



CONSUMERS ENERGY COMPANY

REQUEST FOR PROPOSALS
SOLAR GENERATION PROJECTS

Bids Due:

July 9, 2018 12:00 noon EPT (Jackson, MI)

Issued

June 8, 2018

Web Address: <https://www.consumersenergy.com/residential/renewable-energy/customer-generation/electricity-sales/electric-power-notice>

NOTICE: Respondents are prohibited from associating Consumers Energy Company's name with landowners for purposes of responding to this RFP.

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1. **Introduction**

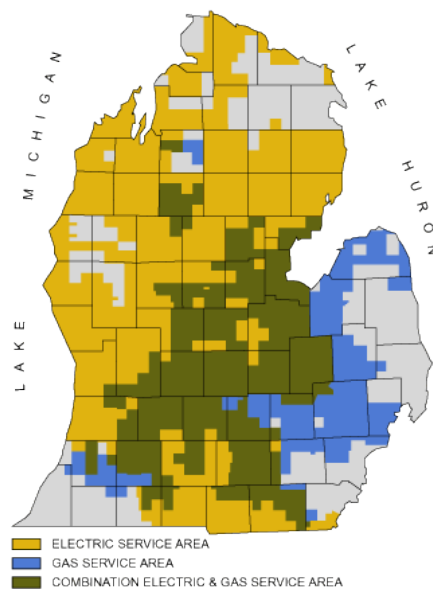
- 1.1 With this Request for Proposals (RFP) Consumers Energy Company (CEC or the Company) is soliciting proposals to purchase capacity and energy from, and to acquire, new solar generation projects as described more fully in Subsection 2.2 below.

The general schedule for the RFP process is shown below (See also Subsection 3.6):

Email Notice to Potential Respondents	June 5, 2018
Issue RFP	June 8, 2018
Notice of Intent (NOI) Due	June 15, 2018
Pre-Qualification Applications Due	June 22, 2018
Proposals Due	July 9, 2018

- 1.2 Consumers Energy Company is the principal subsidiary of Jackson-based CMS Energy Corporation and is Michigan's largest electric and natural gas utility, providing service to approximately 6.7 million of the state's 10 million residents in all 68 counties in the Lower Peninsula. CEC provides electric service to 1.8 million customers and serves 275 cities and villages in 61 counties. The Company operates 5 coal-fueled generating units, two oil/gas-fueled and two gas-fueled generating units, 13 hydroelectric plants, a pumped storage electric generating plant, two wind-powered energy parks, two solar photovoltaic generation systems and several combustion-turbine plants that produce electricity when needed during peak demand periods. The utility also purchases power from several independent power producers through long term power purchase agreements.

CEC Service Territory



More information about CEC is available by visiting www.ConsumersEnergy.com

1.3 **CEC Solar Energy Experience**

CEC's solar energy experience includes the ownership and long term power purchase agreements listed below:

Solar Energy Resources	MW
Experimental Advanced Renewable Program – Solar	2.02 (DC)
Experimental Advanced Renewable Program Expansion - Solar	4.38 (DC)
Heritage Garden – Solar	0.88 (AC)
Solar Gardens at Grand Valley State University	3.00 (AC)
Solar Gardens at Western Michigan University	1.00 (AC)

2. **Purpose / Desired Product**

2.1 **Purpose and Background**

The purpose of this RFP is to solicit offers for CEC to acquire or contract for the output from solar generation projects located in that portion of the Lower Peninsula of the State of Michigan that is serviced by the Midcontinent Independent System Operator (MISO). Proposals located within this region (MISO's Local Resource Zone 7) are requested to support CEC's new renewable portfolio standard of 15% renewable energy by 2021. With this RFP, CEC is seeking to purchase power from new solar generation projects that provide the lowest net costs to its customers. CEC is also seeking proposals for options to acquire new solar generation projects. The structures that CEC will consider to accomplish the foregoing objectives are described in more detail in Subsection 5.4 below.

2.2 **Product Description**

CEC seeks to acquire or purchase capacity, energy and Renewable Energy Credits from up to 100 MW_{AC} of new aggregate nameplate rated solar photovoltaic generation projects with a commercial operation date on or before May 31, 2021, all located in the State of Michigan to support CEC's new renewable portfolio standard.

