

SMART RFP
Responses to Questions from Bidders
November 22, 2017

Please find below a compilation of bidder questions received during the Bidder conference on Friday, November 17, and through the written bidder question process. The responses below include some questions that were submitted after the written question deadline Monday, November 20th. In order to provide as much information to bidders as possible, these responses have been included; however, please note that no further questions will be answered. Questions pertaining to the regulations more generally have not been answered as a part of this process, and should be directed to DOER for response. Such questions can be submitted to DOER at: doer.smart@state.ma.us.

1. Once an application is in Submitted status, can edits be made?

A. As the PowerClerk administrator, the Solar Program Administrator (SPA) is able to re-open an application so that a user can edit their application. This can occur if the Bidder requests it to correct typographical type data entry errors, or if the SPA requests clarifications or additional information. In either case, any changes must be completed before the applicable deadline so as to not delay the RFP process. Note that the Bidder will only be able to edit the section of their application that needs correction or clarification, and in no cases will a Bidder be allowed to edit or change their bid price after their application has been submitted.

2. If one or more Electric Distribution Company (EDC) service territories do not receive sufficient bids to fill that block of the competitive RFP, what are next steps? Also, who decides if it is a competitive bid or a non-competitive bid process? Finally, what is the timeline for a decision if there is such a case?

A. It is not a requirement that each EDC service territory fill its block within the competitive RFP process. As long as there are sufficient eligible bids to determine that it has been a competitive process, if a block is not filled, the last accepted bid price in that block will become the Clearing Price. In such a case, any unallocated capacity from the RFP process may be allocated to a future Capacity Block by DOER pursuant to 20.07 (3)(a)(14). DOER will determine if the process was competitive, as described 20.07 (3)(a)(12) and (13). While there is no specific timeline specified for a DOER decision, the review will be complete in sufficient time to allow a decision to be made prior to January 11, 2018 so as to maintain the schedule.

3. What is the forfeiture process after a selection has been made?

A. As explained in Section 5.5 of the RFP, there will be 5 days for a project that is offered enrollment through the RFP to withdraw from the solicitation and receive a refund of its Performance Deposit. The process for submitting the Performance Deposit is described in Section 2.4 in the RFP. The process and circumstances for refund or forfeiture of the Performance Deposit, and consequences for withdrawing after an offer of enrollment has been made, are discussed in Section 6.3 and 6.4 in the RFP.

4. What is the timeline after a bid has been selected for locking the rate? Will the rate be locked in even if payments can't be made due to waiting for the DPU decision?

A. DOER's regulation establishes the process for setting Base Compensation Rates for facilities that have bids selected under the RFP. While no payments to generators can be made until the Department of Public Utilities (DPU) has issued an order approving the EDCs tariffs, the Purchase Prices offered to selected facilities will not change after they have been offered.

5. What is process for applications beyond the Block 1 RFP process?

A. Upon approval of the EDC tariffs by the DPU, the Solar Program Administrator will begin accepting applications for reservations under the Capacity Blocks that follow the RFP. Once Block 1 opens for applications, it will be available to facilities with capacities equal to or less than 1 MW or that are eligible to receive a Compensation Rate Adder. Following the close of Block 1 in any EDC territory, projects larger than 1 MW that are not seeking a Compensation Rate Adder may again apply to participate with the opening of Block 2 in the service territory. Applications will be accepted on a first-come first-served basis.

6. What are the objective criteria for competitiveness?

A. Pursuant to 20.07(3)(a)12 and 13, if DOER determines that reasonable proposals were not received or that one or more of the solicitations were not competitive, DOER may terminate the solicitation, and may require an additional solicitation or administratively set a clearing price and initial Base Compensation Rate for one or more EDC service territory. DOER, in consultation with the EDCs, will consider a range of factors in determining whether a solicitation was competitive, including, but not limited to, the number, quality, accuracy, and eligibility of proposals received.

7. What will be the process if a project has a prior SREC allocation? Will the SMART projects be eligible for net metering?

A. In order to be eligible to receive compensation following the procurement, Solar Tariff Generation Units with selected proposals that were previously qualified as Solar Carve-out II Renewable Generation Units must notify DOER of the Solar Carve-out II Renewable Generation Unit's forfeiture of its RPS Class I Statement of Qualification within 15 days of acceptance of the offer of enrollment.

Projects that enroll through this RFP are not eligible to net meter. Any project that currently has a net metering cap allocation or is on a waitlist for an allocation must request and receive written or e-mail confirmation from the Administrator of the System of Assurance of Net Metering Eligibility (i.e., www.MassACA.org) that the unit has withdrawn its request for a net metering cap allocation, and that the associated net metering capacity (whether through a cap allocation or a position on the waiting list) can be offered to other applicants. This confirmation must then be provided to the SPA within 15 days of acceptance of the offer of enrollment.

