

83D Questions and Answers

- (1) The "Draft Power Purchase Agreement for Class I Energy Firmed with Firm Service Hydroelectric Generation" notes that additional detail will be forthcoming for bids that include multiple new Class I facilities. In such case will the delivery point for each Class I facility need to be the same? If not, will the firming hydro need to be allocated among the Class I facilities?

Answer: The definition of "Facility" contained in Appendix C-2, "Draft Power Purchase Agreement for Class I Energy Firmed with Firm Service Hydroelectric Generation", contains a note stating, "To the extent the Agreement contemplates multiple facilities, the EDCs will provide updates to provisions in this draft Agreement that currently reference a single facility." This note relates to multiple hydroelectric facilities units managed in a portfolio that creates firm service through the delivery of multiple hydroelectric units, not Class I facilities. To the extent required, the EDCs will provide updates to the draft agreement after bids are received based on the specifics of the proposal.

In the case where one new Class I facility is firming by multiple hydroelectric facilities, as described in Section 2.2.1.3(iii) of the RFP, the Delivery Points, where the Qualified Clean Energy is delivered into the Buyer's ISO-NE account for settlement purposes, must be the same for the Class I facility and the hydroelectric facilities.

In the case where multiple new Class I facilities firming by hydro in connection with a Transmission project, as described in Section 2.2.1.3(iv) of the RFP, the Delivery Points, where the Qualified Clean Energy is delivered into the Buyer's ISO-NE account for settlement purposes, are not required to be the same for each Class I facility. Separate PPAs would be required for each Class I Facility which would detail the firming hydro resources associated with deliveries from that facility.

- (2) Would generating units that have the same "Delivery Point" be aggregated to determine whether the aggregated generation meets the 20 MW minimum size?

Answer: Please refer to 2.2.1.7 of the RFP, "Minimum Contract Size." The minimum net generating capability of a New RPS Class 1 Generation Unit is twenty (20) MW. For Firm Service Hydroelectric Generation resources, please refer to the response to question 3.

- (3) Does each unit in a portfolio of units offering firm or firming hydroelectric service, delivering to a single "Delivery Point", have to meet the 20 MW minimum size?

Answer: Please refer to the definition of "Firm Service Hydroelectric Generation," which permits "multiple hydroelectric run-of-the-river generation units managed in a portfolio that creates firm service through the diversity of multiple units." Bidders may propose Firm Service Hydroelectric Generation from a portfolio of units consistent with this definition. Any such proposal must consist

of sufficient generation to meet the 20 MW “Minimum Contract Size” as outlined in 2.2.1.7 of the RFP.

- (11) The "Draft Power Purchase Agreement for Class I Energy Firmed with Firm Service Hydroelectric Generation" contemplates a single "Seller" selling the combined product. Would a single entity that owns the output from firm hydro facilities or new Class I resources through contracts with project specific companies be considered an "Eligible Bidder"?

Answer: Section 2.2.1.1 of the RFP defines "Eligible Bidder" as the owner of Clean Energy Generation or an entity that is in possession of development rights to Clean Energy Generation. The bidder must demonstrate that the resources they are proposing meet the RFP definition of either (i) Firm Service Hydroelectric Generation or (ii) new Class I Renewable Portfolio Standard ("RPS") Eligible Resources. The draft forms for PPA for Class I Resources and for Class I Energy Firmed with Firm Service Hydroelectric Generation include obligations that are to be satisfied by the seller. (Please also refer to Appendix B, Section 15). An Eligible Bidder must demonstrate that it can satisfy the obligations of the Seller under the PPA for Class I Energy Firmed with Firm Service Hydroelectric Generation regardless of whether it owns the resources on a contractual basis or some other basis.

As noted in Section 2.1, the Evaluation Team reserves the right to evaluate and make a determination as to whether any proposal meets the requirements of the RFP including, but not limited to the contractual arrangements and/or transactional structures a bidder proposes to adequately preserve the rights, advantages, and ratepayer protections contemplated by the RFP.

(13) If a hydro portfolio is being upgraded to increase its nameplate capacity by at least 20 MW would the 20 MW minimum contract size eligibility requirement be met? If so, would the incremental energy be determined by comparing the expected output of the upgraded portfolio to the actual average output for the period 2014-2016?

