

ROOSEVELT ROADS

Pre-Proposal Conference



Request for Proposals
RFP 2018-001

Microgrid Energy
Distribution and Generation
Roosevelt Roads
Ceiba, Puerto Rico

Issued by the Local Redevelopment Authority
for Naval Station Roosevelt Roads on:
May 1, 2018

Proposal Deadline for Respondents:
July 9, 2018, at 4:00 P.M. AST

Local Redevelopment Authority for
Naval Station Roosevelt Roads
Fomento Industrial Building
#355 Roosevelt Ave. Suite 106
Hato Rey, PR 00918

For more information, visit
www.rooseveltroads.pr.gov



GOVERNMENT OF PUERTO RICO
Department of Economic Development and Commerce

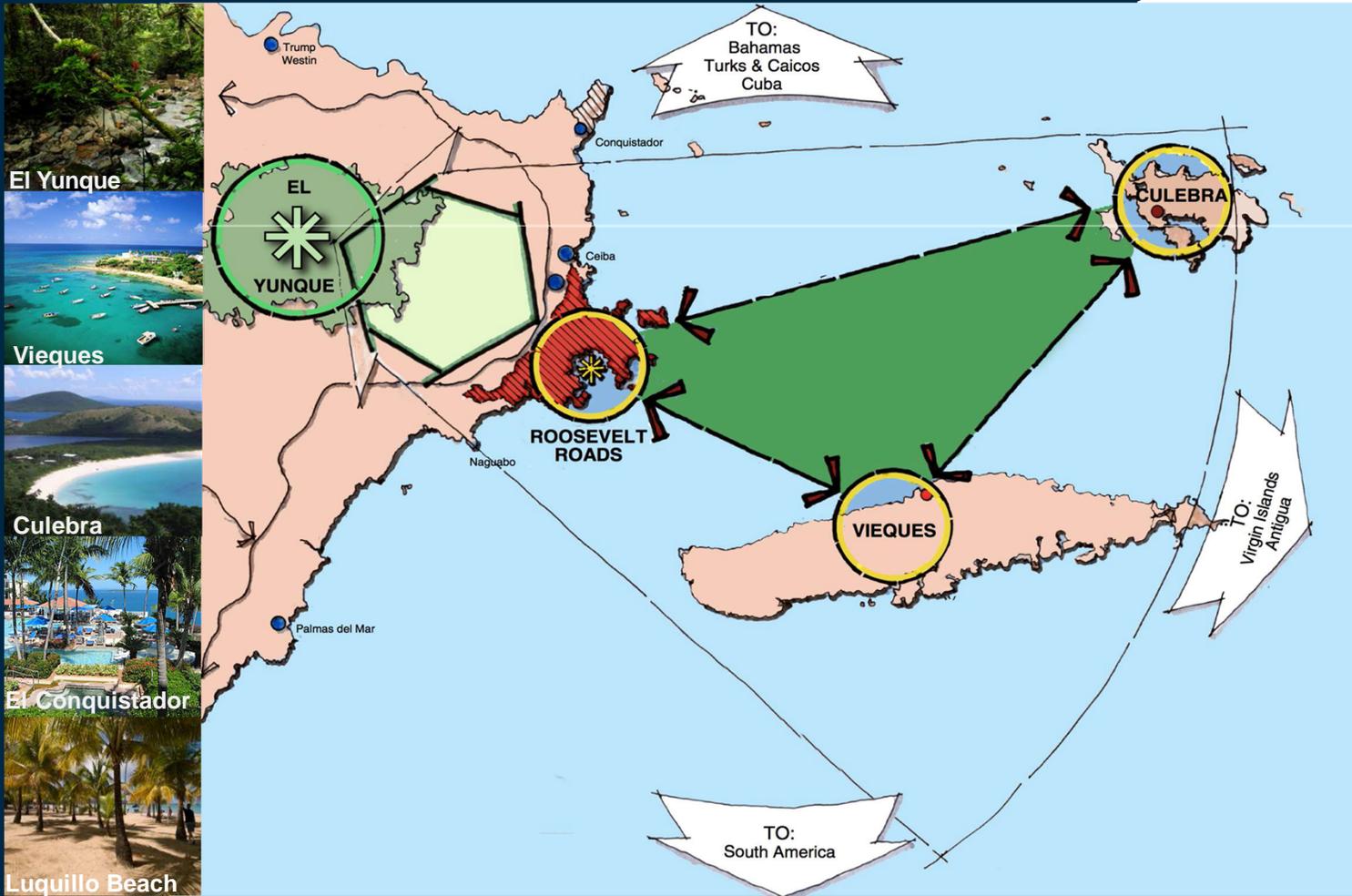
ROOSEVELT ROADS LOCATION



Roosevelt Roads
Redevelopment
Puerto Rico, USA



ROOSEVELT ROADS LOCATION



Prime Location in
Puerto Rico's
Green Triangle



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Microgrid Opportunity

The Local Redevelopment Authority for Naval Station Roosevelt Roads (LRA) is seeking one or more entities to manage on an exclusive basis and independent of PREPA, the electrical distribution system at the former Naval Station Roosevelt Roads and operate an independent microgrid in the capacity as an electric service company with generation resources to supply all power requirements of tenants located and to be located at the former Naval Station.

In collaboration with stakeholders in the surrounding communities and the municipalities, the LRA adopted a plan (the "Roosevelt Roads Master Plan") to guide land use and future development of the LRA Property with the goal of facilitating the economic development of the eastern region of Puerto Rico.

The U.S. Navy designed Roosevelt Roads to be a largely self-sufficient military post with facilities and infrastructure mostly independent from the island's public utilities providers. The Puerto Rico Electric Power Authority ("PREPA") currently supplies electricity to the property via an aerial transmission line that connects to the Daguao substation. From there, electricity is distributed via the facility-owned substations and distribution network.

Other utility systems including water/sewer networks, treatment plants, and communication stations operate on a self-contained basis and feed all operations and activities in Roosevelt Roads.

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Microgrid Opportunity

No generation resources exist on-site at Roosevelt Roads, and electricity from the broader electric grid, owned by PREPA, is routinely wheeled to Roosevelt Roads by PREPA.

