M E M O R A N D U M

TO: The Board of Education of the City of Hackensack in the County of Bergen, New Jersey (the "Board")

FROM: PPA RFP Evaluation Committee

DATE: February 10, 2021

RE: PPA Evaluation Report and Recommendation

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INTRODUCTION

On December 22, 2020, the Board issued a RFP requesting proposals from qualified proposers for a Power Purchase Agreement ("PPA") utilizing photovoltaic electricity generation. The procurement has been conducted on a competitive contracting basis pursuant to N.J.S.A. 18A:18A-4.1 et seq. The terms of the PPA are set forth in the RFP dated December 22, 2020, which is on file and available at the Board office and is incorporated herein by reference.

The RFP set forth seven (7) district sites for solar installation. Those sites are as follows:

Building
Hackensack High School
Hackensack Middle School
Fanny M Hillers School
Jackson Avenue School
Nellie Parker School
Fairmount School
Padovano Administration Building

In order to evaluate these proposals, the Board formed an evaluation committee. The Board's Evaluation Committee ("Committee") consists of Robert Sanchez (Board's Superintendent), Servet Kazazi (Board's Supervisor of Buildings and Grounds), Scott James-Vickery (Board Vice President) and Dora Zeno (Interim Business Administrator/Board Secretary).

Each member of the Committee has executed the Certification required by N.J.A.C. 5:34-4(g). The Committee has been advised as to legal matters by Wilentz, Goldman & Spitzer, P.A. ("Wilentz"). Pursuant to applicable regulations, counsel has advised the Committee that they have evaluated their own affiliations and are satisfied that they do not have a conflict of interest in this matter. Technical advice and analysis was provided to the Committee by its architect of record, DMR ("DMR"), and by Johnson Controls, Inc. ("JCI"), the Board's ESCO. JCI performed the PPA Price and Total Overall Savings calculations set forth herein.

I. PROPOSAL SUBMISSIONS

There were six (6) proposals submitted prior to the revised due date and time of January 22, 2021. Proposals were received from:

1. Brightcore Energy, LLC ("Brightcore");
2. Concord Management Services, LLC, Concord Engineering Group, Infiniti Energy Services, A&I Electrical Construction, LLC, and Empower Energy (collectively, "CMS");
3. Eznergy NJ LLC in partnership with Greenskies Clean Energy, LLC, ("Eznergy");
4. HESP Solar ("HESP");
5. Advanced Solar Products, Inc. together with Spano Partners Holdings, LLC, (collectively, "Advanced");and
6. Sol Customer Solutions ("Sol").

II. AWARD CRITERIA

If an award is made, the Board is required to select the proposal that is both responsive and most advantageous to the Board, price and other factors considered, under the criteria stated in the RFP.

By way of summary, the RFP listed the following factors and their relative percentage weights:

EVALUATION CRITERIA	(Points)
PPA Price and Total Savings	40
Technical Criteria	35
Experience and Qualifications	15
Financial Capability	10

Evaluation Criteria as per the RFP:

-Bid Price and Total Savings (40%)
Both the per-kWh price as well as the rate of escalation will be considered in the determination of the lowest price and the highest savings over the 15 – year term of the PPA.

-Technical Bid (design, material specifications, installation plan) (35%)
The technical Bid will include an evaluation of the major system components and their specific compliance with the minimum standards listed in the RFP. Also, the proposed design of the Solar Energy Systems shall be reviewed to ensure that energy production is optimized based on the efficiency of the components, the specifications of the array layout and the electrical and physical integration with the site.

-Experience and Qualifications (15%)
Specific experience in engineering and construction of commercial solar energy systems, as well as specific experience of design, engineering and operation of solar energy systems for public entities and school districts in New Jersey. Quality of construction and the ongoing long-term performance for past projects, references and qualifications of team members shall be included in the evaluation. The company history will also be considered as part of this criteria.

-Financial Capability (10%)
The Company's financial condition as indicated by its recent financial statements and its ability to finance the Solar Energy Systems.

III. ANALYSIS OF THE PROPOSALS

Based on the review of the proposals, there are three (3) out of the six (6) proposals that are recommended for the Committee to consider for award. The Sol proposal is not recommended for inclusion in the review because of the low score in the PPA Price and Total Savings category as they had the highest KWh rate by far and lowest savings. (Please see the Price/Savings summary and comparison chart below for the evaluation of all of the proposal pricing.) Also, CMS and Advanced proposed smaller systems since neither included any carports in their respective designs. This resulted in substantially less savings to the Board. The other three proposers generally had good pricing structure, proposed designs and projected 15-year savings. The experience of the proposers with solar construction/installation is acceptable specifically with the installation of solar energy systems at public facilities throughout New Jersey. The Committee interviewed Brightcore, Eznergy and HESP and evaluated the proposals in accordance with the criteria set forth in the RFP.

