



## Bidder Instructions

# Power Production from Green Resources in North Carolina

### **I. Introduction**

NC GreenPower (NCGP) has an ongoing open bid process to procure renewable energy projects for its program. The background of our program is described in the next section. If you are interested in bidding into the program, you are strongly encouraged to review the [NCGP Program Plan](#) and the [Third Pricing Option](#) (now referred to as the Brokered Bids option) for a better understanding of the intent and goals of NCGP.

If you are already familiar with NCGP's program, you can go to Section III for Bidding Details about quantity of generation sought and eligible resources and facilities. Generators may submit a bid via our Bid Document, available at the end of these instructions, at any time.

### **II. Program Description**

NCGP is a statewide program designed to improve the quality of the environment by encouraging the development of renewable resources in the state of North Carolina. NCGP provides electric consumers with an opportunity to voluntarily promote the development of green power through the contribution of a small premium. NCGP is a cooperative effort between renewable energy generators, electric utilities, and electric consumers to implement and support renewable energy generation in North Carolina.

NCGP offers three different products to electric customers: a mass market product available to everyone for as little as \$4 per month, a large volume product available to customers who purchase a minimum of \$250 (10,000

kWh) or more per month, and a third “brokered bids” product available to customers who purchase a minimum of \$25,000 per year. It is anticipated that solar, wind, and methane will supply the demand for the mass market product. All qualifying NCGP resources will be used to supply the demand for the other two products. Visit [www.ncgreenpower.org](http://www.ncgreenpower.org) for more information.

The brokered bids product for NCGP provides customers interested in annually spending \$25,000 or more on renewable energy credits with another option. As with the other two products, NCGP accepts bids on a continual basis. Generators complete an application (Bid Document) with pertinent project information, a bid amount and a date through which the bid is available. These bids create a portfolio of available renewable energy projects. Customers interested in the minimum purchase criteria above have access to the portfolio and can select a piece of a project, an entire project or multiple projects of interest to them, which are within their price range. NCGP would essentially serve as a broker between the generator and the NCGP customer to facilitate an offer and payment through NCGP. A purchase of brokered bids products may be subject to unique terms and conditions including the prepayment of fees.

If you would like to provide energy for the mass market product, please review the criteria documents from the [Center for Resource Solutions](#) (CRS).

## **A. Purpose**

NCGP is now using an ongoing open bid process to procure renewable energy projects for its program; RFPs will no longer be issued. Potential generators may submit a bid, via our Bid Document, at any time. The Bid Document can be found at the end of these instructions. Bids will remain open with NCGP for the length of time as specified in the Bid Document.

While a bid does not obligate NCGP or the bidder in any way, information from the bids will be used by NCGP to enter into negotiated agreements with selected bidders to participate in the NCGP program. The bidding process will be an ongoing process where proposals are first determined to be appropriate for the program, and then potentially selected for one of the three products.

## **B. Eligible Resources**

“Green power” is defined (for NCGP purposes) as renewable energy that consists of electricity provided from solar photovoltaics, wind, small hydro of 10 MW or less, and biomass resources (methane from landfills, animal waste or agricultural waste, wood waste), which is delivered to North Carolina’s electrical supply. The generator of green power will be required to enter into a Power Purchase Agreement with a North Carolina electric utility. NCGP premiums are available only to generator owners for projects located in North Carolina which deliver electric energy into the electric grid in North Carolina.

The green power generator will also be required to enter into an agreement with NCGP for participation in the NCGP program. NCGP will utilize generation supplied to the electric grid in North Carolina from both new and existing resources. New resources are defined by NCGP as those generation sources that began operation on or after January 1, 1997. Only new resources are eligible to supply electricity for the mass market product.

## **1. Biomass**

### Methane

Methane gas collected from landfills, digestion of human and/or animal waste that is combusted to generate electricity shall be eligible for NCGP premiums.