The distribution system within Roosevelt Roads was conveyed to the LRA (separate from PREPA) via bills of sale at such time that the LRA Property was transferred from the Navy to the LRA.

The LRA Property includes former Naval fuel storage and distribution infrastructure. The Microgrid Developer may attempt to lease all or a portion of such infrastructure for use by the Project in accordance with a separate agreement outside the scope of this RFP.

The Project entails the following:

- generation and distribution of electrical power;
- management of user accounts and services according to agreed-upon service levels;
- provision of emergency backup systems and disaster recovery and/or service continuity procedures in case of system failure;
- construction of necessary infrastructure, including any capital improvements to meet code requirements and to satisfy performance measures and/or industry standards; and
- maintenance of all buildings, installations facilities, equipment, easements, equipment, property, services and/or other tangible property required for the Project.

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Proposal Timeline

Date	Event
May 1, 2018	Issuance of RFP. LRA issues this RFP.
May 21, 2018	Submission of Written Questions Prior to Pre-Proposal Conference. Respondents are permitted to submit written questions, but only for purposes of clarifying this RFP. All submissions must be e-mailed to the LRA at the email address listed in Section 4.2
June 6, 2018	Request for Proposals Acknowledgement. Respondents who intend to submit a Proposal shall submit the RFP Bidder Registration Form by email to: lramicrogrid@lra.pr.gov or bring a hard copy to the Mandatory Pre-Proposal Conference , by 10:00 a.m. AST, at the Harbor Patrol Building in Roosevelt Roads
June 6, 2018	Mandatory Pre-Proposal Conference , 10:00 a.m. AST, at the Harbor Patrol Building , Roosevelt Roads
June 15, 2018	Submission of Written Questions After the Pre-Proposal Conference. Questions are due by 4:00 p.m. AST on June 15, 2018.
June 29, 2018	Addenda. Issuance of final Addenda, if any
July 9, 2018	Proposal Submission. Completed Proposals are due by 4:00 p.m. AST on July 9, 2018, at the address set forth in Section 4.2 . All Proposals will be time-stamped upon receipt and held in a secure place until this date.
On or about August 6, 2018	Identification of highest ranked Respondent; negotiations to commence on the Definitive Agreements between LRA and highest ranked Respondent
On or about September 4, 2018	Execution of Definitive Agreements.