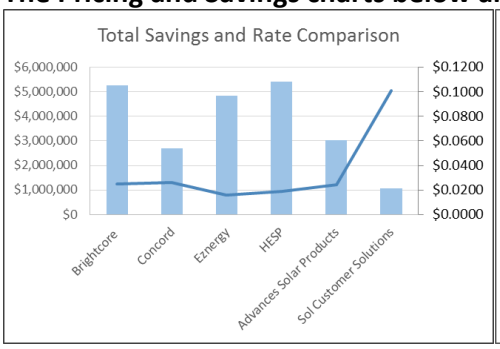
A) PPA Price and Total Saving Comparison (40)

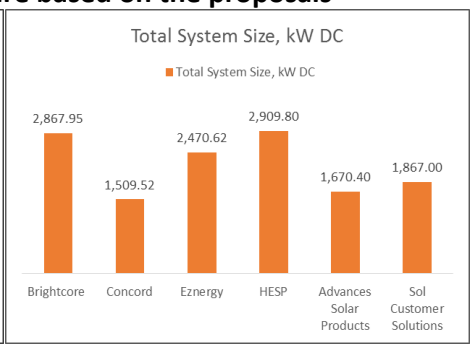
The Committee first considered bid price plus escalation. This consideration was given 30 points out of the 40 points allocated for PPA Price and Total Savings. Brightcore had a base bid price of $0.0249 with 0% escalation. Its price remained constant over the 15 years. Eznergy had a base bid price of $0.016 with escalation of 1.5%. Its PPA price over the 15 year period ranged from $0.016 to $0.0197. HESP had a base bid price of $0.019 with escalation of 1.5%. Its price ranged from $0.019 to $0.0234 over the 15 year period.

From both an actual price and a present value analysis, Eznergy has the lowest bid; HESP is second and Brightcore is third. If an average price over the 15 year period is used, Eznergy would be $0.0179. HESP's average price over the period would be $0.0212. Brightcore's average cost would be $0.0249 since its cost remained constant. Thus Eznergy is $0.0033 per kWh lower than HESP and $0.007 per kWh lower than Brightcore on average over the 15 year period. Based on the above, the Committee awarded 30 points to Eznergy, 26 points to HESP and 23 points to Brightcore.

The Committee then considered total savings and gave 10 points of the 40 points for this portion. Total savings has variables because it considers the kWh/year production and the price. The kWh/year considers both the production from the roofs and the carports. The actual production is almost always different than the estimated productions because of roof restrictions on the placement of solar panels and number of carports. For example, the HESP proposal shows carport parcels at the Jackson School in a playground area, which will not be permitted by the BOE. The Brightcore carport production is shown on a narrow portion of the parking lot and may cause concerns for fire vehicle access. The total savings for the three bidders is shown on the chart below. Based on the above, the Committee gave HESP 10 points, Brightcore 9 points, and Eznergy 7 points. Therefore, the total points awarded for the category is 37 for Eznergy; 36 for HESP and 32 for Brightcore.

The Pricing and Savings charts below are based on the proposals





Bidder	Brightcore	Concord	Eznergy	HESP	Advanced	Sol
Proposed price for all SESs (in the aggregate)/kWh	$0.0249	$0.0260	$0.0160	$0.0190	$0.0244	$0.1011
Annual Escalation Rate as a percentage	0.00%	0.00%	1.50%	1.50%	1.75%	0.00%
Total System Size, kW DC	2,867.95	1,509.52	2,470.62	2,909.80	1,670.40	1,867.00
Total Estimated Production kWh/Year	3,381,189	1,752,262	2,919,459	3,365,374	1,994,495	2,261,615
Electrical Interconnection Adder	$0.0040	$0.0070	$0.0035	$0.0100	$0.0056	$0.0533
Structural upgrades Adder	$0.0040	$0.0050	$0.0035	$0.0100	$0.0056	$0.0533
Value of overall cost of construction	$7,296,065	$2,700,000	$2,347,089	$6,000,000	$3,758,400	$6,016,641
Total 15 Year Savings ($)	**$5,260,539**	**$2,698,771**	**$4,839,069**	**$5,418,653**	**$3,027,528**	**$1,065,052**
Adjusted Annual Savings with $100k Structural	**$5,067,980**	**$2,574,031**	**$4,693,588**	**$4,939,507**	**$2,868,506**	**($651,197)**
IRR for NPV	3%	3%	3%	3%	3%	3%
NPV of Savings	**$4,142,599**	**$2,124,923**	**$3,818,972**	**$4,275,827**	**$2,389,192**	**$810,071**

B) Technical Criteria (35)

The Committee evaluated the major system components and their compliance with the minimum standards set forth in the RFP. Additionally, the Committee considered the following aspects with regards to the technical review and design installation plan: optimization of the solar energy electricity production based upon the feasible area allocated for solar energy system placement; quality of equipment; the systems planned; designs account for shading and other construction factors that affect the performance of the proposed systems.