Answer: Please see the response to Question 3. It is the bidder’s responsibility to demonstrate that the proposed output in their bid meets applicable standards of the RFP, including the definition of “Incremental Hydroelectric Generation” noted on Page B of the RFP.

- (18) Section 2.2.2.1 – On page 22, the RFP states “...a generator lead, which will be treated as part of the generation project for this purpose...” seems to insinuate that the project’s generation lead line should meet the same criteria for site control as the generation unit site; however, Section 2.2.2.1.vi states that bidders should “Describe how the bidder plans to gain interconnection site control, and any rights that must be obtained by the interconnecting utility for that interconnection.” Please clarify.

Answer: A generator lead line will be treated as part of the generation unit for the purposes of Section 2.2.2.1 and Bidders must demonstrate site control for the lead line up to the point of interconnection. Section 2.2.2.1 requires Bidders to describe any remaining site control that must be obtained at the point of interconnection. In applying the site control requirement, the Evaluation Team reserves the right to allow exceptions and/or additional time. For example, the Evaluation

Team may allow an exception for authorizations for land rights where the ability to obtain those rights are from a public entity whose obligation to provide those rights are effectively non-discretionary (upon satisfaction of clearly stated requirements) or where the bidder can demonstrate that there is a very high likelihood of obtaining such authorizations.

- (22) Appendix B. 6.8 – Projects in certain portions of the ISO-NE system, specifically areas with queue backlogs, may have multiple dependencies. This section states that bidders should “...please include a scenario analysis that shows how changes in the project interconnection queue could impact interconnection costs.” How does the Evaluation Team suggest this scenario analysis should be completed, and how many potential scenarios should be contemplated, recognizing that for some areas of the queue, hundreds of potential interconnection queue scenarios may exist?

Answer: The Evaluation Team requires information enabling it to evaluate bids both in absolute terms and in comparison with other bids. Because changes in the queue can significantly affect the cost and schedule of transmission bid components, the scenario analysis, which is aimed at projects ahead of the bidder’s project, needs to consider likely outcomes resulting from such changes, and in particular, the effect on interconnection and network upgrade requirements and associated costs if one or more of the “ahead projects” drops out of the queue. Projects that are in queue-congested areas may find it in their interest to submit multiple scenarios if necessary to capture the multiple dependencies. These analyses must be based on valid data and realistic assumptions. The bidder has the responsibility, based on its knowledge of the electric system in the area of its project, to determine the cost consequences if projects ahead of bidder’s project lose their queue positions. The bidder should use its own informed judgment to identify studies best calculated to determine such cost consequences. The bidder should provide a sufficiently robust set of scenarios to allow the Evaluation Team to assess potential variations in network upgrades and network upgrade costs and should also include cost containment features in its bid regarding costs arising out of the interconnection process. Although the bidder-supplied information is essential to the evaluation, the Evaluation Team is not bound by a bidder’s determinations.

In addition, to the extent bidders contemplate that their projects may be impacted by pending changes in ISO-NE interconnection rules, bidders may also submit studies using the new ISO- NE-proposed process.

All studies must be accompanied with clear documentation of a study’s technical and cost assumptions, reasoning, and justification of such assumptions as described in RFP Section 2.2.1.9.

- (30) Section 2.2.2.1 - (Bidder must demonstrate that it has control of an irrevocable option to acquire control, including any rights necessary to access that site). I understand this to mean that one of the requirements of a bid is that a project must have site control. I am wondering if there is flexibility regarding the percentage of site control. For example, would a bid be nonconforming if the percentage of project land with site control or proof of irrevocable option is less than 100%? In other words, would the bid still be considered conforming if the respondent described site control

or proof of irrevocable option for X% of the project land and the plan to acquire site control or irrevocable option for the remaining Y%.

Answer: Please see the response to Question 18.

- (34) Will the buyers consider a proposal that guarantees either full site control by shortlist announcement or withdrawal from the process?

Answer: Please see the response to Question 18.

- (35) Given the uncertainty around the ISO-NE interconnection process timing and the potential high cost associated with projects wearing this risk, will buyers consider additional milestone delays due to ISO-NE interconnection delays?

