



Solar-Wind Specific Request for Proposals

Power Production from Green Resources
in North Carolina
04/19/2006

Program Description

NC GreenPower (NCGP) is a statewide program designed to improve the quality of the environment by encouraging the development of renewable resources in the state of North Carolina. NCGP will provide electric consumers with an opportunity to voluntarily promote the development of green power through the contribution of a small premium. NCGP is a cooperative effort between renewable energy generators, electric utilities, and electric consumers to implement and support renewable energy generation in North Carolina.

NCGP offers two different products to electric customers: a mass-market product available to everyone and a large volume product available to customers who purchase a minimum of 10,000 kWh or more from the program per month. It is anticipated that solar, wind, and methane will supply the demand for the mass-market product. All qualifying NCGP resources will be used to supply the demand for the large volume product. Visit www.ncgreenpower.org for more information.

If you are interested in responding to the Request for Proposals (RFP), you are strongly encouraged to review the NCGP program plan, as well as criteria documents from the [Center for Resource Solutions \(CRS\)](#), for a better understanding of the intent and goals of NCGP.

RFP Purpose

While an RFP response does not obligate NCGP or the responder in any way, information from the RFP responses will be used by NCGP to enter into negotiated agreements with selected responders to participate in the NCGP program. The NCGP RFP process will be repeated periodically as program growth dictates the need for increased amounts of qualified generation.

Eligible Resources

“Green power” is defined (for NCGP purposes) as renewable energy that consists of electricity provided from solar, wind, small hydro of 10 MW or less, methane, agricultural waste, animal waste, and biomass resources that is delivered to North Carolina’s power supply. The producer of green power will be required to enter into a power purchase agreement with a North Carolina electric utility. The green power producer will also be required to enter into an agreement with NCGP for participation in the NCGP program. NCGP will utilize generation supplied to the electric grid in North Carolina from both new and existing developments. The CRS accredited product will include only new resources.

For the purpose of this RFP, we are seeking responses only from solar and wind generators greater than 10 kW. Solar and wind generators with projects of 10 kW or less do not need to complete the RFP process and should contact NCGP directly at 919-716-6398 for process requirements.

NCGP recognizes that solar and wind are perceived as the greenest of renewable energy sources and therefore has set targets for maximizing the inclusion of the resource in the program. Currently, solar and wind projects 10 kW and under in size can enter the NCGP program independent of the RFP process. For the mass-market product, the minimum target for solar and wind combined is 15% of the energy generated in the third year of the program. For the large volume product, the minimum target for solar and wind is 4% of the energy generated in the third year. NCGP’s ability to reach these targets depends upon the cost of and availability of the renewable resources in North Carolina. NCGP recognizes that these resources are costly and therefore has set relatively high maximum rates to be paid to the producers of these resources. It is hoped that the payment of these rates to potential producers will lead to these initial amounts of production and that economies of scale will result in further installations at a lower cost.

New Versus Existing Resources

This RFP is for new solar and wind resources. New resources are defined by NCGP as those generation sources that began operation on or after January 1, 1997. Only new resources are eligible to supply electricity for the mass-market product.

Period for Which Resources are Sought

Through this RFP, NCGP seeks those interested in supplying generation for a period of up to five years. NCGP seeks only energy (kWh) and is not directly concerned with capacity (kW).

Quantity of Resources Sought

Premiums paid to NCGP are funded exclusively by voluntary contributions to NCGP from North Carolina electric customers. As a result, it is not anticipated that NCGP will be capable of providing guaranteed contracts to NCGP energy providers. To provide perspective, NCGP is currently committed to supply premiums for generation levels of approximately 17,000,000 kWh/year. However, if NCGP experiences rapid growth in consumer participation, more generation from eligible resources may be supported. Conversely if consumer participation growth is slow, less generation from eligible resources will be supported.

Premiums

Premiums will be based upon the amount (including payment from the utility power purchase agreement) expected to make installation of the technologies approach economic feasibility. These premiums will be paid to encourage the development of new resources and sustain existing renewable energy resources in North Carolina.

It is the intent of NCGP that, whenever possible, bidders will be selected whose projects require the least amount of program support per kWh in each resource type consistent with program guidelines and funding constraints. However, generators who enter the NCGP program at an earlier date for a fixed premium and time period, will not be displaced by generators seeking to enter the program at a lower premium during that contract period. While NCGP agreements will not provide a guaranteed purchase amount, they will provide a maximum that NCGP desires to purchase in a period. If NCGP's needs exceed that maximum due to unanticipated demand, a new RFP will be issued for other providers to enter the program. Existing providers would not be prohibited from competing in the new RFP to acquire additional participation.

Eligible Facilities

NCGP premiums are available only to generator owners for electric energy facilities located in North Carolina with energy delivered to North Carolina's power supply. The generator must enter into a power purchase agreement with an electric utility. Generators that deliver electric energy to the ultimate consumer are not eligible for NCGP premiums.