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Evaluation Process

Evaluation Criteria	Key Metrics	Point Allocation	Revenue sources to the LRA	Amount of lease revenue proposed to the LRA for the leasing of property for siting generation assets or otherwise and the total amount of leased property as specified per Section 2.9.2	5
Respondent financial history and performance	Ability of Respondent, directly or through parent guaranty or other credit enhancement, to financially support its obligations in the Proposal	10	Capital investment (initial phase and at future build out)	Amount of capital to be invested in the Project	5
Microgrid development experience	Experience of Respondent in similar microgrid developments with higher points awarded for projects with islanding capabilities	15	Time to execution (initial phase)	Proposed timeframe to commercial operation of management of distribution system and installation and commissioning of onsite generation capable of supplying all Tenant power requirements. Ideal operation commence date late 2019-early 2020	10
Microgrid operation and maintenance experience	Experience of Respondent in similar microgrid projects with higher points award for integration of scaled generation sources to match increased load	15	Comments to Microgrid Management Agreement	Extent of comments to Microgrid Management Agreement as such relate to likelihood of achieving agreement on Definitive Agreements	5
Technology Solution	Emphasis on scalability and resilience of systems	20	Local job creation and business contracting	Amount of likely local job creation with a bonus for commitments to source at least 50% of jobs from communities neighboring Roosevelt Roads	10
Percentage of generation from renewable sources	Commitment level to provide renewable generation in excess of minimum requirements per the Microgrid Rules	20	Total:		150
Cost response including Tenant rates and charges	Detailed description of class of service charges for energy and capacity with framework for cost escalations over the Term as compared to PREPA forecasts for similar services	20			
Customer service proposal	Detailed description of Microgrid Developer's plan to meet electrical service needs of Tenants, including reliability standards	15			



Addendum 2: Exhibit A

Microgrid Management Agreement

LRA DRAFT AS OF 6/5/2018
CONDITIONS SUBJECT TO AMENDMENTS AGREED TO BY THE PARTIES

EXHIBIT A

MICROGRID MANAGEMENT AGREEMENT

This Microgrid Management Agreement ("Agreement"), effective as of [____], 2018 (the "Effective Date"), is by and between the Local Redevelopment Authority for Naval Station Roosevelt Roads (the "LRA") and [____] a [____] [jurisdiction] [____] [entity type] ("Services Provider"). Services Provider and the LRA are sometimes referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, the LRA seeks to have Services Provider provide a series of electrical distribution and generation services to serve end-use customers at certain areas of the former Naval Station Roosevelt Roads ("Roosevelt Roads") in the municipalities of Ceiba and Naguabo, Puerto Rico, as more particularly described in Exhibit A (the "Site"), in order to provide such customers with superior electric reliability;

WHEREAS, the Parties are entering into this Agreement in connection with the Request for Proposal issued by the LRA on May 1, 2018 (the "RFP"); and

WHEREAS, Services Provider agrees to provide such electric services to end-use customers at the Site, as further described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE 1 – RELATIONSHIP BETWEEN THE PARTIES

1.1 Actions by Services Provider. Services Provider shall provide all Distribution Services and Generation Services (as defined below, and collectively, the "Services"), as well as all other applicable and associated actions required to effectively provide the Services to End Use Customers (as defined below).

1.2 Ownership of Distribution System. Ownership of the Distribution System (as defined below) shall reside with the LRA, and such ownership structure shall not be altered or interpreted to be altered by the provision by Services Provider of the Services or under any applicable law or regulation, including without limitation the Final Microgrid Regulations issued on May 16, 2018, by the Puerto Rico Energy Commission at <http://energia.pr.gov/wp-content/uploads/2018/05/Resolution-Adoption-of-Microgrid-Regulation-Final.pdf> (the "Final Microgrid Regulations"), without the prior approval of the LRA in its sole discretion.