8. How are we supposed to derive pricing without a final decision from DPU? How do we determine costs to make sure the bid covers all the costs? What if the costs to participate end up being too high?

A. As stated in the RFP and the proposed Model SMART Tariff, applicants in the Solicitation should assume that all products from the facility will be purchased by the utility that enrolls the facility, and that cooperation by the owner of the enrolled facility will be required to enable the utility to enter the capacity from the project into the ISO-NE Forward Capacity Market. Information required from facilities to enable that enrollment includes, but is not limited to, the following: site control documentation (i.e. lease or deed for land); one-line diagrams; interconnection agreements; module make and count; inverter make and count; panel tilt/azimuth; and system cost data. The costs of complying with the requirements laid out in the RFP and the tariff will differ by applicant, and it is the responsibility of each applicant to estimate their own costs.

9. Can you clarify the FCM implications? Isn't it limited to Class 1, not ancillary services? What does it entail? Need to know if the cost of ancillary services will need to be included in the bid.

A. At the present time, the EDCs do not have an intention to enter any of these facilities in ancillary service markets, as they are not dispatchable. Also please see response to Question 8.

10. A question about the cost to participate in the Frequency Regulation markets and how that plays into the bid price: If the unit runs curtailed, there is a loss for the system owner. Who pays for the loss of power if it is not part of the tariff?

A. There is no expectation by the utilities that any of the solar PV facilities enrolled through this RFP will be asked, or would be able, to participate in the Frequency Regulation market. Please see response to question 9.

11. Is it AC or DC for the 1 MW minimum bid size?

A. The AC rating of the inverter(s) will be used to determine the size of the proposed project.

12. Request for clarification on how it would work if a selected Bidder drops out and that frees up capacity in the Block. If you offer the clearing price to the next available Bidder, who would most likely have had a higher Bid price, what happens if they decline the offer? For example, if you bid \$0.15 but the Clearing Price you are offered is \$0.10 and you don't accept, what are the implications to that Bidder? Will you have to wait until 800 MW are awarded before you can enter the next block?

A. If the instance described in the question occurs, there would be no obligation for the Bidder to accept a lower Clearing Price than their offered price. Similarly, there would be no penalty if a Bidder declined that offer. As such, a Bidder would still be eligible to receive their Performance Guarantee deposit refund. Bidders in this circumstance will not be subject to the 800MW eligibility threshold described in 20.07 (3)(a)((2)(h).

13. For Category 1 Land Use, what constitutes evidence for previously developed Non-Agricultural land?

A. As stated in 225 CMR 20.05(5)(e), previously developed shall mean having pre-existing paving, construction, or altered landscapes, and does not include altered landscapes resulting from current agricultural use, forestry, or use as a preserved natural area. Applicants should provide documentation that shows the proposed site has pre-existing development at the time of the bid, however, there is no set list of acceptable documentation. Some examples could include photographs, affidavit from the owner, tax records, etc. This will vary and be handled on a case by case basis.

14. Is there a plan for sub 1 MW projects?

A. Yes. See the answer to Question # 5.

15. What does a Bidder need to do if a document for planning approval is not needed?

A. A bidder that does not require any non-ministerial governmental permits must explain in detail why there are no such permits required.

16. After competitive procurement for Block 1 does it go into Block 2?

A. See the answer to Question # 5.

17. How should bidders provide evidence of Land Use Category?

A. Bidders must provide evidence, in the form of attachments to their application(s), that they meet the eligibility criteria of the applicable Land Use Category, as defined under 225 CMR 20.05(5)(e). While no additional documentation is required for facilities that identify as Category 3 Land Use, Category 2 Land Use facilities must provide evidence that the project site is zoned for commercial or industrial use. Facilities that identify as Category 1 Land Use must provide documentation satisfactory to the Solar Program Administrator and DOER that they meet the criteria to qualify as such.

18. If there is a minimum 1 MW and a max of 5MW, what is the policy for systems that under 1MW?

A. Facilities smaller than 1 MW AC are not eligible to participate in this RFP. See the answer to Question # 5 for information.

19. How long after the Commercial Operation Date (COD) does the tariff payment process commence?

A. Once EDC tariffs are approved by the DPU and the tariffs are in effect, tariff payments will commence as of the COD, assuming that the project has met all the other requirements in the tariff. If the COD occurs before the EDC tariffs are in effect, then payment process will commence on the SMART Program Effective date as defined in 225 CMR 20.05(2).