Dominion North Carolina Power, Duke Energy, Progress Energy, as well as a significant number of electric cooperative and municipality-owned electric utilities operating in North Carolina are participating in the NCGP program.

RFP Information Requested

Parties interested in participating in the NC GreenPower RFP process shall provide the following information. This information will be reviewed by a committee appointed by the NC GreenPower Board of Directors and will be treated as confidential.

General Business Information

Respondents shall identify the name, location, and number of years in this line of business. Company principals shall be identified. The names of any associated and/or parent companies shall be identified. The nature of relationships with other companies shall be defined. Information relating to the company financial status or viability shall be included. Primary contact information shall be provided.

Qualifications/Experience

Respondents shall include historical information detailing technical qualifications and experience in the power development/generation industry. Specifically, if a respondent has existing projects relating to a proposed project, these should be detailed.

Financial Information

Respondents shall include financial information about the proposed project. Such information to include:

1. The projected capital cost of the project.
2. The projected operating and maintenance costs of the project.
3. All anticipated/proposed funding sources (including NC GreenPower) for the project.
4. Duration of anticipated/proposed funding sources.
5. Anticipated funding level from each funding source.

If the project can be scaled up or down with a change in funding, please provide that information. An example is if the project could be expanded and the cost decreased if an additional source of funding could be obtained.

Project Summary

The project summary shall include the following information:

1. Summary of business plan for project.
2. Is the project new or existing as defined by NC GreenPower?
3. Details about the technology being used for the project.
4. Physical location of the project.
5. Power capacity and generation capacity of the project.
6. Electric utility that will be supplied the power from the project.
7. Status of any project required permits.
8. Status of the power purchase agreement with the utility.
9. Any environmental impacts of the project.
10. Any requirements the technology needs to meet specific federal, state or local standards.

11. If the project is proposed or not yet completed, a project completion schedule shall be provided.
12. Any additional information that will help the review committee assess the viability of the project.

Generation Supplied/Premium Sought

The respondent shall complete the following tables detailing the proposed generation to be supplied to the NC GreenPower program.

In addition, the respondent shall provide the premium sought from NC GreenPower to allow project financial viability. This sought premium shall reflect only the NC GreenPower portion of any revenue from generation by the project. The utility power purchase agreement revenue or other revenue shall not be included here. If the project cost of power production is affected by economies of size or operating level, provide an indication how project costs, and the premium sought from NC GreenPower, varies with annual kWh produced.

Proposed Generation by Year for NC GreenPower (kWh)

Resource	2006	2007	2008	2009	2010
<i>Solar</i>					
<i>Wind</i>					

Premium Sought from NC GreenPower by Year (cents/kWh)

Resource	2006	2007	2008	2009	2010
<i>Solar</i>					
<i>Wind</i>					

RFP Response Deadline and Procedure

Responses to this RFP shall be e-mailed to RFP@advancedenergy.org on or before midnight June 2, 2006, or if in hard copy form, shall be received by NC GreenPower on or before 5 p.m. June 2, 2006.

Mail responses to:

NC GreenPower
 RFP Response
 909 Capability Drive, Suite 2100
 Raleigh, NC 27606-3870

If we receive an RFP from you, we will send you an e-mail confirming receipt if an e-mail address for you is available. If an e-mail address is not available, we will send a letter confirming receipt. If you do not receive notice of receipt by e-mail or letter within a few days of submitting an RFP response, please contact us as soon as possible. It will be assumed that if you did not receive confirmation from NC GreenPower, we did not receive an RFP response from you.

Inquiries about the RFP must be in writing – preferably by e-mail – to RFP@advancedenergy.org. All inquiries and responses will be posted on the www.ncgreenpower.org website for all interested parties to view. The source of the inquiry will not be identified.

General RFP Evaluation Criteria

In general, the RFP responses will be evaluated using the following criteria, in no particular order of importance:

- New or existing resource.
- Completeness of information supplied.
- Project scope development and project viability.
- How quickly the project can supply electricity to NCGP.
- Demonstrated experience in power generation.
- Premium requested from NCGP.
- Environmental impact of the generation.

RFP Awards Announcement

If a successful bid is selected, the generator will be contacted by NC GreenPower to begin agreement negotiations by July 19, 2006.

Disclaimer

THIS RFP IS NOT A PROCUREMENT. THIS RFP IS NOT A COMMITMENT BY NCGP OR ANY UTILITY OR ELECTRIC POWER PROVIDER TO PURCHASE ANY PRODUCT OR ENERGY OR TO TAKE ANY SPECIFIC ACTION.

ALL PROPOSALS WILL BE THE PROPERTY OF NCGP, SUBJECT TO NCGP'S OBLIGATION OF CONFIDENTIALITY. BY SUBMITTING AN RFP YOU HEREBY ASSIGN ALL RIGHTS IN AND TO SUCH RFP TO NCGP.

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