

March 29, 2011

NJMC Solar Co-Op
Solar Project
Proposals of February 17, 2011

**Solar Proposal Evaluation Report
Prepared for
New Jersey Meadowlands Commission
Solar Co-Operative**

By the:

NJMC Solar Co-Op Evaluation Team

Solar Proposal Evaluation Report Table of Contents

<u>Report Sections</u>	<u>Page</u>
Executive Summary	2
1. Overview of the RFP	7
2. Respondent Response to RFP	11
3. Proposal Evaluation Matrix	13
4. Financial Benefits and Cost Proposal Evaluation	14
5. Technical Design/Approach	16
6. Respondent Experience	19
7. Financial Background	21
8. Oral Interview Evaluation	22
9. Recommendation – Successful Respondent	23
 <u>Attachments</u>	
Solar Proposals Summary	Att. 1
Program Solar Savings Summary	Att. 2
Forecasted Energy Cost Savings per Site	Att. 3
Solar Statistics per Site	Att. 4
Sensitivity Analysis	Att. 5
Evaluation Matrix	Att. 6

Executive Summary

This Solar Proposal Evaluation Report (Evaluation Report) is being provided pursuant to the requirements of the competitive contracting provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-4.1(k)) and Public Schools Contracts Law (N.J.S.A. 18A:18A-4.5(d)).

The NJMC Solar Co-Op (NJMC Solar Co-Op) was formed on August 9, 2010 as a cooperative agreement between The Secaucus Board of Education, The Township of Secaucus, and the Borough of Little Ferry in order to procure competitively priced solar projects across multiple jurisdictions. The New Jersey Meadowlands Commission (NJMC) served as the facilitator of the three local units, provided third-party consulting services, and contributed staff time for document review and meeting participation during the initial stages of the project. In January 2011 the Little Ferry Board of Education joined the NJMC Solar Co-Op. The Borough of Little Ferry served as lead agency for the NJMC Solar Co-Op.

On December 27, 2010, the NJMC Solar Co-Op issued a Request for Proposals (RFP) for a Power Purchase Agreement (PPA) for the finance, design, installation, ownership, operation and maintenance of solar systems (Solar Systems). Under the PPA approach, each facility will realize electric savings through a reduced electricity price. Individualized solar systems tailored to each facility will be constructed and maintained by the winning bidder for the term of 15 years. The individual local unit members will each be responsible for payment obligations under the PPA for its facilities.

The following facilities were identified in the RFP as potential hosts of solar systems:

Secaucus BOE
High/Middle School (Roof and Carport) Huber Elementary (Roof)
Little Ferry
Little Ferry Town hall (Roof and Carport) Library (Roof and Carport) Senior Center (Roof and Carport)
Town of Secaucus
Parking Lot 1 (Carport) Parking Lot 2 (Carport)

Kroll Heights ¹ (Carport)
Little Ferry BOE
Memorial Middle School (Carport)
Washington Elementary School (Carport)

NJMC Solar Co-Op intends to enter into a long-term (fifteen (15) year) PPA with a successful respondent (Successful Respondent) to purchase solar electric power produced from the Solar Systems located at the specified Facilities identified above. At the conclusion of the fifteen (15) year term, the NJMC Solar Co-Op will consider the following end of term options: purchasing the Solar System(s) from the Successful Respondent at fair market value; extending the PPA term (if permitted by applicable law); or requiring the Successful Respondent to remove the Solar System(s).

The Borough of Little Ferry’s attorney, Joseph Monaghan provided assistance and counsel during the development of the RFP, proposal review process, development of the Evaluation Report, and development and execution of a PPA and site license agreement with the Successful Respondent. NJMC Solar Co-Op utilized the services of Gabel Associates as an energy and economic consultant to assist with the development and administration of the RFP, technical and financial evaluation of the Proposals, the development of the Evaluation Report, and the development and execution of a PPA and site license agreement with the Successful Respondent.

The NJMC Solar Co-Op Evaluation Team (Evaluation Team) is comprised of:

- Michael Capabianco of the Borough of Little Ferry;
- Joseph Monaghan Esq., attorney for the Borough of Little Ferry;
- William Holley, DPW Superintendent for Little Ferry;
- Bill Goode, Little Ferry Board of Education;
- Raymond Ciecich, Town of Secaucus;
- Town of Secaucus Engineer Scott Goodman
- Joe Santaiti and Isaac Gabel-Frank of Gabel Associates.

Also attending the oral interview process was Christine Sanz, Director of Legal Affairs for the New Jersey Meadowlands Commission.

The proposals were evaluated in accord with the Request For Proposals, applicable public contracts laws, Local Finance Notices and New Jersey Board of Public Utilities (NJBPU) guidelines.