20. What happens in the smaller EDC service territories when more bids are received than there is capacity in all blocks? What is the follow-on process for not successful bids?

A. If a particular EDC service territory receives bids for more capacity than is offered under the RFP, then it will select projects based on price and eligibility until the available capacity has been allocated. Projects not selected under the RFP may apply once Capacity Block 1 opens up for applications, as described in the answer to question #5. When all Capacity Blocks for a particular EDC service territory have been filled, no further projects will be eligible to participate under the SMART program in that EDC's service territory.

21. Does the offered bid price include RECs? Are SREC factors based on market sectors considered?

A. Section 2.2 of the RFP specifies what products the EDCs are seeking proposals to purchase under this RFP. The SMART Program is not an SREC program and as such there are no SREC factors associated with any projects.

22. When is the \$25/kW AC Performance Guarantee deposit due? With application? Or upon allocation 1.11.17?

A. The Performance Guarantee Deposit is to be received at the financial institution identified by the SPA no later than 5:00 PM EST December 5, 2017.

23. It sounded like a member on the panel from the EDC's mentioned they do not anticipate projects participating in the Frequency Regulation markets. Can they clarify whether that is just for the Block 1 projects or if that is their intention for the Program (and tariff generation units with storage) in subsequent blocks?

A. Please see the response to Question 10.

24. What proof of request for QF status is required to participate in the RFP?

A. Applicant systems above 1MW will need to submit proof of self-certification, using a Qualifying Facilities Certificate (Form 556) as evidence. <https://www.ferc.gov/docs-filing/forms/form-556/form-556.pdf>. Applicant systems of 1 MW exactly (and smaller facilities in future Blocks) are exempt from the QF filing requirements, and do not need to submit such a form. .

25. Is there an update on when the SMART tariff is expected to be enacted by DPU?

A. The DPU has issued a procedural schedule for its review and approval of the model SMART tariff filed by the EDCs, which is available at the DPU File Room in docket DPU 17-140. While the DPU has no set deadline to issue an order, it is reasonable to expect that an order will be issued no sooner than late spring or early summer 2018.

26. Are there any pathways being discussed to allow for Municipal Light and Power departments being accredited under the SMART program?

A. Projects interconnected in municipal utility service territories are not eligible to participate in the SMART Program.

27. Please define what is required as a fully executed ISA?

A. The Interconnection Service Agreement, as specified each EDC's interconnection tariff provision, would need to be signed by the applicant, and submitted to the Solar Program Administrator and the interconnecting EDC for countersignature. This would allow for countersignature by the utility prior to selection of the facility in the RFP. The ISA as tendered by the EDC must still be valid per the terms of the interconnection tariff provision, and all deposit and timeline requirements must be adhered to by the applicants.

28. How is system size determined, by the aggregate AC inverter capacity or the transformers?

A. Please see the response to Question 11.

29. Will there be a copy of the legal documentation with the utility after the award?

A. There are no contracts associated with this RFP, as compensation will be provided via an EDC tariff. More information on the model tariff filed by the EDCs with the DPU can be found in the DPU File Room in docket DPU 17-140. Following a project's acceptance of a Purchase Price under this RFP, DOER will issue it a Statement of Qualification pursuant to 225 CMR 20.00.

30. What documentation will be necessary to show you have applied for FERC QF status?

A. See the answer to Question 24.

31. If a project has a special permit and wetland permit but requires site plan approval, is said project eligible to participate in said RFP?

A. Pursuant to 225 CMR 20.07(3)(a)2.f., projects must submit all necessary governmental permits and approvals to construct the Solar Tariff Generation Unit with the exception of ministerial permits, such as a building permit, and notwithstanding any pending legal challenge(s) to one or more permits or approvals.

32. For projects which will be submitted after the initial procurement process, will the same website/application process be used? What is the anticipated timing of re-opening the application process after the initial procurement concludes and base compensation rates are determined?

A. See the answer to Question 5.

33. Are you able to transfer credits between different load zones (NSTAR and WMECO) within the same utility (Eversource)?

A. In order to be eligible for the RFP, projects must be Non-Net Metered Generation Units, as defined in 225 CMR 20.02, and cannot generate transferable credits.

34. Please confirm the final bid prices (kWh) for the selected projects will be set to the highest bid of the bids selected.

A. Yes, the process for establishing compensation rates under the RFP is described in section 3.3.1 of the RFP.

35. Does the clearing price under the RFP set the clearing price for the entire SMART program?

A. There is no “clearing price” for the program. Rather, the results of the RFP establish the Block 1 Base Compensation Rates for each EDC’s service territory, as prescribed in 225 CMR 20.07(3)(b).