### Animal Waste

Eligible animal wastes shall include the following materials used to generate electrical energy: gasified and then combusted (with or without the use of a fluidized bed) manure, or a manure and litter mixture that is currently disposed of through burning or land filling shall be eligible for NCGP premiums.

### Agricultural Waste

Eligible agricultural wastes shall include the following materials used to generate electrical energy: gasified and then combusted (with or without the use of a fluidized bed) chaff, and other agricultural waste that is currently disposed of through burning or land filling shall be eligible for NCGP premiums. Agricultural waste that is normally “left in the field” for the purpose of supplying nutrients to the soil or reducing soil erosion shall not be eligible for NCGP premiums. The facility shall be capable of providing electricity to the electric utility grid in North Carolina.

### Biomass – Wood Waste

Currently NCGP recognizes wood waste as the only directly combusted biomass fuel eligible for NCGP premiums. However, other biomass fuels may be eligible in the future. NCGP recognizes and encourages responsible and sustainable business practices for forest and wood products management. Although North Carolina has abundant forestry and wood resources, the quality and quantity of original forests are in decline due to land development. Thus, developers are creating significant amounts of wood waste at the expense of the quality and quantity of original forests. NCGP does not intend for this type of wood waste to be included in the NCGP program. Therefore, the following guidelines have been developed for the types of wood waste that will be allowed for NCGP qualification: tree trimmings, mill residues (bark, sawdust and fines from primary processing facilities); segregated construction and demolition wood (excluding painted, treated, glued, pressurized wood or any wood contaminated with plastics or metals); clean wood waste from manufactured home plants, pallet recycling facilities, furniture manufacturers, finished building products and other similar industries; wood from land clearing that would otherwise end up in landfills; and wood bedding material removed from poultry brooder houses. Wood "chips" derived from processing whole trees within forested land will not be allowed as qualifying wood waste. However, the Board of NCGP may review this exclusion in the future to determine if sustainable forestry practices are being employed in connection with wood chip production; it will also be determined if such practices warrant the consideration of wood chips as a green power source, and if the environmental community is willing to recognize their use in such a way.

## **2. Small Hydro**

Any new small hydro facilities have to meet licensing standards as defined by the Federal Energy Regulatory Commission (FERC) and the appropriate state and local governing agencies. It is anticipated that any new hydro facilities will involve the installation of new generating capacity on existing impoundments (dams). Any new hydro generating facility that involves a new impoundment will not automatically be included in the program but will require special approval. Existing small hydro facilities of 10 MW or less are eligible to participate in NCGP but will not be considered for the mass market product.

## **3. Solar Photovoltaics (PV)**

NCGP recognizes that both solar PV and wind are costly and therefore has set relatively high maximum rates to be paid to the generators of these resources.

NCGP cannot share any price information for the competitive bid process. However, we do expect larger solar PV systems' pricing to bid below our standard rates for small solar PV.

We accept systems larger than 10 kW and there is no limit on system size. Due to the high interest in our solar PV program, as the system size gets larger, the price is expected to bid in below our standard offer for systems 10 kW and less.

#### **4. Wind**

NCGP is still seeking to increase the percentage of wind generation in our program. Again, we accept systems larger than 10 kW and there is no limit on system size. As the system size gets larger, the price is expected to bid in below our standard offer for systems 10 kW and less.

### **III. Bidding Details**

#### ***A. Period for Which Resources are Sought***

NCGP seeks those interested in supplying generation for a minimum term of one year and for a maximum term of five years. NCGP seeks only renewable energy credits measured in kWh and is not directly concerned with capacity (kW), time of generation or capacity factor.

NCGP may consider a contract guarantee depending on the generation size of a project (kWh) and the premium requested, preferably for a new wind or methane project.

#### ***B. Quantity of Resources Sought***

While NCGP is accepting bids for renewable energy projects of all sizes, currently, NCGP is seeking approximately 8 million kWh for 2010, and 14 million kWh for 2011. If your project has more generation available than our needs, we can make a partial purchase.