¹ This facility was optional based on the evaluation of bidder

NJMC Solar Co-Op received proposals from six Solar Respondents (Respondents):

- Borrego Solar;
- SunLight General Capital / Mercury Solar Systems, Inc.;
- Just Energy, LLC / Power Partners Mastec, LLC;
- LB Electric Company;
- Synergy; and,
- Oak Leaf Energy Partners.

Upon direction of counsel, the following proposals failed to meet the requirements of the RFP and, therefore, the Respondents were disqualified from further consideration for the listed reasons:

- Borrego Solar – Failed to include all required facilities;
- LB Electric Company – Failed to include Mandatory Equal Employment Opportunity Form;
- Synergy – Failed to include multiple required documents; and,
- Oak Leaf Energy Partners – Failed to include multiple required documents.

The proposals that are qualified to receive Phase II and Phase III evaluation, which entails a technical and financial review of the proposals as well as oral interviews, are:

- SunLight General Capital / Mercury Solar Systems, Inc. and
- Just Energy / Power Partners Mastec, LLC.

The Evaluation Team has undertaken an economic and technical review of the proposals, including a point ranking system, to evaluate them in against the following criteria:

- Financial benefits;
- Technical design;
- Project experience and Respondent qualifications; and,
- Financial strength.

After reviewing all aspects of the submitted proposals, the Evaluation Team recommends that the proposal of SunLight General Capital / Mercury Solar Systems, Inc. (SunLight/Mercury) be accepted. The Sunlight/Mercury proposal results in greater economic benefits for the NJMC Solar Co-Op and meets all technical requirements of the RFP. The scoring in the evaluation matrix identified SunLight/Mercury as the Respondent providing the greatest value to NJMC Solar Co-Op. The evaluation indicated that SunLight/Mercury's proposal scored 95 out of 100 points and the Just Energy proposal scored 82 points.

Both Respondents that submitted proposals that qualified for Phase II review possess significant installation capabilities and sound solar development experience.

However, SunLight/Mercury's proposal differentiated itself in providing greater direct economic benefits to NJMC Solar Co-Op, a more organized and experienced project team, and a track record of success as a team. Additionally, during the oral interview phase, Sunlight/Mercury's proposal possessed a more developed plan of financing.

Evaluation of the PPA provided by SunLight/Mercury proposal reveals economic metrics that yield nominal benefits of \$1,712,169 or net present value (NPV) benefits of over \$1,155,424 which is 4% higher than the Just Energy proposal.

Accordingly, the Evaluation Team recommends that the NJMC Solar Co-Op select SunLight/Mercury as the Successful Respondent.

SunLight/Mercury has proposed to install and operate solar systems with a total capacity of 1,414 kW on the 9 Local Unit Facilities. The basic terms and benefits of the SunLight/Mercury proposal are as follows:

1. An average rate reduction for electricity purchased through this program of 36% relative to utility delivered power in the first year.
2. A 1.414 MW solar system that will generate approximately 1.47 million kWh per year. The solar energy will serve approximately 24.8% of the combined load for all Local Unit Facilities (see **Attachment 5**).
3. Participating Local Unit Facilities will realize an annual energy cost savings of approximately \$85,474 in the first year and these savings are expected to grow to approximately \$146,709 in the last year of the PPA, based on the proposal (see **Attachment 4**).
4. Over the fifteen year term of the PPA, the Local Units will realize \$1,712,169 million in energy cost savings nominally (\$1,155,424 million on a net present value basis).
5. A fifteen year PPA, with a first year rate of \$0.0890 per kWh and annual escalation of 2.8% which results in a final price of \$0.131 in Year 15, which is less than the current electric rate of the local units.
6. A stable and known cost of electricity for fifteen years which allows for budgetary certainty for the participating Local Units.

The 1.414 MW solar system with the above benefits would also offer the following equivalency reduction of comprehensible everyday metrics, as calculated by the Environment Protection Agency's Greenhouse Gas Equivalency Calculator. The sum of the greenhouse gas emissions reduced by the 1.414 MW solar project is 1,018 Metric Tons of carbon dioxide equivalent, which is comparable to:

- Annual Greenhouse Gas Emissions from 200 passenger vehicles;
- CO₂ emissions from 114,086 gallons of gasoline consumed;
- CO₂ emissions from the electricity use of 124 homes for one year; or,
- Carbon sequestered annually by 10.1 acres of forest preserved from deforestation.

1. Overview of the RFP

The NJMC Solar Co-Op is comprised of the following four local units which form the cooperative in order to procure a competitively priced PPA for the electrical output of solar powered electric system;

- Secaucus Board of Education
- Township of Secaucus
- Borough of Little Ferry
- Little Ferry Board of Education

The NJMC Solar Co-Op issued an RFP, on December 27, 2010, for a PPA for the finance, design, installation, ownership, operation and maintenance of Solar Systems.

