

2023 Solar RMR RFP FAQ

Aug. 18

Because there is a material difference in 0.5 MW and 10 MW pricing, may the bidder provide average project size assumptions within each bid category? E.G., 80 MW bid category - assumes average project size of 5 MWac.

GRE – Projects on the lower end of the .5 MW – 10 MW range may be a common size given hosting capacity limitations. Likewise, there is no guarantee a 10 MW project size will be achieved. Please price each portfolio as if you are building a distribution of projects in the .5 MW – 10 MW range, up to 40, 80 and 120 MWs of total deployment. This pricing will be used to inform solar RMR project specifics in GRE's New ERA LOI.

If the USDA indicates GRE's LOI qualifies for funding, participating Member Owners will refine the scope of their RMR initiative and by this time they will have gained more clarity on the RMR hosting capacity and site availability. Actual costs that factor project size, land and interconnection costs will lead to a fully developed PPA price for management and board consideration.

Is there a limit on the number of projects that can find hosting capacity? For instance, if we propose only 5 MW projects to qualify for ITC on the interconnection costs, that would imply there are 24 sites available for that project size?

GRE – Yes, there is a limit on the number of projects that can find hosting capacity. Participating Member Owners are currently performing initial hosting capacity screens and more detailed engineering analysis. GRE is not implying any number of available sites. At a 5 MW project size, the point of interconnection will require a 5 MW minimum daytime load, as well as engineering studies to determine if periods of distribution export impact the transmission system. At the 5 MW project level, transmission owner and MISO coordination is likely.

Will any portion of these projects proceed without New Era grant awards?

GRE – With or without New ERA grant awards, each participating Member Owner will assess the economics of a solar RMR addition and independently decide to proceed or pause.

Aug. 24

Can you clarify what the expectations are about the level of detail that you are looking for related to site selection?

GRE - No specific location detail expected in the September 6 RFP response. If New ERA funding is approved and Member Owner finds the pricing acceptable, then focus on interconnection and sites will occur. Member Owners are concurrently conducting hosting capacity analysis and anticipate a collaborative relationship with the selected developer to identify sites, particularly as it relates to land controlled by their member-consumers.

What is the timing expectation for putting the pre-commercial operation collateral in place?

GRE - No earlier than PPA execution.

Does GRE have a preferred method in which capacity and ancillary services are accessed by the member owner in the PPA?

GRE – GRE has no preference, but the transition must align with prevailing MISO business practices.

Are there items other than cost that are clear drivers for a 20 year vs. 30-year term?

GRE – USDA has provided clear guidance that a 20-year term for a PPA is fully eligible for grant funding; however, we are awaiting confirmation from USDA on the grant eligibility for 30-year PPAs.

Are there items other than cost that are clear drivers for a PPA vs. build transfer?

GRE - Generally, PPAs manage production/performance risk, but for members that are open to ownership and ITC direct pay, understanding build transfer costs is important.

Is there a specific value you ascribe to energy delivery by Q4 2025 vs the 2031 deadline?

GRE - This timeline was inherent to the New ERA terms, which requires projects to be in operation by September 2031. Individual members will perform economic analysis, but this is outside of the initial RFP result evaluation.

Aug. 28

Is there any opportunity for an extension of the RFP due date? The current timeline is very tight.

GRE - Unfortunately, no. GRE needs to provide pricing inputs on behalf of the consortium by USDA's September 15, 2023 deadline for letters of interest. There will be an opportunity to refine project specifics and pricing during subsequent PPA negotiations ahead of the full application deadline, anticipated to be at the end of 2023. If a PPA cannot be executed by the full application deadline, the USDA will permit full applications with draft PPAs, provided that applicants can demonstrate that PPAs can be reasonably executed and operational by September 2031 and applications provide information about the status of negotiations to USDA.

In years past, we understand that members have been capped at 5% of their load for similar RFP's. Are there members and associated sizes that should be targeted? More specifically, are there any municipalities with heightened interest? Are there members being worked with for the USDA New ERA funding?

GRE - The 5% option has been expanded to 10% but local hosting capacity may not allow all members to reach 10%. Shared project hosting is being explored, more details to come. Some members serve municipal loads, but this is limited and does not directly impact the RFP. The RFP's results will be incorporated in the GRE-led consortium letter of interest to New ERA, and if invited to submit a full application, Member Owners will each evaluate opportunities for project development in their service area or shared with another Member Owner, and the participating Member Owners in the solar buildout could expand or contract.