3. **Information and Schedule**

3.1 **Information Provided to Potential Respondents**

This RFP and all of its appendices and forms are anticipated to be available as of June 8, 2018 on CEC's website (<https://www.consumersenergy.com/residential/renewable-energy/customer-generation/electricity-sales/electric-power-notices>). Interested parties are expected to be able to download the RFP with its required forms and complete the forms in Microsoft Word and Excel formats. Parties on whose behalf a proposal is submitted ("Respondents") should submit properly completed forms by the specified due date either by express mail to the CEC Representative designated below or by electronic mail to the RFP Submission Email Address (energypurchase@cmsenergy.com). Respondents' proposals must be signed by an officer or owner.

CEC Representative

Consumers Energy Company
1945 W. Parnall Road
Jackson, MI 49201
Attn: Kathy Wetzel

CEC also anticipates sending an electronic email notification on or before June 5, 2018 to parties that it considers being likely Respondents to this RFP. The preparation of a proposal may be started at any time provided that such preparations are done in accordance with the instructions found in this RFP.

3.2 **Respondent Certification**

By submitting a proposal in response to this RFP, the Respondent certifies that it has not divulged, discussed, or compared any commercial terms of its proposal with other Respondents and has not colluded whatsoever with any other party believed to be a prospective Respondent.

3.3 **Information on the CEC Website**

The information on CEC's website will contain the following:

- (a) This RFP and all associated appendices.
- (b) Questions and answers about this RFP.

3.4 **Questions**

All questions regarding this RFP should be submitted to the RFP Submission Email Address (energypurchase@cmsenergy.com). All questions and answers of a non-trivial nature will be e-mailed to partners that have submitted Notice of Intent (NOI).

3.4.1 Any Respondents who discover inconsistencies or errors in, or who are in doubt as to the meaning or intent of any part of, the RFP documents, shall request an interpretation from CEC via the RFP email address.

3.4.2 If a Respondent fails to notify CEC of a known error or an error that reasonably should have been known prior to the final submission date, the Respondent shall assume any and all risk, and shall not be entitled to change its proposal after the submission due date.

3.5 **Clarification of Proposals**

While evaluating proposals, CEC may request additional information about any item in the proposal. All requests will be made in writing, and the Respondent will be required to respond to the request within three (3) business days of receipt of such request or CEC may choose to stop evaluating the Respondent's proposal.

3.6 **Schedule**: The following schedule and deadlines apply to this RFP. CEC reserves the right to extend or otherwise modify any portion of this schedule at any time or terminate the RFP process at its sole discretion.

3.6.1 EPT or Eastern Prevailing Time means Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect in Jackson, Michigan on any date specified.

- 3.6.2 All proposals are due by 12:00 noon EPT, July 9, 2018. CEC expects to execute condition precedent agreements (subject to Michigan Public Service Commission approval) no later than December 31, 2018.

Step	Timetable
Notice of Intent Due	5:00 pm EPT, June 15, 2018
Respondent Pre-Qualification Applications Due	5:00 pm EPT, June 22, 2018
Respondents Notified of Results of Pre-Qualification Application Review	5:00 pm EPT, June 29, 2018
Proposal Due Date	12:00 noon, EPT, July 9, 2018
Proposal Evaluation Completion Target	August 8, 2018
Condition Precedent Agreements Executed	December 15, 2018
Submittal to the MPSC for Approval	February 16, 2019

4. RFP General Requirements

4.1 Respondent Pre-Qualification

To be eligible to submit a proposal in response to this RFP, Respondents must be pre-qualified. To pre-qualify, Respondents must (a) submit through the RFP Submission Email Address (energypurchase@cmsenergy.com) by no later than 5:00 p.m. EPT on June 15, 2018 a Notice of Intent (Appendix A) and by no later than 5:00 p.m. EPT on June 22, 2018 a completed Pre-Qualification Application (Appendix B) and (b) receive confirmation from CEC that they are pre-qualified to submit a proposal.

4.2 Size

All solar generation projects proposed in accordance with this RFP must have a nameplate capacity rating of not less than 10 MW_{AC} and no greater than 100 MW_{AC}.

4.3 Proposal Quantities and Pricing

This RFP requests proposals that consist of firm quantities and firm prices. All prices must not be tied to any contingencies other than as specified herein. For purposes of this solicitation, the sale of a solar generation project to CEC includes the transfer of all permits, licenses, equipment and contracts as each may be applicable to each proposal as identified in Appendices C - Technical Bid Form, and D-1, D-2 and D3 – Pricing Bid Form (s). The purchase of solar generation through a long-term contract includes energy, capacity, and all environmental attributes, including, but not limited to, Renewable Energy Credits and carbon offsets.

4.4 **Valid Proposal Duration**

Proposal pricing must be valid for six (6) months following the Proposal Due Date, upon which time proposals shall expire unless the Respondent has been notified and selected as a final award recipient.