The objectives of the NJMC Solar Co-Op's solar initiative are to save money on electricity expenditures; achieve long-term price stability for electricity expenditures; promote a "green" image and concern for the environment; and maximize the educational and/or vocational attributes of this initiative.

The Successful Respondent will sell the output of the Solar Systems to NJMC Solar Co-Op on a long-term basis via a PPA. The Successful Respondent will finance the Solar Systems through a combination of revenues from the sale of the electrical output of the Solar Systems to NJMC Solar Co-Op, revenues from the sale of Solar Renewable Energy Certificates (SRECs) in the competitive market, federal tax benefits (i.e. both investment tax credits and timing benefits associated with accelerated depreciation) and investor capital. Under State law a PPA can have a maximum term of 15 years. Qualified proposals were evaluated on the basis of price and non-price criteria, in accordance with competitive contracting provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-4.1(k)) and on behalf of the board of education Local Units, the Public Schools Contracts Law (N.J.S.A. 18A:18A-4.1(k)) of the State of New Jersey (the "State"), all pursuant to (i) Local Finance Board Notice 2008-20, December 3, 2008, Contracting for Renewable Energy Services, (ii) the Board of Public Utilities protocol for measuring energy savings in PPA agreements (Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines, Dated February 20, 2009), (iii) Local Finance Board Notice 2009-10 dated June 12, 2009, Contracting for Renewable Energy Services: Update on Power Purchase Agreements and applicable law.

Solar System Size

A preliminary feasibility assessment was performed by NJMC's energy consultants to identify the technical potential for a Solar System at each facility. Based upon

the preliminary assessment, the estimated Solar Systems as listed in the December 27, 2010 RFP are as follows:

Secaucus BOE	kWdc
High/Middle School (Roof and Carport)	561.20
Huber Elementary	168.13
Sub Total	729.33
Little Ferry	
Little Ferry Town Hall (Roof and Carport)	136.31
Library (Roof and Carport)	31.47
Senior Center (Carport Only)	82.10
SubTotal	249.88
Town of Secaucus	
Parking Lot 1	143.29
Parking Lot 2	164.22
Elms Senior Housing	66.70
Kroll Heights	230.46
SubTotal	604.67
Total	1,583.88

Addendum 1, issued January 20, 2011, made changes to the estimated solar systems. Based upon updates issued in Addendum 1, the assessment of the estimated solar system sizes are as follows:

Secaucus BOE	kWdc
High/Middle School (Roof and Carport)	561.20
Huber Elementary	168.13
Subtotal	729.33
Little Ferry	
Little Ferry Town Hall (Roof and Carport)	136.31
Library (Roof and Carport)	31.47
Senior Center (Roof and Carport)	112.10
Subtotal	279.88
Town of Secaucus	

Parking Lot 1	143.29
Parking Lot 2	164.22
Kroll Heights ²	230.46
Subtotal	537.97
Little Ferry BOE	
Memorial Middle School	41
Washington Elementary School	65
Subtotal	106
Total	1,653.18

Additionally, the RFP provided twelve (12) months of electric usage data for most of the facilities. Gabel Associates gathered more updated information and created usage profiles for each facility as it became available. During the Evaluation Team’s review of the Proposals it was determined that both Sunlight/Mercury and JustEnergy/Power Partners provided solar system sizes that exceeded the annual electric usage of the Little Ferry Senior Center. As such, the evaluation included decreasing the system size for these Respondents at the Little Ferry Senior Center to the percent of guaranteed output provided in each Proposers report to insure net metering requirements would be met. Sunlight/Mercury guaranteed solar production at 90% of their proposed system production, while JustEnergy/Power Partners guaranteed 80% of their proposed system production.

Evaluation Process

In evaluating Proposals, the Evaluation Team used a Proposal Evaluation Matrix (Matrix) to rank Respondents. This evaluation process was undertaken pursuant to DCA guidelines. The evaluation process includes a three-step process:

- Phase I (legal compliance) is a checklist to determine if the Respondent has included all documentation and information in their Proposal required by the RFP. Once all requirements have been met, a Respondent qualifies to move to Phase II of the evaluation.
- Phase II is a weighted rating of the value provided by the proposal across several categories (financial benefits, technical design, experience, qualifications and financial strength) and evaluation factors within those categories.
- Phase III is an oral interview of all Respondents and final evaluation.

The Respondent with the top ranking in Phase II and III will be recommended for award as the Successful Respondent. The purpose of this Evaluation Report

² Facility was optional based on the evaluation of bidder

is to provide NJMC Solar Co-Op with a full evaluation of qualified proposals to recommend which one provides the greatest value to the NJMC Solar Co-Op and its members.