Answer: The Draft PPA allows Sellers to elect to extend the dates for the Critical Milestones by up to two years, for any reason.

- (51) Can solar projects be co-located on sites already hosting an SREC II or a SMART project?

Answer: Yes, if the project otherwise complies with all requirements as described in the RFP, and the production of the facility is metered separately from existing facilities.

- (55) In reference to Section 2.2.1.1 (Definition of “Eligible Bidder”) and Section 2.2.1.3(iv) (“Eligible Bid Categories”), please confirm and clarify whether a transmission developer that owns the rights to generation for the contract period (via direct contract with owners of Clean Energy Generation) will be an eligible bidder?

Answer: See response to question 11.

- (58) Can bids include more than one delivery point for the offered energy? Is it possible to submit two proposed points of interconnection for the same project (with the same or unique bid prices) to provide flexibility?

Answer: Yes. Bidders must supply all required information for each proposed point of delivery. Please also see the response to Question 1.

- (65) Please confirm that the intent is not that National Grid receive the benefit of Section 4.3 (Cover Damages) as well as Section 4.8 and 4.9 (Winter and Biennial damages)? Please also confirm that the intent is not that National Grid receives the benefit of both Winter and Biennial damages for the same occurrence.

Answer: It should be noted that the liquidated damages due in the event of a Biennial Delivery Deficiency are intended to address significant underperformance over a long period and with

appropriate recognition of the intermittency/weather dependency of Class I RPS eligible facilities as compared with the Seller's proposed delivery profiles used in the evaluation and selection of its project. To the extent that a Seller incurs Delivery Deficiency Damages for a Biennial Delivery Deficiency and for a Winter Delivery Deficiency occurring during the same time period, National Grid's intent would be to deduct the amount of the Delivery Deficiency Damages paid for that Winter Delivery Deficiency from the Delivery Deficiency Damages due for that Biennial Delivery Deficiency. The PPA forms on the website have been updated to reflect this.

- (66) Regarding the requirement in Section 2.2.2.1 for the "total acreage for the generation unit(s)", please confirm if this is intended literally (e.g. footprint for a wind turbine), or if this is in respect of the total acreage optioned/leased for the purpose or siting the project as a whole.

Answer: Section 2.2.2.1 (1) requires a "site plan including a map of the site that clearly identifies the location of the generation unit site and/or transmission project route, the assumed right-of-way width, the total acreage for the generation unit, the anticipated interconnection point (or, if applicable, multiple points for a transmission project), and the relationship of the site to other local infrastructure, including transmission facilities, roadways, and water sources." The bidder should provide all information necessary to respond to this requirement.

- (79) Section 1.1, note 8: Please provide an update as to (a) whether Rhode Island's Distribution Company, Narragansett Electric Company will be evaluating projects proposed in response to the RFP; (b) whether the Connecticut Department of Energy and Environmental Protection will be evaluating projects proposed in response to the RFP; and (c) if so, how the bids will be provided to these entities and how the confidentiality of the bids be maintained?

Answer: The entities evaluating the proposals are the members of the Evaluation Team, defined in the RFP as the Massachusetts Distribution Companies and the Massachusetts Department of Energy Resources, and no other distribution company or governmental agency inside or outside of Massachusetts is evaluating proposals submitted under the RFP. Please see Appendix F to the RFP with respect to protection of confidential information.

- (105) Can multiple projects with separate interconnection nodes, but of the same Class I eligible technology, e.g. Solar PV, be combined to form an eligible, single generation unit in order to cross the 20 MW minimum threshold?

Answer: Please see response to Question 2.

- (112) Site Control is included as a Threshold Requirement of the RFP in Section 2.2.2.1, but the "Extent to which site control has been achieved..." is included as part of the Qualitative Evaluation in Section 2.3.2 iv. If projects with differential levels of Site Control will be scored differently in the Qualitative Evaluation, what is the minimum level of Site Control required to satisfy the Threshold Requirement?

Answer: The minimum level of Site Control required to satisfy the threshold requirement is as described in RFP Section 2.2.2.1. Projects demonstrating advanced or additional evidence of site control beyond the requirements of Section 2.2.2.1 may receive additional credit in the Qualitative Evaluation, as described in Section 2.3.2. See also response to Question 18.