



TENNESSEE VALLEY AUTHORITY

**2015 REQUEST FOR SOLAR POWER PURCHASE
AGREEMENT PRICING**

FOR

Naval Air Station Meridian

Joe Williams Airfield

April 20, 2015

Reference:

TVA REQUEST FOR PRICING FOR SOLAR POWER PURCHASE AGREEMENT

Purpose

TVA is seeking proposals from qualified and eligible utility-scale photo-voltaic solar project developers to begin generation and delivery of power from a single provider by December, 31 2016. TVA is interested in solar proposals for power supply of 20 years' in duration. The proposals would be for a single project comprising of solar facilities to be located on U.S. Navy property at two sites: Joe Williams outlying airfield near DeKalb MS, and Meridian Naval Air Station northeast of Meridian MS.

Description of Volume Requirements

TVA is seeking up to 40MWac of solar power at the Joe Williams outlying airfield site (NJW) and up to 10 MWac of solar power at the Meridian Naval Air Station site (NAS). The proposal should provide specifics as to the location and size of proposed arrays and ancillary equipment at each site within the property allocated in this RFP.

Past Performance

The respondent shall provide up to three references that best represent the respondent's past performance in utility scale solar development of 20 MW or larger. Projects may include those with the federal government, state or local governments, or commercial customers. Respondent should also provide any performance recognition documents received within the last three years.

Delivery to the TVA System

All solar generation at Joe Williams Airfield will connect to the TVA transmission system. All Solar generation at Meridian Naval Air Station will connect to the East Mississippi transmission or distribution system, a TVA Local Power Company. All energy shall be purchased by TVA pursuant to a Power Purchase Agreement. All interconnection fees and any upgrades to interconnect will be the responsibility of the proposer. Any necessary engineering review, construction and expense must be included in the proposal.

Pricing

Year one pricing will be the same as the prices found in the pricing summary in Exhibit A of the attached standard contract. All proposers are asked to offer an annual escalator to year one prices that will provide TVA with the most economic offer. Only the annual

escalator will be negotiated from these year one prices. Prices will include all energy, capacity, and environmental attributes.

Land & Site Control

The successful proposal must provide documentation that the developer will be able to achieve necessary site control within seventy five (75) days after being notified of its selection by TVA. The respondent will also be responsible for any necessary permitting and approvals, including any approvals required by the Mississippi Public Service Commission, as applicable.

Panel Manufacturing

All proposals must adhere to the Buy American Act (41 USC §§ 8301-8305) for the sourcing of materials.

Environmental and Regulatory Requirements

The respondent's proposal must comply with all applicable federal and state laws both during construction, and during plant operation. All federal, state, and local approvals, permits, licenses, fees, emissions allowances, environmental reviews, and other environmental requirements are the responsibility of the proposer for the entire term covered by each proposal. This should include any rezoning, land-use permits, and other discretionary approvals that may be required by the local government.

TVA is an agency of the Federal government and accordingly must conduct or approve any environmental review necessary under the National Environmental Policy Act (NEPA). The proposed solar facility and any connected actions (e.g., transmission system upgrades) will be evaluated in the environmental review. Additionally, as a federal agency, TVA has certain obligations under the Endangered Species Act (ESA) and National Historic Preservation Act (NHPA), which may require studies and consultation with the U.S. Fish and Wildlife Service and State Historic Preservation Office, respectively. To meet obligations under NEPA, TVA anticipates cooperating with the Department of Defense, U.S. Navy, which would be the lead federal agency for the environmental review. If practicable, TVA would also cooperate with the Department of Defense to meet requirements of the ESA and NHPA. The successful proposer will be responsible for reimbursing TVA for all costs incurred by TVA when cooperating with the lead federal agency, along with any additional work TVA deems necessary to fulfill TVA's obligations under NEPA. The successful proposer will also reimburse TVA for its cost incurred for ESA and NHPA compliance.

Respondents will be responsible for any and all applicable approvals and other regulatory actions required under the Federal Power Act, PURPA, and other applicable Federal and State laws.

System Design

The proposal shall provide a technical description of the proposed systems, including the following:

- Conceptual Design Drawings
- Proposed system at Meridian Naval Air Station shall include provisions for operation in a microgrid arrangement with existing 10 MW Distributed Diesel Generation Plant.
- A layout drawing of the solar facility and the electrical drawings up to the point of interconnection.
- Risk Mitigation Plan with a description of how the proposer will manage a lack of energy due to weather, mechanical failures, operational failures, and equipment life failures over the life of the contract.