2. Respondent Response to RFP

The NJMC Solar Co-Op received Proposals in response to the RFP from the following six (6) Respondents:

1. Borrego Solar
2. SunLight General Capital / Mercury Solar Systems, Inc.
3. Just Energy, LLC / Power Partners Mastec, LLC
4. LB Electric Company
5. Synergy;
6. Oak Leaf Energy Partners

The six (6) Proposals proceeded to Phase I review. Based upon review of these six proposals, by NJMC Solar Co-Op Counsel, four (4) Proposals did not meet the Phase I minimum requirements; Borrego Solar, LB Electric Company, Synergy, and Oak Leaf Energy Partners.

Accordingly, the Phase II and III evaluations in this Evaluation Report address only the two conforming fifteen year PPA proposals received by the NJMC Solar Co-Op in response to the RFP; SunLight General/Mercury Solar Systems, Inc., and Just Energy, LLC/Power Partners Mastec, LLC.

Attachment 1 is a summary of the key information from the two conforming proposals submitted by SunLight General Capital/Mercury Solar Systems, Inc. (SunLight/Mercury) and Just Energy, LLC / Power Partners Mastec, LLC (Just Energy), as summarized below:

SunLight General Capital/Mercury Solar Systems, Inc.

- Capacity: 1,414 kW
- Number of Sites: 9
- Annual kWh (Year 1): 1,660,821kWh*
- Guaranteed kWh (Year 1): 1,472,715 kWh*
- First Year PPA Price: \$0.0890 per kWh
- Annual Escalator: 2.8%
- % Electric Load Served: 22.1%
- Net Present Value Estimated Savings: \$1.155 Million

Just Energy, LLC / Power Partners Mastec, LLC

- Capacity: 1,288 kW
- Number of Sites: 10
- Annual kWh (Year 1): 1,648,305kWh*
- Guaranteed kWh (Year 1): 1,318,646kWh*

-
- First Year PPA Price: \$0.0878 per kWh
 - Annual Escalator: 3%
 - % Electric Load Served: 24.8%
 - Net Present Value Estimated Savings: \$1.111 Million³

³ Net present Value of Benefits based on guaranteed production numbers.
*Production numbers were reduced based on oversized systems

3. Proposal Evaluation Matrix

The SunLight/Mercury and Just Energy proposals were subject to Phase II and III evaluation in accordance with the process defined in the RFP. The evaluation was conducted in accord with an evaluation matrix, which is based on a total potential score of 100. The Matrix is broken into the following criteria and weighting factors

Financial Benefits (50)	NPV of Benefits Option - Sharing of Benefits Material Changes to Program Documents
Technical Design / Approach (10)	Output Guarantee (kWh) Design Strategy/Equipment Selection Project Team Approach O&M Plan and Approach
Respondent Experience (10)	Project Management Contractor Expertise Project Experience New Jersey Experience
Financial Background (20)	Financial Capability and Strength of Respondent
Oral Interview Evaluation (10)	Presentation Explanation Key Factors Understanding Financial Factors/SREC Market

The evaluation matrix scoring is provided in **Attachment 6**. The following sections of this report provide a review of the evaluation criteria with respect to each proposal.

4. Financial Benefits and Cost Proposal Evaluation

Financial Benefits: Calculation Basis

NJMC Solar Co-Op realizes economic benefits from the installation of a Solar System through the savings in energy costs realized by purchasing electricity from the solar project through a PPA rather than from the local electric utility.

In calculating energy cost savings for NJMC Solar Co-Op, Gabel Associates prepared a forecast of the local utility tariff rate (Public Service Electric and Gas (PSE&G) Annual General Service tariff) and compares it to the PPA rate proposed by the Respondents. The difference between the forecasted utility rate (those components that are no longer paid to the local delivery utility as a result of purchasing solar energy from the solar developer) and the PPA rate multiplied by the expected solar output yields the projected savings in energy costs realized through the installation of the Solar System.

The Gabel Associates forecast of the local utility tariff rate is the result of a detailed analysis of the tariff, by component, over the term of the PPA. This detailed analysis takes into account the following factors:

- 1.** Those components of the utility tariff rate that are not avoided as a result of the solar installation. For example, the customer charge and the major portion of the demand charges are not avoided through the purchase of solar energy generated by the solar systems.
- 2.** The most recent energy market fundamentals (ex. New York Mercantile Exchange futures, Energy Information Administration long term escalation rates and environmental and RPS programs such as the SREC program) are incorporated to provide the best indication of future energy market prices.
- 3.** The impact on future energy costs of national, state and regional environmental initiatives currently being considered for example carbon cap and trade. The forecast includes the Environmental Protection Agency low estimate for carbon legislation originally slated to start in 2012 but pushed out to 2015.
- 4.** The impact that general energy market escalation will have upon long-term energy prices.