**Solar PV and wind generators with projects of 10 kW or less do not need to complete the bidding process and should visit the website at [www.ncgreenpower.org](http://www.ncgreenpower.org) for process requirements.**

### **C. Premiums**

NCGP will strive to use generation supplied by technologies in each of the previously mentioned resource types from Section III.B - Eligible Resources of this document.

It is anticipated that the premium paid to each technology will vary by technology type. Premiums will be based upon the amount of incentive (including payment from the utility Power Purchase Agreement) expected to make installation of the technologies approach economic feasibility. These premiums will be paid to encourage the development of new resources and sustain existing renewable energy resources in North Carolina.

It is the intent of NCGP, that whenever possible, bidders will be selected whose projects require the least amount of program support per kWh in each resource type consistent with program guidelines and funding constraints. However, generators who enter the NCGP program at an earlier date for a fixed premium and time period, will not be displaced by generators seeking to enter the program at a lower premium during that agreement period. While NCGP agreements will not provide a guaranteed purchase amount, they will provide a maximum that NCGP desires to purchase in a period. If NCGP needs exceed that maximum due to unanticipated demand, additional bids will be selected for other generators to enter the program. Existing generators are not prohibited from submitting bids for additional participation. Any bid that has received a Qualification Notice (document indicating that the Bid does or does not qualify to be placed on the Bidder List) from NCGP may not be resubmitted for 60 days from qualification.

### **D. Eligible Facilities**

NCGP premiums are available only to generators for projects located in North Carolina which deliver electricity into the electrical grid in North Carolina. The generator must enter into a Power Purchase Agreement with a North Carolina electric utility.

Dominion North Carolina Power, Duke Energy, Progress Energy, as well as a significant number of Electric Cooperative and Municipality-Owned electric utilities operating in North Carolina are participating in the NCGP program.

## **E. Information Requested**

Suppliers interested in participating in the NCGP bidding process shall provide the information requested on the attached Bid Document in Section 4. This Bid Document will be reviewed by a committee appointed by the NCGP Board of Directors and will be treated as confidential.

## **F. Bidding Procedure**

Bids shall be e-mailed to [bids@ncgreenpower.org](mailto:bids@ncgreenpower.org) or alternately, responses may be mailed to:

NC GreenPower  
Bidder Response  
909 Capability Drive, Suite 2100  
Raleigh, NC 27606-3870

Inquiries about the process must be in writing – preferably by e-mail – to [bids@ncgreenpower.org](mailto:bids@ncgreenpower.org). Inquiries and responses will be posted on the [www.ncgreenpower.org](http://www.ncgreenpower.org) website for all interested parties to view. The source of the inquiry will not be identified.

## **G. General Evaluation Criteria**

In general, the bids will be evaluated using the following criteria (in no particular order of importance):

- Compatibility with the NCGP Program Plan
- New or existing resource
- Completeness of information supplied
- How well the project is defined and how likely it is to reach completion
- How quickly project can supply electricity to the North Carolina utility grid
- Demonstrated experience in power generation
- Premium requested from NCGP
- Environmental impact of the generation

## **H. Awards Process**

In reviewing bids, NCGP may request respondents to provide more information, be asked to speak with the review committee via conference calls, and/or be asked to enter into negotiations with NCGP.

A bid will first be evaluated for eligibility into the program. Respondents will be contacted directly within three weeks of submission with a regarding their eligibility.

Once a bid is deemed eligible for the program, it will be selected for one or more of the NCGP products. If the bid is selected for either the mass market or the large volume products, an agreement will be issued with NCGP for generation. All other eligible bids will be assigned to the third "brokered bids" product. Brokered bids will be held until the bid is selected by a customer and then an agreement with NCGP will be issued.