1.3 Ownership of Generation Resources. Any and all electrical generation systems, including without limitation fossil fuel and/or renewable energy based systems as permitted by the Final Microgrid Regulations (collectively, the "Generation Resources") constructed or installed by the Services Provider, shall be owned by either the Services Provider, or, with the Services Provider's consent, a third party pursuant to one or more contracts with Services Provider (a "Third Party Generation Provider").

ARTICLE 2 – TERM

2.1 Term. The term of this Agreement shall commence on the Effective Date and terminate on the date that is [____] ([____]) years after the Effective Date, unless terminated sooner in accordance with terms specified herein (the "Term"). Upon the termination of this Agreement pursuant to this Section 2.1, the Parties shall be released and discharged from any obligations arising or accruing hereunder from and after the date of such termination and shall not incur any additional liability to each other as a result of such termination (without regard to obligations that shall survive the termination of this Agreement in accordance with Section 18.10).

ARTICLE 3 – DISTRIBUTION SERVICES

3.1 Distribution Services. Services Provider shall provide the following distribution management services (collectively, the "Distribution Services") to the LRA:

3.1.1 Services Provider shall be responsible for procuring, building, financing, constructing and operating all equipment necessary to operate an integrated electrical distribution system within the Site as more particularly described in Exhibit B (the "Distribution System").

3.1.2 Services Provider shall be responsible for all operations on the Distribution System necessary to transmit and deliver electricity to all residential, commercial and industrial customers that are interconnected to and receive electrical power from the Distribution System, whether located on or off of the Site ("End-Use Customers").

3.1.3 Services Provider shall be responsible for all necessary maintenance, repairs and applicable replacements of any equipment that is part of the Distribution System.

3.1.4 Services Provider shall (i) prepare and submit for LRA approval an emergency plan to minimize the occurrence of any disruptions in service or outages that may occur on the Distribution System, and (ii) following the approval of such plan, maintain the capability to implement such plan should the need arise.

3.1.5 Services Provider shall perform all other Distribution Services-related duties at the Site as reasonably requested by the LRA.

3.2 Distribution Performance Standards. Services Provider shall manage, maintain, operate, repair and otherwise cause the electrical capacity and operability of the Distribution System to scale in accordance with the "Distribution Performance Standards" (as set forth and defined in Exhibit C). In the event Services Provider fails to achieve the Distribution Performance Standards during any calendar quarter during the Term, or in the reasonable determination by the LRA that such failure has occurred or is likely based on any factors, including but not limited to End-Use Customers' load demand during any such applicable quarter, Services Provider shall, at its sole cost and expense, promptly make repairs, replacements and/or improvements as may be required to satisfy the electrical capacity and operability of the Distribution System to scale in accordance with the Distribution Performance Standards. Upon the completion of such repairs, replacements and/or improvements, Services Provider shall prepare and deliver to the LRA any and all applicable reports evidencing the achievement of the Distribution Performance Standards.

ARTICLE 4 – GENERATION SERVICES

4.1 Generation Services. Services Provider shall provide the following generation resource management services (collectively, the "Generation Services") to the LRA:

4.1.1 Services Provider shall be responsible for procuring, building, financing, constructing and operating all equipment necessary to allow electrical output produced by Generation Resources, regardless of ownership, to be injected onto the Distribution System, in accordance with the requirements specified in Exhibit D.

4.1.2 For Generation Resources owned by the Services Provider, Services Provider shall be responsible for all operations required for such Generation Resources to produce, interconnect and deliver electricity to the Distribution System at the applicable Distribution System Point of Interconnection (as that term is defined in Exhibit E).

4.1.3 For Generation Resources owned by a Third Party Generation Provider, the Services Provider shall ensure that the Third Party Generation Provider provides all operations required for such Generation Resources to produce, interconnect and deliver electricity to the Distribution System at the Distribution System Point of Interconnection.