End of Term Provisions

The RFP requested that the Respondents include end of term options for the PPA. Each Respondent included the following three options: (a) renegotiation of an extension of the PPA if allowable by law, (b) removal of the solar panels and restoration of the Respondent Facilities to their original condition at no cost to

the Respondent, and (c) purchase of the solar facility by the NJMC Solar Co-Op at fair market value.

In addition to the above, Just Energy included a staged purchase option which included taking the differential between the PPA rate at the end of the term of the agreement subtracting it from the current prevailing retail electric rate at the same period and multiplying it by 85% for a period of 5 years. The rate produced from this method would be the cost to the unit for the staged purchase of the solar system over 5 years. This proposal currently violates applicable law and shall be excluded from future discussions.

Option – Sharing of Benefits

One of the major sources of value of a solar project in New Jersey is the value of the solar renewable energy certificates (SRECs) that will be earned by the system owner. The RFP requested that each Respondent offer an arrangement for sharing of these benefits. The Respondents offered the following responses with respect to this issue:

1. SunLight Capital did not offer any SREC sharing option in its Proposal. However SunLight Capital offered sharing of other additional benefits not known at this time.
2. Just Energy did not offer any SREC sharing option in its Proposal.

Material Changes to Program Documents

SunLight/Mercury and Just Energy proposed no material changes to the program documents.

5. Technical Design/Approach

The evaluation of technical design/approach has several elements including output guarantees, equipment selection, construction schedules, project term approach and operation and maintenance plans.

a. Output Guarantee (MWH)

Both Respondents, SunLight/Mercury and Just Energy, provided output guarantees; SunLight/Mercury guarantees 90% of output and Just Energy guarantees 80% of system output.

b. Design Strategy / Equipment Selection

SunLight/Mercury's proposed equipment and compliance to specification are as follows:

Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Canadien Solar 230 WATT Scott Panels	Yes
Inverters	Solectria & PV Powered	Yes
Mounting Systems	Panel Claw Ballasted 10 deg	Yes
Canopy System	Manufacturer not specified, but single post cantilever Parking Canopy 0 or 15 deg	Yes (See Note 1. Below)
DAS	DECK	Yes

Notes:

1. During the oral interview, SunLight/Mercury stated that it would be willing to provide the solar carport style/design of the NJMC Solar Co-Op's choice.

- They also confirmed single post cantilever construction was the basis of design and that lighting was included in the design
2. During the oral interview, SunLight/Mercury proposed that the carport could include design for electric fueling stations for public and private use. This was also included in their response.

Just Energy proposed equipment and compliance to specification are as follows:

Major System Components

System Component	Manufacturer	Compliance with Project Technical Specifications
PV Modules	Trina 245 WATT	Yes
Inverters	Satcon	Yes
Mounting Systems	Unirac Rack 20 deg	Yes
Canopy System	Baja Cantilever 10 deg	Yes (See Note 1. Below)
DAS	DECK	Yes

Notes:

1. During the oral interview, SunLight stated that it would be willing to provide the solar carport style/design of the NJMC Solar Co-Op's choice. They also confirmed single post cantilever construction was the basis of design and that lighting was included in the design.

c. Construction Schedule

A written construction schedule and project timeline was included in each proposal. Each Respondent had the following construction timeline and completion dates:

1. SunLight/Mercury:
Assuming an award in April provided a project completion for late January 2012. Total construction timeframe from award to commissioning is 193 construction days and 210 days until time in service or approximately 9-10.6 months.
2. Just Energy:

Assuming an award in April provided a project completion for April 2012. Total construction timeframe from award to commissioning approximately 12 months. However, in the oral interview process Just Energy indicated the project schedule was overly conservative and a 7 month schedule was more achievable. The revised seven month schedule provided at the oral interview appears to be overly optimistic based on our experience in projects of similar size and complexity.

d. Project Team Approach

Mercury Solar will provide a dedicated project manager and single point of contact for all project sites. It will conduct as much work as possible off site using pre-assembly and the like to provide flexibility to each site and avoid disrupting daily activities. Material lifts will take place after hours or on weekends. Carport structures will be installed during the summer and all major work will be performed on the roof without disturbance to the interior of the school. The roof mounted solar systems will have no penetrations and will create minimal noise during construction as the crews will use battery operated hand tools. Mercury's team approach was well thought and concise and meets the requirements of the RFP.

Just Energy will manage the project and provide a dedicated project manager. They will provide daily project oversight and biweekly project updates accompanied by written status reports. Just Energy will provide full transparency through the construction cycle. Just Energy, subject to review and approval by each site, will provide a staging and laydown plan. Just Energy will act as the single point of contact for the project and will be responsible for Power Partners Mastec, A-Top Solar and any other subcontractors used for the project. Just Energy's team approach meets the requirements of the RFP.

e. Operations and Maintenance

Mercury Solar will provide all operations and maintenance for the SunLight/Mercury team using local resources.