## **I. Disclaimer**

THIS BID PROCESS IS NOT A PROCUREMENT. THIS BID PROCESS IS NOT A COMMITMENT BY NCGP OR ANY UTILITY OR ELECTRIC POWER PROVIDER TO PURCHASE ANY PRODUCT OR ENERGY OR TO TAKE ANY SPECIFIC ACTION. NCGP RESERVES THE RIGHT NOT TO AWARD ANY AGREEMENTS AS A RESULT OF THIS RFP AND, IN THE EVENT AN AGREEMENT IS ENTERED INTO FOR THE PURCHASE OF ELECTRIC POWER, TO TERMINATE THE AGREEMENT AT ANY TIME.

ALL PROPOSALS WILL BE THE PROPERTY OF NCGP. BY SUBMITTING A PROPOSAL YOU HEREBY ASSIGN ALL RIGHTS IN AND TO SUCH PROPOSAL TO NCGP.

THE INFORMATION WITHIN THIS BID PROCESS MAY CHANGE, OR THE BID PROCESS MAY BE CANCELLED, AT ANY TIME AND WITHOUT NOTICE. USE OF THIS INFORMATION CONSTITUTES ACCEPTANCE FOR USE IN AN "AS IS" CONDITION. THERE ARE NO WARRANTIES WITH REGARD TO THIS INFORMATION. IN NO EVENT SHALL NCGP BE LIABLE FOR ANY DAMAGES OR COSTS WHATSOEVER ARISING OUT OF OR IN CONNECTION WITH THIS BID PROCESS OR YOUR RESPONSE. ANY USE OF THIS INFORMATION IS AT YOUR OWN RISK.

## **IV. Attachment: Bid Document**

Please provide NCGP with the information requested below; incomplete Bid Documents will not be considered for eligibility for the NCGP program.

### **General Business Information**

1. Name of company
2. Mailing address
3. Physical address (if different from Mailing address)
4. Number of years company has operated in this industry
5. Company principals' names and titles
6. Names of any associated and/or parent companies
7. Information relating to the company's financial status or viability
8. Primary contact name and telephone

### **Qualifications/Experience**

Respondents shall include any relevant qualifications and past experience. Specifically, if a respondent has existing projects relating to a proposed project, these should be detailed.

### **Financial Information**

Respondents shall include financial information regarding the proposed project. The financial information provided should include anticipated and proposed funding sources (including NCGP) for the project along with anticipated levels of funding and duration of the funding sources.

If the project can be scaled up or down with a change in funding, please provide that information. An example is if the project could be expanded and the cost decreased if an additional source of funding could be obtained.

### **1. Project Summary**

The project summary shall include the following information:

1. Expiration date of bid (date through which the bid is valid and can be considered by NC GreenPower)
2. A general project description and implementation plan
3. A project timeline with realistic milestones
4. Date that the project will begin (or already began) generation
5. The technology being used for the project
6. The physical location of the project
7. The nameplate power rating (kW) and anticipated maximum annual energy output (kWh) of the project

8. The name of the electric utility with which the project is electrically interconnected or expects to interconnect
9. The name of the utility with which the project has or expects to have a Power Purchase Agreement
10. The status of equipment procurement, any project-required permits or agreements including Certificate of Public Convenience and Necessity, Power Purchase Agreement and utility interconnection
11. Any additional information that will help the review committee determine the viability of the project

**Generation Supplied/Premium Sought**

The respondent shall complete the following table detailing the proposed generation to be supplied to and the premium requested from the NCGP program. The premium sought shall reflect only the NCGP portion of any revenue from generation by the project. The utility Power Purchase Agreement revenue or other revenue shall not be included here.

If the project cost of power production is affected by economies of size or operating level, provide additional tables for the premium sought from NCGP at varying levels.

Proposed Generation and Premium Sought by Year for NCGP

<b>Resource</b>	<b>Year 20XX</b>	<b>Year 20XX</b>	<b>Year 20XX</b>	<b>Year 20XX</b>	<b>Year 20XX</b>
<i>Proposed Generation (kWh/year)</i>					
<i>Premium Sought (¢/kWh)</i>					