4.5 **Location**

This RFP requests proposals from new solar generation projects in which the project(s) will be located in the Lower Peninsula of the state of Michigan. All solar generation projects proposed in a response to this RFP must have the capability of being registered by CEC as a generation resource within MISO. Information submitted must include identification of proposed interconnection points and the status of the interconnection (e.g., application received by Interconnection Entity, study agreement executed, executed interconnection and operating agreement) as identified in Appendix C - Technical Bid Form.

4.6 **Affiliates**

Affiliates of CEC are not permitted to participate in this RFP.

5. **Proposal Content Requirements**

This section describes CEC's expectations and requirements for the RFP bids for all proposals. CEC expects Respondents to provide any information that could impact the Respondent's ability to deliver the product(s) as offered. If it appears that certain information is inadvertently omitted from a proposal, CEC may contact the Respondent to obtain the information.

All proposals must include a table of contents and provide concise and complete information on all of the following topics:

5.1 **Respondent's Information**

Proposals must include information on the Respondent's corporate structure (including identification of any parent companies), a copy of the Respondent's most recent quarterly report containing unaudited consolidated financial statements that is signed and verified by an authorized officer of Respondent attesting to its accuracy, a copy of Respondent's most recent annual report containing audited consolidated financial statements and a summary of Respondent's relevant experience. Financial statements, annual reports and other large documents may be referenced via a web site address. Consumers Energy maintains an investment grade credit rating from Moody's and Standard & Poor's, and expects counterparty to have similar credit quality or provide similar assurances commensurate with Respondent's obligations as outlined in the agreements included in this RFP.

5.2 **Executive Summary**

Provide an executive summary of the project's characteristics and timeline, including any unique aspects and benefits, such as, community engagement activities the Respondent implemented in order to build local community acceptance of the project.

5.3 **Facility Information**

Proposals must include narratives containing adequate detail to allow CEC to evaluate the merits and credibility of the proposed resources. In addition, the Bid Forms identified in Appendices C and D-1, D-2 or D-3 **must** be fully completed. Respondents must address the following topics:

- 5.3.1 **Size.** All Respondents are asked to price a new solar generation project with a nameplate rating not to be less than 10 MW_{AC} and not more than 100 MW_{AC}.
- 5.3.2 **Feasibility.** Proposals shall include reports from qualified external consultants which cover: (1) project fatal flaws or risks, and (2) solar studies which include (but are not limited to) monthly average solar energy output analysis of the project including the average hourly solar production profile of the facility during each calendar month of an average year, historical and projected solar irradiance, solar shading, and annual energy output estimate during each year of the useful life of the project solar farm (estimated to be 25 years). Also, provide the contact information, resume and experience of the external consultant(s) engaged to prepare the above reports.
- 5.3.3 **Licenses and Permits.** Proposals shall include a description of all significant licenses and permits required to construct and operate the solar generation resource and the status of acquiring and/or completing such licenses and permits.
- 5.3.4 **Name and Location:** Proposals shall include the name of the solar generating facility and project location, the merits of the selected site, and the proposed land rights. Proposals shall include: (1) a map of the site highlighting fully executed leases, easements, or purchase option agreements to lease property or convey land rights to the Respondent, (2) boilerplates of any/all definitive agreements Respondent is using or would intend to use to secure the site identified in item (1) above, and (3) an affidavit signed by an officer of the Respondent attesting to the validity of items (1) and (2) above.
- 5.3.5 **Project Layout:** Proposals shall include anticipated placement of solar panels, perimeter security fence, location of switchgear and transformer, and other project facilities, including transmission layouts and the Point of Interconnect. The project layout shall be dimensioned,
- 5.3.5.1 **Environmental Review:** Proposals shall include a confirmation whether the following have been conducted: (1) a historical or cultural review of the property, (2) a review for historic contamination on the property, and (3) any nearby Important Bird Areas as listed by the National Audubon Society.
- 5.3.5.2 **Environmental Map:** Proposals shall include a map of the current use of the property showing: (1) agricultural use, (2) wetlands, (3) streams, (4) drains, (5) woodlots, (6) occupied structures, and (9) any other items of concern.
- 5.3.6 **Reliability of Proposed Technology:** Proposals shall include the description, size, number and manufacturer of the generation equipment that will be used, including a summary of the commercial operating experience of the equipment chosen, including OEM installed capacity of the given solar panel and inverter models. Where applicable, Respondents should also indicate significant solar panel and inverter warranty terms it would expect to secure from the proposed suppliers. If a final equipment selection has not been made, list the candidates under consideration and the status and schedule of the selection process. Also provide a detailed description of the system intended to provide supervisory control and data acquisition (SCADA) information and power regulation capabilities real-time telemetering data (i.e. solar irradiance, shading, availability, production, etc.).