For the Just Energy Team, Power Partners Mastec, LLC will be responsible for system output guarantees and will be using A-Top Solar as its operations and maintenance contractor for the project.

6. Respondent Experience

Sunlight/Mercury:

SunLight General Capital and Mercury Solar Systems, Inc. have joint ventured on this project and in doing so has assembled an experienced and well qualified project team. SunLight General Capital (PPA Provider) and Mercury Solar Systems, Inc. (EPC contractor) have the skills needed to implement this project on schedule. Firm qualifications, project experience and references were provided for both team members.

Sunlight General Capital was formed in December 2009. Sunlight has listed approximately 3 MW of solar project references in the Northeast, with eight projects in all including six projects in New Jersey totaling about 2.7 MW; four that have been completed and two that are under construction. Team experience in large-scale project finance also includes a long list of non-solar projects, including natural gas fired generation, wind and housing projects. Sunlight is based in New York but also has an office in New Jersey.

As a solar integrator/installer, Mercury has installed over 1,500 solar projects both small residential and large commercial, the majority of which are located in the Northeast. Mercury also has a number of very large solar installations underway, including several in New Jersey and has completed many smaller solar installations in the area as well. Mercury estimates they currently have total solar development of over 26 megawatts. Mercury was selected by PSE&G to perform the installation of a solar project at the Newark Public Schools under that utility's Solar-4-All program; Mercury has a market focus and office locations in New York, New Jersey, Connecticut and Pennsylvania.

During the interview process Mercury and Sunlight personnel both demonstrated a high degree of detailed familiarity with the project proposal, and a high degree of expertise and knowledge in technical and financial issues related to solar project design, installation and financing. Mercury indicated during the interview process that it uses in-house personnel for virtually all aspects of design, procurement and installation; it's only subcontractor is an outside engineer to stamp drawings.

Just Energy:

Just Energy, LLC / Power Partners Mastec, LLC has assembled an experienced project team. The Evaluation Team believes that Just Energy (Respondent and Developer), Olympus Power (PPA Provider) and Power Partners Mastec, LLC (EPC contractor) have the skills needed to implement this project. Firm qualifications, project experience and references were provided for all team members.

Just Energy, LLC is the developer and during the oral interview conveyed that they will also be the PPA co-partner with Olympus Power. The project team's individual team members have significant experience in solar projects however this is their first project as a project team. The Just Energy team has four members including Just Energy, Power Partners, Olympus Solar, and A-Top Solar which created some confusion on roles, responsibilities and accountability during the interview process.

Just Energy was formed in 1997 focusing on educational institutions and REITs in the northeast. They have been responsible for the development of 50 MW of solar and 25 MW in the Northeast. They are the project developer and single point of contact for the project. Power Partners Mastec, LLC is a wholly-owned subsidiary of Mastec, Inc. a MBE with over 9,000 employees and annual revenues of \$2 billion. Power Partners Mastec has over 1,000 solar installations and meets the qualifications and experience requirements of the RFP. Olympus Power has financed a significant number of energy projects comprised of wind, gas, coal, and hydro power assets but has have implemented only 2 solar projects.

A-Top Solar will be the electrical and operations and maintenance subcontractor to Power Partners Mastec LLC for this project. A-Top Solar has significant experience in solar installations and recently completed the Newark Schools project.

7. Financial Background

Sunlight General / Mercury Solar Systems

SunLight General has financed 2.5 MW of projects since 2009 and has an additional 1.5MW scheduled for this year. SunLight's current equity is \$10 million and they recently launched the SunLight General Solar Fund Two in the amount of \$30 million. They also have a joint venture with Toshiba Corporation to co-develop six 120 MW grid connected projects in the Northeast.

Mercury Solar Systems is providing the construction bond for the project. Mercury Solar had sales of over \$100 million in 2010 and installed over 10.5 MW. Mercury has over 240 employees and has over \$5 million of vendor credit with the number slated for a substantial increase in the coming months. The SunLight / Mercury Team meet the financial requirements of the RFP.

Just Energy / Power Partners Mastec, LLC.

Just Energy's proposal includes Olympus Solar Power LLC and Olympus Power, LLC. Olympus Solar will be a special purpose entity and a wholly owned subsidiary of Olympus Power, LLC. Olympus Power, LLC has over \$3 billion in energy assets since 1997. Olympus Power have implemented only 2 solar projects and the balance of its portfolio comprised of wind, gas, coal, and hydro power assets. Olympus Power may fund the project internally but it also provided a letter indicating that Goldman Sachs may be used as a potential financing resource. Mastec will provide the construction bond for the project installation. Olympus Power LLC meets the financial requirements of the RFP.

