SUMMARY STATEMENT

ITEM NO.: DRPA-18-112
SUBJECT: Contract No. GN-0040-18
DRPA Solar Photovoltaic Systems

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: November 8, 2018

BOARD ACTION DATE: November 21, 2018

PROPOSAL: That the Board authorizes staff to negotiate a 20-year contract with SunPower Corporation to provide design, construction, and operations and maintenance services for the DRPA Solar Photovoltaic System Program.

Amount: $0.078 per kWh

Developer: SunPower Corporation
77 Rio Robles
San Jose, CA 95134

Other Developers: ConEdison Solutions $0.089 per kWh
Miller Brothers & New Jersey Clean Energy Ventures $0.0912 per kWh

Engineers Estimate: $0.081 per kWh at 3.25% escalation rate

PURPOSE: This Power Purchase Agreement allows the DPRA to engage with a Solar Developer of 20 years. The Solar Developer will design, build, maintain and operate the solar systems for the duration of the PPA. In turn, the DRPA will purchase all of electricity generated from the solar systems from the Solar Developer at a rate of $0.078 per kWh for the duration of the PPA.

BACKGROUND: The DRPA conducted a solar feasibility assessment in 2017 for all DRPA and PATCO property. The results of the assessment determined that the DRPA would benefit from a large solar program. Eight (8) project sites were identified and a Power Purchase Agreement (PPA) was recommended as the best approach for the DRPA. The Power Purchase Agreement is an agreement in which a Solar Developer is responsible for generating the electricity and the DRPA will purchase the power from the Solar Developer at a set rate over the Agreement
period, 20 years.

The Solar Developer is responsible for the finance, design, construction, installation, operation, and maintenance of each new rooftop, ground, and canopy-mounted PV System. The Solar Developer is also responsible for the complete technical design, engineering, and installation of the PV Systems which includes obtaining all permits, inspections, reviews and approvals; all design engineering and installation will be subject to DRPA/PATCO review. In addition, the Solar Developer must satisfy all utility interconnection requirements, conduct structural analyses and wind load calculations, procure all materials and components, and complete the installation and commissioning of the PV System at each Project Site.

The project went through the DRPA Request for Qualifications (RFQ) and Request for Proposals (RFP) process. The RFQ was publicly advertised on April 13, 2018 and Statements of Qualifications (SOQs) were submitted on May 16, 2018. Eighteen (18) firms submitted SOQs. Six (6) firms were deemed qualified and were sent a formal Request for Proposal. The RFP was disseminated to the Short Listed firms on July 6, 2018. Proposals were due August 6, 2018. Of the six (6) Short Listed firms, three (3) firms submitted Proposals. Interviews with all three (3) firms were held on September 7, 2018 and September 10, 2018. The Review Committee of two (2) staff engineers, one (1) Bridge Ops personnel, one (1) PATCO personnel, and one (1) DRPA personnel evaluated the Proposals on the basis of Technical merit and a Financial Advisor evaluated the Proposals on the firms’ financial capacity to perform and on price.

SunPower was the highest technically ranked firm. SunPower is one of the largest solar production and installation companies in the US; their portfolio includes over 9,200 MW of solar power production and more than 1,000 completed projects. SunPower stood out as a vertically integrated solar provider, meaning that they design advanced technology solutions from panels to inverters that would be included on the DRPA project. In addition, SunPower is backed by Total S.A., which is a French multinational oil and gas company. Overall, the team assembled by SunPower was found to possess the necessary experience and qualifications to successfully design, build, maintain, and operate this project for the duration of the Power Purchase Agreement.

In accordance with the Delaware River Port Authority’s qualification-
based selection procedure, the Price Proposal was evaluated against the Engineer’s Estimate and that of other recommended firms. Based on this evaluation and subsequent negotiation, $0.078 per kWh price was determined to be fair and reasonable.

It is recommended that a 20-year Power Purchase Agreement be negotiated with SunPower Corporation to provide design, construction, and operations and maintenance services for the DRPA Solar Program at the rate of $0.078 per kWh for duration of the Agreement in accordance with the Request for Proposal.

SUMMARY:

| Amount:       | $0.078 per kWh |
| Source of Funds: | Revenue Fund, General Fund |
| Capital Project #: | MTB.01801 |
| Operating Budget: | Revenue Fund 11001 |
| Master Plan Status: | N/A |
| Other Fund Sources: | N/A |
| Duration of Contract: | 20-Years; December 15, 2018 through December 14, 2038 |
| Other Parties Involved: | N/A |
| Estimated Number of Jobs Supported: | 1,800 |
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to negotiate a 20-year contract with SunPower Corporation to provide design, construction, and operations and maintenance services for the DRPA Solar Program at the rate of $0.078 per kWh for duration of the Agreement as per the attached Summary Statement; and be it further

RESOLVED: The Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:  
Amount: $0.078 per kWh  
Source of Funds: Revenue Fund, General Fund  
Capital Project #: MTB.01801  
Operating Budget: Revenue Fund 11001  
Master Plan Status: N/A  
Other Fund Sources: N/A  
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