4.1.4 Services Provider shall perform all other Generation Services-related duties at the Site as reasonably requested by the LRA in the specific location set forth in Exhibit A.

4.2 Generation Performance Standards. Services Provider shall manage, maintain, operate, repair and otherwise cause the electrical capacity and operability of all Generation Resources, regardless of ownership, to scale in accordance with the "Generation Performance Standards" (as set forth and defined in Exhibit F). In the event Services Provider fails to achieve the Generation Performance Standards during any calendar quarter during the Term, or in the reasonable determination by the LRA that such failure has occurred or is likely based on any factors, including without limitation to existing or predicted End Use Customers' load demand during any such applicable year, Services Provider shall, at its sole cost and expense, promptly make repairs, replacements and/or improvements as may be required to cause the electrical capacity and operability of all Generation Resources, regardless of ownership, to scale in accordance with the Generation Performance Standards. Upon the completion of such repairs, replacements and/or improvements, Services Provider shall prepare and deliver to the LRA any and all applicable reports evidencing the achievement of the Generation Performance Standards.

ARTICLE 5 – STANDARD OF CARE AND RELATED RESPONSIBILITIES

5.1 Standard of Care. Services Provider shall perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with prudent utility practices for similar services and shall devote adequate resources to meet its obligations under this Agreement in a timely and reliable manner.

5.2 Services Provider's Generation Services Obligations.

5.2.1 Services Provider shall:

(a) before the date on which the respective Services are to start, obtain, and at all times during the term of this Agreement, maintain, all necessary permits, licenses and consents and comply

Location of Electric Primary Lines 38K



The Roosevelt Roads electrical facilities are currently connected to the Puerto Rico Electric Power Authority (PREPA) grid through a 115 kV Electrical Main Substation located in the Daguao Sector, in Ceiba, (adjacent to Roosevelt Roads).

From the Daguao Substation, PREPA power is transformed from 115 kV to 38 kV for two main 38 kV circuits that service the Base.



Location of Electric Primary Lines 13.2K



These two sub-transmission lines 38 kV lines feed the main industrial areas and feed other distribution substations for 13.2 kV and 4.16 KV aerial lines used mainly for Commercial and Residential loads.

The distribution system consists of approximately 123 wooden poles and seven (7) main substations distributed along the premises.

There are only small portions of underground distribution on specific buildings or facilities.



Location of Electric Primary Lines 4.16K



Currently only one substation is servicing the premises, Substation India. Another substation, Alpha, is servicing the Jose Aponte de La Torre Airport, but is outside the premises and the project area. All other substations are not in operating conditions.