8. Oral Interview Evaluation

SunLight/Mercury and Just Energy were evaluated with respect to their presentation and answers in the interview. This included evaluation of their presentation, explanation of key factors and understanding of financial factors.

SunLight/Mercury did an excellent job during their presentations, and was able to explain all key issues and demonstrated an understanding of financial issues. They also offered an educational component with the ability to access operational data for the solar systems via a web enabled system as well as the potential to include electric car chargers.

Just Energy did well but had some difficulty in clearly explaining key factors surrounding the financing of, and structure for, the power purchase agreement.

While both SunLight/Mercury and Just Energy confirmed that its project proposals were not contingent on securing financing or SRECs, Just Energy indicated it would be using the PSE&G loan program which it has not applied for to date. Both companies were asked about their view of the SREC market. Just Energy uses a roll-up approach tied into securing a 15 year PSE&G loan. SunLight/Mercury discussed the overdevelopment of solar causing some pressure on prices, which should reduce SREC values but that its pricing took these market changes into consideration. SunLight/Mercury may also look to the PSE&G loan program for a portion of the contract to hedge its portfolio.

9. Recommendation – Successful Respondent

In recommending a Successful Respondent, the Evaluation Team used the Proposal Evaluation Matrix to rank the Proposers.

The overall evaluation matrix scoring identified Sun Light General/Mercury Solar, Inc. as the Respondent providing the greatest value to NJMC Solar Co-Op. Based on the above review, the evaluation indicated that the SunLight/Mercury Proposal scored 95 out of a total of 100 points which is greater than the Just Energy Proposal which scored 82. The proposal scoring is shown in **Attachment 6**.

Specifically, Sun Light General/Mercury Solar had the same or higher score than Just Energy/Power Partners in every category in Phase II, and outscored Just Energy/Power Partners in every category in the Phase III Evaluation. Sun Light General/Mercury Solar differentiated itself by displaying a well rounded project team with defined roles, along with a history of completing projects with this current project team.

The Sun Light Proposal yields NPV economic benefits of \$1,155,424 over the term of the 15 year PPA. The Evaluation Team believes that Sun Light/Mercury has assembled a quality project team with the experience and technical capability to work as a partner with the NJMC Solar Co-Op to successfully implement its solar initiative.

Accordingly, the Evaluation Team recommends that NJMC Solar Co-Op award the solar project to Sun Light/Mercury. Attachments 1-5 provide detailed economic analyses supporting the recommendation.

Attachment 1 summarizes the Proposals of the Respondents, including system size, annual generation (first year), and PPA pricing (first year PPA rate and annual escalation).

Attachment 2 summarizes and compares cost savings for all Respondent Proposals. The energy cost savings and other benefits from roof work shown in Attachment 2 reflect both nominal dollar and net present value dollar savings, however, the most appropriate way to compare the value of Proposals is on a net present value basis to recognize the time value of money.

On a net present value basis, the Sun Light/Mercury Proposal offers the greatest level of benefits for NJMC Solar Co-Op. The total NPV of benefits are \$1,155,424.

Attachment 3 summarizes electricity cost savings per Facility based on the recommended Respondent's proposal.

Attachment 4 summarizes system size and production per Facility for the Sun Light/Mercury proposal and includes the percentage of total displaced electricity per Facility.

Finally, **Attachment 5** is a sensitivity analyses around changes in the escalation of the retail electric rates. The sensitivity analyses was completed for the Sun Light/Mercury proposal, the recommended Proposal, to illustrate to the NJMC Solar Co-Op the impact on future changes in the electric market on Sun Light/Mercury's PPA price. The benefits are positive over a wide range of retail electricity escalation rates.

Attachment 1

Solar Proposal Summary

NJMC - Solar Co-Op
 Proposal Summary
 March 29, 2011

Original Proposer	KW	Solar System Size (Year 1)		Proposed kWh/kw	Guaranteed kWh/kw	Proposed kWh/yr	Term	Purchase Power Agreement Pricing		Additional Annual Payment	Adj. Rate	Other
		Guaranteed kWh	Proposal kWh					\$/kwh (1st year)	Escalation			
Sunlight/Mercury	1,414	1,472,715	1,660,821	1,174	1,041	1,174	15	\$0.0890	2.80%			
Just Energy/Power Partners	1,288	1,318,646	1,648,305	1,280	1,024	1,280	15	\$0.0878	3.00%			

Attachment 2
NJMC - Solar Co-Op
Solar Initiative
Savings Summary
March 29, 2011

Proposer	15-Year Solar Savings	
	NPV (\$)	Nominal (\$)
Just Energy/Power Partners	\$1,110,979	\$1,640,457
SunLight/Mercury	\$1,155,424	\$1,712,169

Note: NPV calculated at 5.2% discount rate

Attachment 3
NJMC - Solar Co-Op
Solar Initiative
Forecasted Energy Cost Savings by Local Unit Facility
March 29, 2011
SunLight/Mercury