Technical Observations:

- Equipment from all proposals look acceptable, but solar PV modules recommended by Eznergy has a maximum power rating of 450W versus the 420W modules recommended by both HESP and Brightcore.
- No notable issues or errors for the layout and configuration of the systems were noted for any of the respondents. The Committee determined that the layout proposed by Eznergy was the most advantageous to the Board. Eznergy has taken additional consideration for equipment access and roof perimeters into account for layout design.
- All companies have regular maintenance/inspection visits proposed at least once per year.
- The warranties of all major equipment (modules, inverters and racking) were checked against the 15 year term and all look to meet or exceed that term with the exception of the SolarEdge inverters that HESP specified. It is not clear that they included the manufacturer's extended warranty option (20-year total) to extend the standard 12 year warranty out to cover the full 15 years.
- HESP used PVWatts to layout and model the energy production of their systems. This is acceptable, but it is the opinion of JCI that it is of lower quality and accuracy than the software used in both the Eznergy and Brightcore proposals.

Brightcore Technical Summary:

School Name	Tilt Angle	Azimuth	Total Strings	Rack Structure	Inverter
Hackensack HS	10	Not Specified	6 or 9 per Inverter Unit	Roof and Canopy	SE30KUS, SE66.6KUS, SE100KUS SolarEdge
Hackensack MS	10	Not Specified	6 or 9 per Inverter Unit	Roof and Canopy	SE66.6KUS SolarEdge
Fanny M Hillers	10	Not Specified	6 or 9 per Inverter Unit	Roof Only	SE66.6KUS SolarEdge
Jackson Avenue	10	Not Specified	6 or 9 per Inverter Unit	Roof and Canopy	SE30KUS, SE100KUS SolarEdge
Nellie Parker	10	Not Specified	6 or 9 per Inverter Unit	Roof and Canopy	SE66.6KUS SolarEdge
Fairmount ES	10	Not Specified	Not Specified for SE30KUS	Roof Only	SE30KUS SolarEdge
Padovano Admin	10	Not Specified	6 or 9 per Inverter Unit	Roof and Canopy	SE66.6KUS SolarEdge

Eznergy Technical Summary:

School Name	Tilt Angle	Azimuth	Total Strings	Rack Structure	Inverter
Hackensack HS	5, 7	107, 112, 203	183	Roof and Canopy	PVI 50TL, 60TL Solectria
Hackensack MS	5, 7	111, 203	51	Roof and Canopy	PVI 50TL Solectria, SE33.3KUS SolarEdge
Fanny M Hillers	5	26, 94	4	Roof Only	SE30KUS SolarEdge
Jackson Avenue	5	163	11	Roof Only	SE33.3KUS (deprecated) SolarEdge
Nellie Parker	5	217	20	Roof Only	SE14.4KUS SolarEdge
Fairmount ES	5, 15, 32	10, 190	10	Roof Only	SE30KUS, SE100KUS SolarEdge
Padovano Admin	5	216	11	Roof Only	SE14.4KUS SolarEdge

HESP Technical Summary:

School Name	Tilt Angle	Azimuth	Total Strings	Rack Structure	Inverter
Hackensack HS	5 & 7	Varies	224	Roof and Canopy	Solectria PVI 60 TL
Hackensack MS	5 & 7	112 & 202	121	Roof and Canopy	Solectria PVI 60 TL
Fanny M Hillers	5	209 & 119	9	Roof only	Solectria PVI 60 TL
Jackson Avenue	5 & 7	163 & 253	40	Roof and Canopy	Solectria PVI 50 TL
Nellie Parker	5 & 7	216	36	Roof and Canopy	Solectria PVI 50 TL
Fairmount ES	5	190	24	Roof only	Solectria PVI 60 TL
Padovano Admin	5	216	12	Roof only	Solectria PVI 36 TL

Based upon the information set forth above, the Committee awards Brightcore 32 points, Eznergy 33 points, and HESP 29 points for this category.

C) Experience and Qualifications (15)

This section will consider the specific experience in the design, engineering and operation of the solar energy systems for public entities and school districts in New Jersey. Quality of construction, performance for past projects, references and qualification of team members will be considered.

Brightcore: According to its proposal, Brightcore has developed, designed, permitted, constructed and interconnected over 40 solar PV projects in New Jersey representing over 75 MWs for a range of customers including Brielle Board of Education, Middle Township Board of Education, Central Regional School District, Union Beach Board of Education, and Franklin Board of Education.

