

CONSUMERS ENERGY COMPANY JUNE 2018 RENEWABLE RFP
QUESTIONS & ANSWERS

1. Q. With regard to Section 2.1 of the solar RFP, is it CEC's intent to acquire or contract for the output from solar generation projects that are serviced by MISO's Local Resource Zone 7 in CEC's service territory?
 - A. No, it is CEC's intent to acquire or contract for the output from solar generation projects located in the MISO's Zone 7 of the Lower Peninsula of the State of Michigan regardless of the transmission provider.
2. Q. How should a Respondent demonstrate the amount of progress completed for the development of a project?
 - A. The Respondent should provide the status of the following: Site Selection Process (Technology Studies, Access to Transmission, Stakeholder Engagement); Easement Agreement Process (land acquisition: acres under control vs. required for total project); Development Studies Process (Site Plan, Environmental, Interconnection, Noise, Shadow Flicker); Local, State, and Federal Permit Process (Special Land Use Permit, Federal Aviation Administration, MDOT, Licensing); and Long Lead Time Procurement Process (Turbine Contract, Balance Of Plant ("BOP") Engineering, Procurement and Construction ("EPC"), and Main Power Transformer in order to demonstrate the completeness of a project's development.
3. Q. It is CECs intent to award projects based on pricing alone?
 - A. No, in the proposal evaluation process both quantitative (e.g. costs, projected revenue, etc.) and qualitative aspects (e.g. completeness of development, expected commercial operation, extent of contract mark-ups, etc.) are considered in detail.
4. Q. How should a Respondent address the variability in tax treatment across the state?
 - A. The Respondent should consult with its tax advisor on this question and provide supporting documentation to demonstrate how the tax authority would assess the project.
5. Q. RFP article 5.3.11 requires respondents to state the expected monthly and annual P90 net capacity and availability factors of the facility and have it certified by a qualified independent third party consultant. Could a Respondent in lieu of having this data verified by a third part consultant by July 9, 2018 instead provide a PVSyst production estimate by the submission deadline and have a verified estimate provided after a shortlist of projects has been created?
 - A. As accurately noted, the RFP requires Respondents to provide production estimates certified by a third party by the RFP deadline. If a Respondent chooses not to comply with this requirement for whatever reason, they should state why they are noncompliant and CEC will take that into consideration during the bid evaluation process.

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6. Q. Are there file size limitations for the submission of our response? If so, can you please tell me what they are? I believe we have a very large proposal, and so we may need to splice up the proposal and submit several emails in order to get the entire proposal to you. Is there an alternative to multiple email submission, such as a file upload to a server or dropbox type system?
- A. There are email size limitations. CEC cannot receive an email that exceeds 50 MB in size, so an email with multiple files cannot exceed this limit. Respondents should use multiple emails if files exceed 50 MBs. Additionally, the Respondent's email system may not be able to send emails that exceed a certain size. Please contact your information technology representative to determine if additional restrictions exist. Alternatively, proposals may be submitted by mail to the CEC Representative identified in Section 3.1 of the RFP.
7. Q. As a Respondent, we have solar projects with nameplates beyond the 100 MW requested size in the wind RFP. Does CEC prefer proposals and pricing based on our actual nameplate or at 100 MWs?
- A. The Respondent should provide proposals for projects that meet the size requirements of the RFP for bid evaluation and consideration. However, CEC is open to evaluating alternatives offerings (> 100MW) should said bid submittals be proposed.
8. Q. With regard to Section 2.2 of the wind RFP a commercial operation date on or before December 31, 2020 is requested. In Section 5.3.8 concerning the project and construction schedule it states CEC requires COD on or before December 31, 2020 for 100% PTC eligible projects and on or before December 31, 2021 for 80% PTC eligible projects. IS CEC looking for project with a COD on or before December 31, 2021 as well?
- A. Yes. However, CEC's first preference is to acquire projects that are 100% PTC eligible. As a secondary preference, CEC is open to evaluating projects with a COD of 12/31/2021 that would be 80% PTC eligible as well. Section 2.2 of the wind RFP has been modified and attached to include a COD of December 31, 2021.
9. Q. What is the shortlist notification deadline?
- A. CEC is targeting to complete the RFP evaluation period on August 8, 2018 which will result in a short list of projects for further consideration.
10. Q. With regard to Section 6 of the solar RFP the final bullet says "Proposals for a DAA or BOT must be accompanied by Respondents' proposed contract forms for those acquisition structures." This is a significant undertaking given the July 9 deadline.
- a. Rather than providing a separate document for the BOT, will CEC accept the option for purchase / further discussion embedded in the PPA? It appears that this may be more palatable to CEC as it under 5.4b a BOT is only considered after five years of operation.

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b. Is it possible to apply the commentary provided with the wind DAA to be made applicable to a solar DAA at a later date?

A. Yes, CEC will accept a proposed contract template with an Option to purchase within a PPA.

B. As accurately noted, the RFP requires Respondents to provide contract forms for the acquisition structure they are proposing. If a Respondent chooses not to comply with this requirement for whatever reason, they should state why they are noncompliant and CEC will take that into consideration during the bid evaluation process. A Respondent may choose to modify the wind DAA to be applicable as a solar DAA.

11. Q. Relatedly, is Consumers envisioning a PPA beginning at COD, with an option to purchase after the ITC has expired, and if it does not choose that option, the PPA continues for an additional 15 (or 20) years?" CEC requests a 20 year term in the RFP document, lists 15 years in the draft PPA, and has an option for pricing out to year 25 in Appendix D3. Is Consumers open to a term length totaling 25 years?

A. A PPA structure and a BTO structure are both acceptable contracting structures. At a minimum the PPA term will be 15 years; CEC will also consider Options for extension of the PPA for up to an additional 5 years (totaling 20 years).

The PPA contract is a template and should be marked up as necessary and submitted with the proposal. The respondent may propose an Option to buy for CEC during the term of the PPA, but it is not a requirement.

Appendix D-1 Build Transfer Option & Appendix D-2 Development Asset Acquisition request data for 25 years, however Appendix D-3 requests data for up to 20 years.