36. If your parcel is less than 10 acres does the Chapter 61A rule apply?

A. The definition of Land in Agricultural Use in 225 CMR 20.02 applies to all parcels of land, regardless of size.

37: The first 100 MW initial auction is deducted from the 200 MW first block, so the first block to be issued next Spring or Summer will only be 100 MW. Correct?

A. Capacity Blocks are established proportionally for each EDC. Capacity Block 1 for each EDC will be equal to the total size of the Capacity Block minus whatever capacity is selected under this RFP.

38: If 80 MW of the first block eligible for the adders, and since no adders come out of the initial auction portion, do all 80 MW go against the remaining 100 MW in the first block to be issued in April-June 2018?

A. Projects participating in this RFP are not eligible to receive Compensation Rate Adders.

39: The presenter during the conference call seemed to say that no adders would be allowed in this first 100 MW auction but subtractors would. Is that correct?

A. Please see the response to Question 38.

40. For the RFP, projects bidding must not expect to receive any compensation rate adders. Does this mean that for the competitive procurement round those projects will not receive any adders even if they are eligible for them (ie: roof mount adder)?

A. Please see the response to question 38.

41. Would the system base rate multipliers also not be eligible for these projects, or is it just the case that the bid price should be exclusive of that (but that the multiplier would subsequently be added if the project is accepted). I am referring to the multipliers previously distributed by the MA DOER in their MA SMART presentation.

A. Projects participating in this RFP are not eligible to have a Base Compensation Rate Factor applied to their Base Compensation Rate.

42. The mass.gov website currently says that all projects bidding into the procurement process must be ground mount systems, however, I do not see this stipulation in the actual [RFP document](#) that was circulated. Is it the case that systems participating in the RFP process must be ground mounted systems? If so, is there a particular reason why?

A. Projects participating in this RFP are not required to be ground mounted. DOER has made a correction to its website to reflect this.

43. The RFP states that systems bidding into the procurement process must be non-net Metered generation units. Does this imply they must be in front of the meter? Will net metered systems be allowed in the program outside of the procurement process?

A. To participate in the RFP, a project must be a Non-Net Metered Generation Unit, which is defined in 225 CMR 20.02 as: “A Standalone Solar Tariff Generation Unit that is also enrolled and compensated as a State Qualifying Facility under 220 CMR 8.00: *Sales of Electricity by Qualifying Facilities and On-site Generating Facilities to Distribution Companies, and Sales of Electricity by Distribution Companies to Qualifying Facilities and On-site Generating Facilities.*”

Net Metered Generation Units are allowed to participate in the SMART Program beginning in the first Capacity Block.

44. What documentation do QFs need?

A. See the answer to Question 24.

45. How long after the COD do the SMART payments commence?

A. See the answer to Question 19.

46. Can you provide a map of MA cities and towns that clearly shows all utility boundaries as they relate to this RFP?

A. MassGIS provides a map of electric distribution service territories at the following location:

<http://www.mass.gov/anf/docs/itd/services/massgis/electricity2015.pdf>

47. What documentation should be provided to demonstrate that all required state, local, and federal approvals have been obtained by the proposer? For example, it is possible that a developer has obtained a permit in a planning board meeting, but official minutes associated with that meeting will not be available until a month or so after this meeting.

A. See the answer to question 31.

48. During the presentation, it was mentioned but not written in the slides that bid prices should reflect offers *before* taking into account greenfield subcontractors. Is this correct or is it assumed that a vendor's bid has taken these into account?

A. A bid may take subcontractors into account if the bidder is certain that its project is subject to the Greenfield Subtractor provisions, as prescribed in 225 CMR 20.07(4)(f). However, as described in section 3.3.1, bids will be evaluated based on the Bid Price offered by a Bidder and will be later modified by any applicable Greenfield Subtractor, resulting in a facility specific Purchase Price.

49. Is there a draft of the contract that will be used by the EDCs to procure the energy/RECs from the STGUs? If so, has this been published somewhere?

A. Please see the response to Question 29.

50. Can a project that is eligible for an adder still submit a proposal under this RFP if it agrees to forgo the adder value?

A. A project that would otherwise be eligible to receive a Compensation Rate Adder may participate in this RFP, but will not be eligible to receive a Compensation Rate Adder if selected.

51. Per section 2.2, 3.3.3.a, and 3.3.4.c it appears that the EDCs will receive the capacity value of any awarded projects. Will the DOER allow bids that exclude the provision of this capacity (i.e. are bids for only energy, RECs, and environmental attributes)?