Implementation Plan

The proposal shall include an Implementation Plan that provides a realistic schedule and phasing of the project to include engineering, procurement of materials, construction, installation of meters required for utility billing, interconnection, commissioning, and testing of the facility before commercial operation.

Other Terms and Conditions

All other terms and conditions are set forth in the attached Power Purchase Agreement and are non-negotiable.

Credit Assurance

The proposal must include sufficient financial information regarding the developer and any investors or other financing sources to establish creditworthiness with TVA. The proposal should include as a minimum the following information regarding the respondent and the proposed developer:

- Audited financial statements for the three (3) preceding years that include balance sheets, income statements, statements of cash flows, and notes to the financial statements.

- Bank name, address, phone number, and officer contact.
- Credit references from three (3) sources that include name, address, phone number, and contact.
- Annual report or company brochure, if available.

TVA requires secure and reliable physical delivery of the capacity and associated energy corresponding to all purchase power agreements. Security (credit assurance) covering both the option and the physical delivery of capacity and energy will be provided in the form of either a:

- (1) Letter of Credit issued by a U.S. commercial bank domiciled in the United States, or a foreign bank with a U.S. branch, with such branch having a credit rating on its long-term senior unsecured debt of (a) (1) “A3 or higher from Moody’s or (2) “A-“or higher from S & P, or (b) if rated by both Moody’s and S&P, both (a)(1) and (a)(2).
- (2) Parent guaranty issued by an entity located in the United States and who is mutually agreed to by the parties and has a long-term senior unsecured debt rating (not supported by third party credit enhancements) of (a)(1) “Baa2” or higher by Moody’s or (2) “BBB” or higher by S&P, or if rated by both Moody’s and S&P, both (a)(1) and (a)(2).
- (3) Various combinations of the foregoing, as determined by TVA.

The cost of such credit assurance must be borne by the respondent and the initial performance assurance schedule is set forth in the Credit Annex (Exhibit D) of the attached Power Purchase Agreement.

Reservation of Rights

TVA reserves the right, without qualification and at its sole discretion, to amend or withdraw this request for proposals and to reject any or all proposals or portion of proposals received. In addition, TVA reserves the right to consider other alternatives outside of this solicitation at its sole discretion in order to satisfy its desired objectives. Those who submit proposals to TVA do so without recourse against TVA for either rejection by TVA or failure to execute a purchased power agreement for any reason. TVA also reserves the right in its sole discretion: (i) to request of and discuss with proposers, individually or collectively, further information as part of its evaluation of the proposals received, (ii) to waive any requirements of this solicitation, and (iii) to negotiate separately with any proposers or other parties at any time.

RFP Schedule

- May 4, 2015- Respondent Technical Conference to address required design specifications, land lease language, timber removal, and other pertinent topics, to be hosted at East Mississippi Electric Power Association (EMEPA) offices located at 2211 A Street, Meridian, MS 39301 beginning at 1pm CDT.
- May 5th, 2015 - Site visit; Meridian Naval Air Station and Joe Williams Airfield
- May 29, 2015- Proposals Due
- June 12, 2015- Successful Respondent Notified

Procedures for Application

Respondents are requested to submit their proposals to the address below along with a non-refundable \$5,000 submittal fee via certified check to Tennessee Valley Authority

- By Courier or U.S. Mail

Tennessee Valley Authority
Attention: Mr. Jason Haile, Senior Originator
1101 Market Street, MR 2B
Chattanooga, TN 37402-2801

All proposals must be postmarked by May 29, 2015. The proposer must designate a contact person with whom TVA can communicate with questions about the proposal.

Confidentiality

TVA recognizes that certain information contained in proposals submitted may be confidential and, as permitted by applicable law, will treat each proposal in its entirety as confidential to the same degree it treats its own confidential information. If TVA is formally requested and required by any regulatory or judicial authority, or is otherwise required by law, to disclose information with regard to a proposal, TVA will disclose such information in accordance with applicable laws and regulations.

Respondents are required to treat this solicitation in its entirety and any submissions to or communications with TVA as confidential to at least the same degree they treat their own confidential information. If a respondent is formally requested and required by any regulatory or judicial authority or otherwise required by law to disclose information with regard to a proposal, such respondent will disclose such information only in accordance with, and to the extent required by, applicable laws and regulations.