicates that the successful bidder's contract would be with GridSolar, LLC. Will GridSolar's payments be backed-up by Central Maine Power? What financial assurances can you provide to bidders that payments will be secure over the term of this contract (and beyond if the Pilot Program is extended to 2024)?

Response – There is the opportunity to ensure that payments are made directly by CMP rather than through GridSolar where this is required by lenders. This can be negotiated on a case-by-case basis.

3. **Duration of Pilot Program.** It appears from the RFP that the current Pilot Program expires June 1, 2016, which leaves only two years of firm authorization from the required Commercial Operation Date (COD) of June 1, 2014 for the successful bidder to recover its investment. Will the period of cost recovery under the Pilot Program be extended at least to June 1, 2017 given that a year has already been lost due to the failure of the selected responder to the first RFP?

Potentially, yes. This is why the RFP is seeking bids for 2 and 3 years.

4. **Proposed capacity.** The RFP is requesting only 1,000 kW of new NTA resources. Yet the RFP also indicates that the Boothbay Pilot involves the development, operation and control of up to 2,000 kW of NTA resources. Where is the second 1,000 kW of NTA expected to come from? Is it already identified?

Contracts have been executed as a result of the Round 1 RFP. In addition, the year of need for NTA Resources has been pushed out as a result of lower load growth in the region. As a result, we are seeking only 1,000 kW in this solicitation.

The costs of identifying and developing these NTA resources are incrementally not much different to us for 1,000 kW versus 2,000 kW of capacity, especially considering the costs of gearing up a marketing and development effort to identify and sign-up customers for energy conservation, demand response, or other services. We would prefer to bid on 2,000 kW of capacity and think that would provide greater value to CMP and the region. Will GridSolar consider bids for 2,000 kW of new NTA? Would such a bid be looked upon more favorably than a competing bid for only 1,000 kW, all other things being equal?

We are authorized by the Commission to seek only 1,000 kW – finding additional NTA Resources is of no current value to GridSolar.

5. **Natural gas service.** We understand that there is no pipeline natural gas service to this region at this time. Can you confirm that this is the case

Correct. There is no pipeline natural gas service in the Boothbay Region.

6. **Other revenues.** We assume that bidders would be allowed to utilize the assets we build to generate other revenues aside from the revenue we get from Capacity Payments and Energy Payments via GridSolar. For example, we assume we could sell the energy output (kWh) of a PV system to the host under a separate bilateral agreement between us and the host. Or, that we could enroll our battery energy storage system in the ISO-NE Ancillary Services market and receive additional revenues under that program (so long as we properly accounted for the

actual capacity that would be available to GridSolar during a demand response event). Please confirm that this is the case.

This is correct. One caution, however, is that any NTA Resource under contract to GridSolar must be available when called upon or its capacity rating (and hence payments) will be reduced.

7. **Net metering.** Does CMP have a net metering policy in place now for solar PV resources? Is there a limit on the installed capacity or the number of meters per customer that can qualify for net metering in CMP territory?

We call your attention to Chapter 313 of the Maine Public Utilities Commission. This can be downloaded from the PUC's web site.

8. **Taxes.** Are solar PV installations exempt from state or local taxes in the Boothbay area? What about energy efficiency measures, or other demand response assets; are they exempt from state or local taxes in this area?

We have not done this research and are unable to respond to this question.

June 6, 2013

- Q. We have been asked a question about the duration of potential events and the requirement to be able to provide capacity for all or part of the duration.
- A. The Pilot Project design calls for a variety of different types of NTA Resources with varying capabilities to provide capacity. From our perspective, NTA Resources that are able to be called upon repeatedly and for longer durations are preferred to those that have lengthy recovery times or can provide capacity for only short durations at a time. Accordingly, we are able to offer better compensation for the former types of resources than the latter. If an NTA Resource is capable of providing different levels of response – e.g., high capacity for short periods or lower capacity for longer periods of time, you can offer multiple bids to reflect this capability.