A. Section 2.2 of the RFP specifies what products the EDCs are seeking proposals to purchase under this RFP. Bid Prices should assume that all of these products are being purchased by the EDC.

52. Does the Electric distribution company intend to use the Solar assets to participate in ancillary markets other than the FCM?

A. See the answer to Question 9.

53. Can the Electric Distribution Companies share their plans for participation in ancillary markets using the Solar Assets prior to the commencement of the bidding process?

A. Please see the answers to Questions 8, 9 and 23.

54. If the ISA is required to be countersigned by the utility in order to be useful. What is the maximum time the utility has to respond with the countersigned document once the customer has executed and returned the ISA?

A. See the answer to Question 27.

55. Is the panel area input in total active area, total module area, or total footprint? Is the “module area” input in the application referring to active cell area, total module area, or something else?

A. Per 225 CMR 20.07(f), the calculation of the land that a Solar Tariff Generation Unit occupies is the square footage occupied by the solar photovoltaic modules, so the square footage shall be the measurement of the entire solar module.

56. On the RFP, it states the compensation rate on competitive procurement will be the highest bid. But then on the website once you go to SMART procurement, at the bottom of the page it says this rate will be established using the average of the bids. I am just trying to verify which is going to be correct, the website or the RFP itself? [How will the Base Compensation Rate be determined in this RFP? And what is the reference to the mean of bid prices in the regulation? As stated in National Grid answers]

A. The Base Compensation Rate awarded to winning facilities in each EDC will be set by the Bid Price of the last facility accepted in the EDC’s capacity block under this RFP. Not all capacity of the EDC’s block needs to be enrolled for this rate to be set. That price will then be modified by any Greenfield Subcontractors applicable to individual facilities. Please see the RFP at 3.3.1 and 5.1 for descriptions of the price setting and ranking processes in the RFP. For Block 1, when it is open to all facilities outside of this RFP, the Base Compensation Rate is defined in the regulations as the MEAN or AVERAGE price of all the accepted Bid Prices in this RFP.

57. There appears to be a discrepancy between the regulations and the RFP. The RFP requires a facility owner to register an account for RECs with the NE-POOL GIS directly and then forward RECs to the EDC, and the regulations require the facility owner to enroll the facility in an EDC NEPOOL GIS account directly. Which is correct and is there any difference in cost?

A. The EDCs seek to clarify that it would be preferred for facility owners to register their facilities directly in the account of the enrolling EDC as this will simplify REC creation, ownership and tracking. There is no difference in cost with NEPOOL-GIS between the two options.

58. For projects subject to Greenfield Subtractor, by what process will Purchase Price be adjusted in the event that DC capacity (and therefor panel area) changes following bid acceptance (such design changes are extremely common, particularly as dependent panel availability).

A. A project may have a larger or smaller Greenfield Subtractor applied to its final Purchase Price at the time of interconnection in the event that the project modifies the number and/or type of PV modules being utilized.

59. Section 3.1(b)(3) of RFP seems to suggest that an STGU must be a Non-net Metered Generation Unit as a condition of eligibility. However, the definition of Non-net Metered Generation Unit suggests that such a determination can only be made once a project is actually compensated under 225 CMR 8.00. Further, many STGUs applying under the RFP will likely already have a cap allocation under MassACA.

Requiring such projects to remove themselves for the purposes of bidding under the RFP is unreasonable given the lack of certainty around SMART implementation (as acknowledged in Section 7 of RFP), effectively penalizing responsible development practices. Please clarify that an STGU will not be deemed ineligible on the basis of ACA status at the time of submission. A more reasonable requirement would be for an applicant to certify that it will remove the STGU from net metering cap, as applicable, prior to the effective date of SMART.

A. Please review the responses to Questions 7 and 24.

60. Under Section 3.2.1, how does the SPA/EDC intend to define “fully constructed”?

A. DOER has determined that “fully constructed” will be defined in the same manner that “mechanically complete” has been defined for the purposes of the SREC and SREC II programs, namely that all construction on the customer’s side of the utility meter is complete and is only dependent on receiving the authorization to interconnect from the EDC.

61. Please confirm whether “partial awards” will be offered to STGUs under the RFP (e.g. a 4 MW project in WMECo territory in the event that 6 MW have already been awarded). If so, please confirm that no such partial project will be required to accept an award.

A. No “partial awards” will be offered to projects participating under the RFP. If the next project in order of Bid Price ranking is too large to fit within the remaining capacity for an EDC, the last project that did fit will set the Clearing Price.