Respondents shall indicate the available telecommunication provider service available at the proposed location. Identify locations and service provider for copper or fiber communications. If available, provide a cellular service assessment.

5.3.7 **Interconnection**: Proposals shall include copies of all studies prepared or required by the applicable Interconnection Entity. If no such studies have been completed, the proposal should include any studies prepared by qualified consultants. Proposals shall indicate the level of Network Resource Interconnection Service to be obtained for the project.

5.3.8 **Project and Construction Schedule**: Schedules shall include major milestones such as completion of permitting, financing, regulatory requirements, major construction, commissioning and regulatory testing, commercial operation date, etc. CEC requires Commercial Operation Dates (COD) on or before May 31, 2021.

5.3.9 **OEM and EPC Contractor**. To the extent known, provide name of Original Equipment Manufacturer (OEM), Engineering, Procurement and Construction (EPC) contractor and any subcontractors.

5.3.10 **Financing Plan**: Respondents shall include a proposed financing plan for the project, including but not limited to any condition precedent agreement(s) it has utilized in similar past transactions.

5.3.11 **Capacity and Availability Factors**: Respondents shall state the expected monthly and annual P90 net capacity and availability factors of the facility and certified by a qualified independent third party consultant P90 estimations shall include snow load calculations into the loss factors.

5.3.12 **Acquisition Date**: Respondents shall state the proposed date upon which acquisition of the facility would be completed, if applicable.

5.3.13 **Acquisition Price**: If applicable, Respondents shall submit an acquisition price consisting of a single fixed payment that is inclusive of all monetary consideration for the generating assets, ancillary facilities and all contractual arrangements. See Appendix D-1, D-2 or D-3 – Pricing Bid Forms.

5.3.1 **Power Purchase Price**: If applicable, Respondents shall submit the unit price, term and other relevant terms and conditions of a proposal which includes the information necessary to complete a power purchase agreement materially the same as Appendix G, associated with the solar facility.

5.4 **Acquisition or Purchase Structures**

CEC will consider proposals that include one or more of the following acquisition structures:

- A. Development Asset Acquisition (DAA) Option – CEC acquires ownership of all development-related assets including but not limited to: land rights, development studies, permits, safe harbor equipment, etc; or

- B. Build-Operate-Transfer (BOT) Option - CEC purchases power from the solar facility and has the option to acquire ownership of the project after commissioning and operation of the solar generation equipment, at or after the expiration of the Federal Investment Tax Credit.
- C. Power Purchase Agreement (PPA): CEC purchases power from the solar facility but does not acquire or otherwise obtain an ownership interest in the facility.

All Respondents must provide appropriate documentation defining the amount of Federal Investment Tax Credit to be secured for the project, including how it will be met.

CEC desires the form of the above structures that will provide the lowest net cost to its customers. Respondents are free to structure CEC's acquisition of the solar generation project or purchase of power from the facility in any of the above forms they desire. The structure of said deal must at a minimum provide for the following:

- a) Adequate perimeter security including fencing and lockable entry gates.
- b) Spare fiber optic capacity for future camera monitoring, SCADA monitoring system, and security card access at the facility.
- c) Conditional monitoring systems for the photovoltaic generator equipment and ambient weather conditions.
- d) Data collection system that supports remote monitoring for an unmanned facility.

5.5 **Long-Term Power Purchase Agreement**

With respect to the PPA form of agreement the following applies: During the period beginning with the commercial operation date and continuing until up to 20 years, CEC and Respondent will enter into a mutually agreeable power purchase agreement (PPA). Therefore, Respondent shall also propose a power purchase price for the energy produced under the PPA in dollars per megawatt-hour for each year of the PPA. The PPA price proposed may be fixed or escalated or seller may propose multiple PPA prices at various escalation rates. Respondent shall specify the requested term length of PPA for each proposal submitted.

6. **Minimum Bid Eligibility Requirements**

This section outlines the minimum requirements that all proposals must meet to be eligible to participate in this RFP. Subject to Subsection 7.1 below, Proposals not meeting the following criteria will be deemed to be ineligible and not be considered for further evaluation.