Local Unit Facility	Life of Project		Nominal Annual Savings		Nominal Savings on Solar Energy Purchased		Nominal Savings Total Electric Costs	
	Nominal Savings	NPV Savings	Year 1	Year 15	Year 1	Year 15	Year 1	Year 15
Secaucus HS	\$658,641	\$445,293	\$34,173	\$56,108	41%	46%	8%	8%
Huber Elementary	\$349,068	\$233,813	\$16,218	\$31,086	25%	32%	22%	27%
Parking Lot 1	\$253,293	\$171,069	\$12,360	\$21,540	39%	45%	10%	11%
Little Ferry Town Hall	\$91,983	\$62,321	\$4,507	\$7,632	43%	49%	9%	10%
Little Ferry Library	\$42,112	\$28,528	\$2,059	\$3,487	34%	40%	16%	17%
Little Ferry Senior Center	\$73,886	\$49,969	\$3,541	\$6,171	36%	43%	32%	36%
Memorial School	\$86,959	\$58,768	\$4,497	\$7,409	36%	41%	3%	3%
Washington School	\$156,228	\$105,662	\$8,118	\$13,276	45%	51%	12%	12%
TOTAL	\$1,712,169	\$1,155,424	\$85,474	\$146,709	36%	42%	9%	10%

* Huber Elementary School will receive power from Parking Lot 2 along with proposed rooftop system

Attachment 4
NJMC - Solar Co-Op
Solar Initiative
Local Unit Facility - Solar Statistics
March 29, 2011
SunLight/Mercury

Local Unit Facility	Annual Electric Load (KWH)	Guaranteed (KWH)	Solar System Size Annual Generation (KW)	Electric Load Served by Solar Generation (%)
Secaucus HS	2,853,600	526,136	490.36	18.4%
Huber Elementary	435,520	397,766	383.87	91.3%
Parking Lot 1	774,640	207,435	188.37	26.8%
Little Ferry Town Hall	310,320	66,940	66.01	21.6%
Little Ferry Library	66,480	31,026	29.90	46.7%
Little Ferry Senior Center	60,000	54,000	52.63	90.0%
Memorial School	994,400	71,193	62.79	7.2%
Washington School	455,200	118,219	140.53	26.0%
Total	5,950,160	1,472,715	1,414.46	24.8%

* Huber Elementary School will receive power from Parking Lot 2 along with proposed rooftop system

Attachment 5

**NJMC - Solar Co-Op
Solar Initiative
March 29, 2011
Savings Summary Sensitivity Analysis**

Savings Summary @ 3% Utility Rate Escalation

Proposer	Solar Savings	
	NPV @ 5.2% (\$)	Nominal (\$)
SunLight/Mercury	\$1,155,424	\$1,712,169

Savings Summary @ 6.5% Utility Rate Escalation

Proposer	Solar Savings	
	NPV @ 5.2% (\$)	Nominal (\$)
SunLight/Mercury	\$1,253,879	\$1,856,067

Savings Summary @ 0% Utility Rate Escalation

Proposer	Solar Savings	
	NPV @ 5.2% (\$)	Nominal (\$)
SunLight/Mercury	\$558,647	\$736,642

**Attachment 6
NJMC Solar Co-Op
Solar I Initiative
Proposal Evaluation Matrix**

**Phase I - RFP Requirements Checklist
Phase II - Proposal Evaluation
Phase III - Short List Evaluation**

March 29, 2011

Phase II Category	Evaluation Factor	WEIGHTING	Sun Light General/Mercury Solar	Just Energy Power Partners
Financial Benefits (50)	NPV of Benefits	40	40	38
	Option - Sharing of Benefits	5	2	0
	Material Changes to Program Documents	5	5	5
Technical Design / Approach (10)	Output Guarantee (KWH)	3	3	2
	Design Strategy	3	3	3
	Project Team Approach	2	2	1
	O&M Plan and Approach	2	2	1
	Proposer Experience (10)	2	2	2
Proposer Experience (10)	Project Management	2	2	2
	Contractor Expertise	3	3	3
	Project Experience	3	3	3
	New Jersey Experience	2	2	1
Financial Strength (20)	Financial Capability / Strength of Provider	20	18	18
TOTAL PHASE II		90	85	77

ALL proposers that submit complete proposals will be required to take part in an interview that will be scored on a 10 point basis.

Phase III Category	Evaluation Factor	Sun Light General/Mercury Solar	Just Energy Power Partners
Oral Interview Evaluation (10)	Presentation	2	1
	Explanation Key Factors	3	2
	Understanding Financial Factors / SREC Market	5	2
TOTAL PHASE II	10	10	5

Overall Evaluation	100	95	82
TOTAL PHASE II and III			