Based upon the vast experience in constructing for public entities, including many school districts in New Jersey, the Committee awarded 15 points.

Eznergy: As previously indicated herein, EZnergy proposes to combine with Greenskies to design, construct and operate the solar project. EZnergy has been in business in New Jersey for ten (10) years and has funded over $130 Million in solar projects in New Jersey and installed rooftop solar projects at 67 schools in New Jersey. Institutional clients are 60% of their solar business. All of the individuals listed who would work in the solar projects have experience in solar design and construction.

Some of its larger school projects were for Marlboro Township Public Schools (3 MW rooftop, ground mounted); Newark Public Schools (4 MW rooftop and carport); Readington BOE (1.2 MW rooftop and ground mounted); and Toms River (4.5 MW rooftop).

Greenskies was founded in 2009 and has constructed and operated 233 MW of solar projects across 391 sites in 19 states. It operated over 24 MW of solar systems for 51 municipalities, universities, schools and hospitals, including school districts and a community college in New Jersey.

Based upon the vast experience in constructing for public entities, including many school districts in New Jersey, the Committee awarded 15 points.

HESP: HESP has more than nine (9) years of experience developing and operating solar projects in northeast New Jersey. HESP has developed over 30 MW of solar projects over the past three (3) years. Its management team has substantial experience in the solar industry and appears well qualified.

HESP has worked on multiple solar projects for school districts in New Jersey, including the following: (1) Caldwell – West Caldwell Board of Education (1 MW rooftop); (2) Elizabeth Board of Education (1.5 MW rooftop); (3) South Brunswick Board of Education (4.8 MW rooftop and ground); (4) Howell Board of Education (4.5 MW of rooftop and ground); and (5) Plumsted Board of Education (1.8 MW rooftop and ground).

Based on the above and the experience on working on large solar projects for school districts in New Jersey, the Committee awarded 15 points.

D) <u>Financial Capabilities (10)</u>

Brightcore: Brightcore submitted financial statements for Brightcore for 2019 and 2020. Brightcore stated in its proposal that funding would be provided by Brightcore's clean energy finance entity, AB Sustainable Energy Solutions ("ABSES"). No financials were provided for ABSES. Avrion Infrastructure is the lead investor in ABSES. Avrion sent a financing letter in support of the project which states that it has targeted $200 Million of equity capital with Brightcore. The letter of support was not a commitment and the providing of funds was "subject to the completion of due diligence, documentation and internal approvals." Based on an analysis of financial statements and the lack of a firm commitment, the Committee gives Brightcore 8 out of 10 possible points.

Eznergy: EZnergy in Section 3 of its response to the proposal states that it will partner with Greenskies Clean Energy ("Greenskies"), which will provide the funding for the project. Greenskies provided a commitment letter, which states that it "…has secured all of the necessary debt and equity financing required to fund the project and that no financing contingency is required." The responses show that EZnergy has positive equity and Greenskies shows substantial equity and access to substantial funds to fund the Hackensack project.

Based on the information provided and the above analysis, the Evaluation Committee gave EZnergy a score of 10 out of a possible 10 points.

HESP: In Section II of its response to the RFP, HESP stated that the development of the project "…will be carried on the balance sheet of HESP Solar." HESP also has construction commitments in place and before the solar system is commissioned, will bring in tax equity positions and after commissioning a permanent debt/equity investor. HESP stated that it had never failed to secure financing for a project. HESP provided financial statements for the years 2019 and 2020, which showed substantial equity in the company. Based on the financial information provided and the history of HESP in financing projects, the Committee gave HESP a score of 10 out of a possible 10 points.

SCORING SUMMARY AND RECOMMENDATION

	Brightcore	**Eznergy**	**HESP**
PPA Price and Total Savings (40)	32	37	36
Technical Criteria (35)	32	33	29
Experience and Qualifications (15)	15	15	15
Financial Capability (10)	8	10	10
TOTAL	**87**	**95**	**90**

The Committee notes that all three (3) of the respondents, which the committee interviewed and evaluated, submitted responsive proposals, that each met the Board's minimum requirements, that indicated an understanding of the requirements of the project, and that each proposer appears to be capable of successful performance.

The Committee concludes that the Eznergy proposal provided the best overall benefit to the Board based upon the lowest price, equipment quality and the most preferred layouts. Eznergy has experience in constructing solar facilities in schools and in connection with Greenskies has the ability to finance the project. Consideration of "other factors," includes the proposed design, equipment and experience, suggests that the Board will have a favorable long-term relationship with Eznergy.

Therefore, on a "price and other factors" basis, the Committee recommends that the Solar PV Power Purchase Agreement be awarded to Eznergy under the terms set forth in the RFP, and the PPA to be executed by the parties.

Respectfully submitted,
Evaluation Committee