Can GRE clarify the differences between portfolios 1, 2 and 3 of this RFP?

GRE – Additional detail on project sizes covered in Aug. 18 response. The only difference between the portfolios is the total capacity of projects (40, 80, 120 MW). Member Owners will determine final project sizes based on RFP responses and hosting capacity analysis.

Is there a requirement for site control? Or is GRE looking for ballpark pricing? What is the reason for land costs being excluded from the bid price?

GRE - Section E) in RFP covers this.

Is the purpose of the RFP to solicit pricing feedback for USDA funding or to procure specific projects?

GRE - Both, more in Aug. 18 response.

Can you identify the Member Owners are included in the subset of coops participating in the RFP?

GRE – Depending on PPA (or BT) pricing and successful New ERA funding, the current subset of Member Owners may expand or contract.

In the case that a Member Owner is interested in a Build Transfer Agreement for a proposal, is the \$/kW price established for the entire portfolio or on a project-to-project basis?

GRE – The primary approach interest is a PPA structure. Under BT, project-by-project pricing is more appropriate.

Why are interconnection costs being excluded from the pricing?

GRE – Ongoing hosting capacity analysis will identify preferred substation/feeder interconnection locations. Given distribution line extension and other interconnection costs are unknown, having all proposals exclude these costs, versus providing estimates, will keep pricing comparable.

Credit/collateral requirements, can you provide further explanation about what you are looking for here

GRE – These security values are in place to recognize PPAs will have performance expectations and security posting will be required in the event of non-performance. Levels may be discussed in formal negotiations.

Are proposers expected to price all three portfolios or are the portfolios meant to be three separate awards?

GRE – Please price all three portfolios as standalone deployment levels.

Are all three portfolios meant to be awarded for a total of 240MW?

GRE – No, please price all three portfolios as standalone deployment levels.

Is the annual generation table for one typical project or one portfolio?

GRE – Typical for one project.

Can you explain the multi-offtaker PPAs from portfolio 3? What change within portfolio 3 requires this?

GRE - Shared project hosting is undergoing engineering analysis, more details to come. Generally, Member Owners have the option to share in the offtake of individual distribution-connected projects, which allows for more flexibility in project siting and should not materially affect development costs.

Why is P50 being modelled over P90 for energy production when the industry finances on P90?

GRE – P50 provides the annual energy for power supply contributions and PPA payment budgeting.

When is cyber security necessary? Throughout the RFP process, until solar projects are operational, or other?

GRE – In the design of communication devices and during project operations.

Do we need to submit the PV project summary for a single project or is it a portfolio summary?

GRE – At the portfolio level.

Does the New ERA require domestic product and if so, why is that not required in the proposal?

GRE – Domestic content has interactions with ITC provision and is not a New ERA requirement for PPAs. For PPAs, proposers have control over choosing to meet this requirement or not. However, New ERA requires that build transfer projects comply with the “Buy American” provision of the Rural Electrification Act of 1936, see 7 CFR Part 1787 <https://www.ecfr.gov/current/title-7/subtitle-B/chapter-XVII/part-1787>, which is a looser set of requirements than the Build America, Buy America Act.

Is prevailing wage a requirement for construction of proposed projects?

GRE – Prevailing wage is required to reach 30% ITC and is not a New ERA requirement for PPAs. For PPAs, proposers have control over meeting this requirement or not. However, New ERA requires that build transfer projects comply with the wage rate requirements as provided in 7 U.S.C. 8103(f).

With the signed NDA, will all information within a response be kept confidential from other developers throughout the entire RFP process?

GRE – Yes.

What is the average cost of interconnection for solar projects previously issued in RFPs by GRE? Ex) the 3MW and 2MW projects in the Dakota Electric territory.

GRE – GRE can't provide this specific information, but interconnection costs will vary based on individual project size and location.

What aspects of a project will the New ERA grant money be applied to and do all Member Owners have equal opportunity? Are there any limits on the grant money for Member Owners?

GRE – New ERA grant money, if awarded and Member Owner elects to move forward, may be used to pay a portion of solar PPA costs. All cooperatives across the US have equal opportunity. Under GRE's Letter of Interest, these solar RMRs represent a portion of the funding opportunity.