- Respondents must meet the general requirements in accordance with Section 4 of this RFP.
- Proposals must include all applicable content requirements described in Section 5 of this RFP, including all requested information and completed forms.
- Proposals must provide documentation that shows an acceptable level of development, financial credit, technology, and federal tax credit risk, as determined by CEC's bid evaluation team.

- Proposals must include the following information relating to real estate: a copy of the Respondents' standard forms used for land acquisition (e.g., land contracts, leases, easements, etc.).
- Proposals must include the Respondent's proposed mark-up of the PPA contract template provided as part of the RFP, if a power purchase agreement is applicable to the proposal.
- Proposals for a DAA or BOT must be accompanied by Respondents' proposed contract forms for those acquisition structures.

7. **Bid Evaluation and Contract Negotiations**

7.1 **Initial Proposal Review**

After the proposal submittal due date, CEC will review all responses for completeness, responsiveness and compliance with the minimum bid eligibility requirements specified in Section 6 of this RFP. CEC will not accept updated pricing from Respondents during the evaluation period. Preliminary due diligence will also be conducted at this stage to identify any flaws associated with the proposal that are unacceptable to CEC. As a result of this screening, CEC may, at its sole discretion, either eliminate proposals from further consideration, or contact Respondents to clarify information or request additional information. CEC will make such requests in writing via email and specify a deadline for compliance. Failure to provide the requested information or clarification by the deadline may result in disqualification of the proposal.

7.2 **Shortlist Development**

CEC will evaluate all proposals to meet pricing and renewable energy needs. Proposals will be evaluated based on present value economics and other factors that may include, but will not be limited to, location, credit, and community support.

During the evaluation process, CEC may or may not choose to initiate discussions with one or more Respondents. Discussions with a Respondent shall in no way be construed as commencing contract negotiations.

7.3 **Contract Negotiations**

CEC may initiate contract negotiations for potential project purchases with one or more Respondents whose proposals CEC has selected pursuant to Subsection 7.2 above. If the Respondent and CEC cannot agree to acceptable terms within the schedule set forth in Subsection 3.6, CEC reserves the right, in its sole discretion, for any reason, to eliminate the Respondent from further consideration.

During any contract negotiations CEC reserves the right to provide required changes to the land leases, easements, or option agreements to required convey land rights

CEC's commencement of and participation in negotiations shall not be construed as a commitment to execute a contract. Only execution of a definitive agreement by both CEC and the Respondent on mutually acceptable terms will constitute a "winning bid proposal".

7.4 **Contract Templates**

The final executed contracts with the winning bid proposal(s) will be expected to be materially the same as the solar PPA template provided with this RFP, if a power purchase is part of an agreement between the parties.

8. **Reservation of Rights**

CEC reserves the right, without qualification, to reject any or all proposals and to waive any irregularity in submitted information. There is no assurance, expressed or implied, that any contract will be executed pursuant to this RFP. CEC also reserves the right to evaluate all offers received in any manner it elects to employ, to solicit additional proposals if it is deemed necessary to do so and the right to submit additional information requests to Respondents during the bid evaluation process.

9. **Liability with Respect to RFP**

This RFP shall not, by itself, give any right to any party for any claim against CEC. Furthermore, by submitting a proposal, Respondent shall be deemed to have acknowledged that CEC assumes no liability in any fashion with respect to this RFP or any matters related thereto. By submission of a proposal, the Respondent, for itself as well as for its successors and assignees (if any), agrees that, as between Respondent and CEC, Respondent is to be solely responsible for all claims, demands, accounts, damages, costs, losses and expenses of whatsoever kind in law or equity, known or unknown, foreseen or unforeseeable, arising from or out of this RFP.

10. **Confidentiality of Information**

All proposals submitted in response to this RFP become the property of CEC upon submittal. CEC will take commercially reasonable precautions and use commercially reasonable efforts to maintain the confidentiality of all bids submitted. Respondents shall clearly identify each page of information considered to be confidential or proprietary. CEC reserves the right to release any proposals to agents or consultants for purposes of proposal evaluation. CEC's disclosure policies and standards will automatically bind such agents or consultants. Regardless of the confidentiality claimed, all such information may be subject to review by the appropriate state or federal authority, or any other governmental or regulatory authority or judicial body with jurisdiction relating to these matters and may be subject to discovery. Under such circumstances, CEC will make commercially reasonable efforts to protect Respondent's confidential information. Notwithstanding the foregoing, proposals submitted in response to this RFP may become public documents in state or federal regulatory or judicial proceedings, and may be subject to discovery or other disclosure as part of said proceedings.

11. **Proposal Costs**

Respondents shall assume any and all costs/expenses required for or in connection with its proposal.