Location of Available Generation Sites

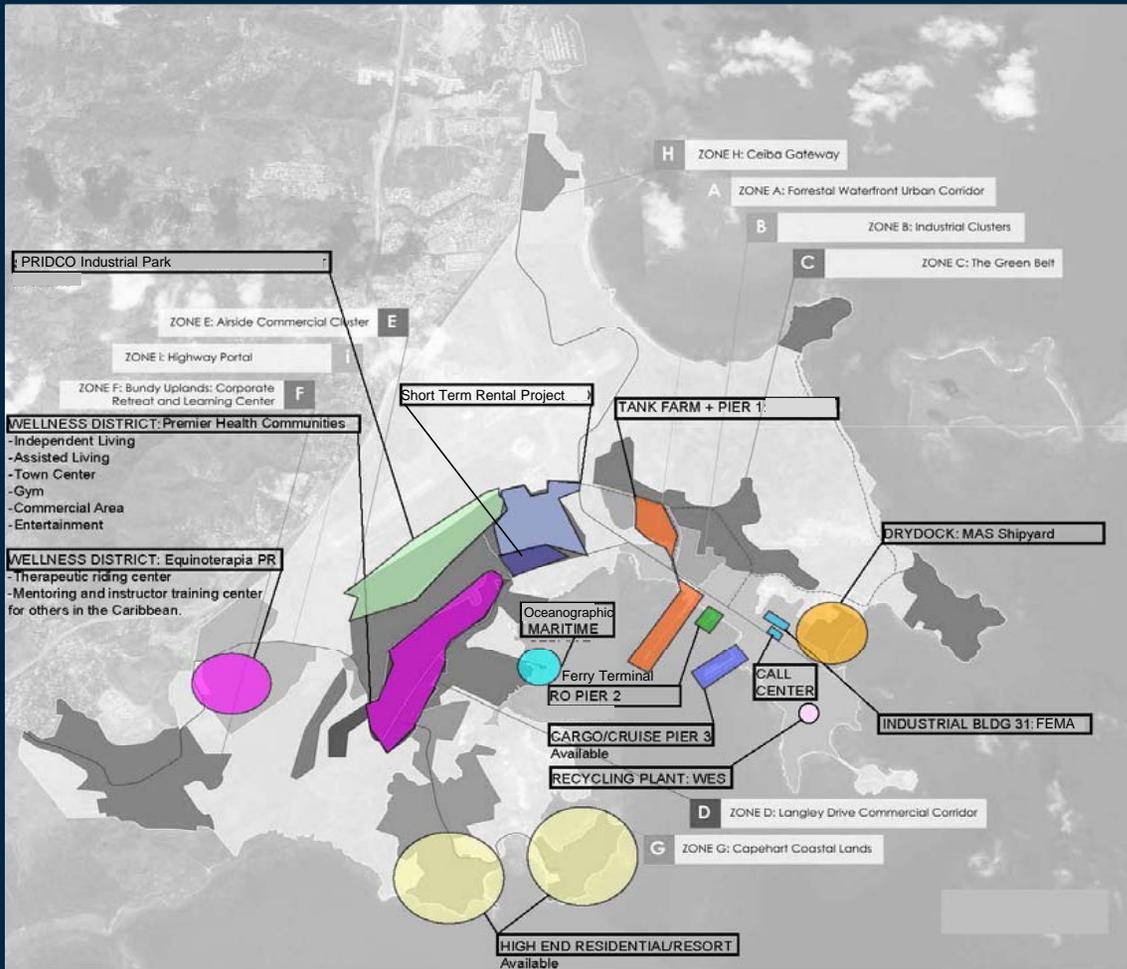


After Hurricane Maria event, almost 50% of the aerial distribution system poles were brought down.

A project for emergency replacement on the main distribution corridors (13.2 and 38 kV) is underway by the LRA in order to provide service to the current tenants.



ROOSEVELT ROADS REDEVELOPMENT



Location of Projects for Immediate Implementation

Currently, approximately 15 Tenants occupy Roosevelt Roads, including a marina, a school, law enforcement agencies, the US Army National Guard and Reserve, Department of Homeland Security, and several office tenants. Currently, these tenants have an aggregate demand load of approximately 1,500 kVA with average and peak loads of 1,200 and 2,000 kVA, respectively.



ROOSEVELT ROADS REDEVELOPMENT

Appendix B

Summary of Electric Loads Demands

(Updated - March 19-2018)

SUMMARY OF ELECTRIC LOADS DEMANDS FOR CURRENT & PROPOSED TENANTS AT ROOSEVELT ROADS ALL DEVELOPMENT PHASES (YEARS 2018-2040)

Year Period	Accumulated Load Demand	
	kVA	MVA
2018	1,418	1.4
2019-2020	2,225	2.2
2021-2024	5,926	5.9
2025-2028	17,579	17.6
2029-2032	27,966	28.0
2033-2036	49,963	50.0
2036-2040	69,539	69.5

Proposals must also accommodate future demand load as described herein. The LRA Property entails approximately 3,409 acres of land which the LRA anticipates developing over the course of twenty-five (25) years with the uses set forth in the Roosevelt Roads Master Plan. It is critical that each Respondent understand the impact of such development and its timeline on load demand and offer a strategy to achieve the necessary scalable results. Based on the Roosevelt Roads Master Plan, the LRA predicts that a fully occupied and fully functioning LRA Property will demand future load of up to 70,000 kVa with an average energy demand of 50,000 kVa. Appendix B sets forth the current and projected electric loads demands



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Q + A

Questions?

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Site Tour

