

**RESPONSES TO QUESTIONS ON NOTICE OF FUNDING AVAILABILITY  
 LOW-INCOME WEATHERIZATION PROGRAM  
 FISCAL YEAR 2017-18 APPROPRIATION PROCUREMENT:  
 COMMUNITY SOLAR PILOT PROGRAM**

The California Department of Community Services and Development (CSD) released a Notice of Funding Availability (NOFA) 2018-NOFA-62 for the Low-Income Weatherization Program’s (LIWP) Community Solar Pilot Program component on August 1, 2018. Questions on the NOFA were received in writing and during the Bidders’ Conference on August 16. Questions received during a technical assistance webinar on August 29, Best Practices in Solar Development and Oversight, have also been responded to below. The table below summarizes the major questions received, and CSD’s responses. The NOFA and related documents can be viewed at: <http://www.csd.ca.gov/LIWP>

| <b>1. Questions from Bidders’ Conference</b>  |  |
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| <b>Question</b>   | <b>CSD Response</b>  |
| 1.1 Can we submit one proposal for a project that has a portfolio of 2-3 solar projects that serve the same set of customers.   | If there are multiple solar array sites planned as part of one project, and the generated energy is being added together to serve project beneficiaries, that should be included in one proposal. However, if there are two locations serving two different sets of beneficiaries, the two projects should be submitted as two proposals (see also response to Question 2.10 below).   |
| 1.2. CSD is very specific on exactly what proposals should include in terms of location and program design, but you are also encouraging the bidders to include community/customer input in the design as well as the eventual roll-out of the pilot. How much of that in the bid would have to be specifically spelled out, versus a “to be decided” in coordination with community and customers? | All proposals must include a Community Engagement Plan that is specific in terms of the engagement that has or will happen. Plans will be scored on the robustness of the approaches taken during the continuum of the project planning and development timeline. CSD recognizes that projects may be at different points in their development timeline. The NOFA does not require that community engagement (e.g. town hall meetings) have occurred prior to submitting a proposal. However, if community engagement activities have not happened prior to submission, fewer points will be awarded in this area. |
| 1.3. Utilities are interested in customer feedback regarding the location of the facility, and even things like having names on panels, to help market the project.   | Yes, specifying the location is a concrete requirement for proposals. Points are to be awarded based on the location of the site and of beneficiaries. A letter from the local   |

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| Is CSD going to require that the bidders are concrete on things like location?  | jurisdiction is also required to demonstrate local review has occurred.   |
| <b>2. Questions Received During Open Comment Period</b>   |   |
| <b>Question</b>   | <b>CSD Response</b>   |
| 2.1 Our agency is considering submitting a proposal for the Community Solar Pilot project, but we will need to partner with a contractor to design and install the solar field. Are we able just to select a contractor for that or would we have to go through a formal Request for Proposal (RFP) process post-award? It would be difficult to prepare our proposal without the contractor's input. | CSD is not dictating any formal process for proposers to follow in subcontracting with a solar developer. The most competitive proposals will describe the full team of subcontractors that will be working on the project, including a solar developer if applicable. However, proposers should consider best practices in any subcontractor selection and oversight, and conform to the agency's own procurement processes and practices.   |
| 2.2 Please indicate the font type/size and page limitations associated with this NOFA.  | There are no specific font type/size or page limitation requirements associated with this NOFA. However, for ease of review, CSD recommends a minimum 11-point font size  |
| 2.3 Please confirm that all project expenses must be incurred by June 2021. Please detail reporting requirements through June 2024.   | <p>Currently, funds allocated to this Pilot Program (from CSD's 2017-18 LIWP appropriation) must be spent by June 2021, as legislatively mandated. For this reason, CSD is requiring that projects be operational and delivering benefits by June 2021. However, CSD also has an obligation to report project outcomes (energy generated [MW/year]) for operational projects to the California Air Resources Board. CSD is required to report on project outcomes for at least 25 percent of community solar projects, beginning when the system is installed and operational and continuing for 36 months on an annual basis at a minimum. Reporting requirements will therefore continue to apply during a subsequent contract reporting period after the fiscal reimbursement period, with costs borne by awardees.</p> <p>This contractual approach is in accord with the 2018 Funding Guidelines for Agencies Administering California Climate Investments, which state in Section VI.D.7:</p> |

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|   | <p>Due to the wide variety of programs and project types, there are multiple approaches for collecting project outcome data. Examples of potential data collection approaches include:</p> <ul style="list-style-type: none"> <li>• Obtain data from funding recipient.</li> </ul> <p>Administering agencies could direct funding recipients to provide project outcome data as part of the grant or loan agreement or through a separate agreement. Due to fund liquidation deadlines, administering agencies may need to establish different fiscal and performance periods in their grant or loan agreements to accommodate the length of the project outcome reporting period. For example, a waste diversion project could have a two-year fiscal grant term and a five-year project performance period of the grant agreement. During the first two years, the project would be constructed, become operational, and reach full capacity. During the final three years of the grant term, the funding recipient would collect data on the quantity of waste diverted and renewable energy generated and report that data to the administering agency.</p> |
| <p>2.4 Please confirm that documentation demonstrating a secured performance bond isn't required for the Proposal application itself (page 17).</p> | <p>No, a performance bond is not required to be secured prior to submitting a proposal. However, proposals should address plans for securing the performance bond in their project timeline and workplan, and include costs in their budget.</p>  |
| <p>2.5 Please clarify if projects are required to use prevailing wage, and/or the process for determining so (page 18).</p>                         | <p>As stated in the NOFA, the Department of Industrial Relations (DIR) is the primary resource for consultation on the requirements of California prevailing wage law. If proposers have questions about this contractual requirement, recordkeeping, apprenticeship or other significant requirements of California prevailing wage law, it is recommended proposers consult DIR and/or a qualified labor attorney.</p>  |
| <p>2.6 Please confirm a Community Choice Aggregator (CCA) is an</p>   | <p>Yes, a CCA is an eligible LSE (see also Question 3.4 below).</p>   |

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| <p>eligible Load-Serving Entity (LSE) (page 19).</p>   |  |
| <p>2.7 The NOFA states “The letter of support from the LSE should, at a minimum, confirm Proposer has a feasible interconnection opportunity” (page 19). Please clarify, if the LSE has an established interconnection process which the LSE will comply with, is an explicit letter of support for interconnection of the system required? Or can the applicant detail the application process and planned steps for compliance? This may be very difficult to achieve, for example, from Investor-Owned Utilities (IOUs) not directly involved in project teams.</p> | <p>CSD recognizes LSE requirements and processes for interconnection may vary considerably, and there may be challenges in meeting the NOFA requirement for the LSE letter of support. All proposers should endeavor to meet this requirement. However, should a proposer be unable to meet the requirement, the proposal should include detailed information on steps taken in this regard and all pertinent information on the LSE’s interconnection application process and proposer’s planned steps for compliance. An Addendum to the NOFA is being issued to include this provision.</p>                                       |
| <p>2.8 Please confirm that signed Attachments 2-5 and 10-12 only need to be included with the Original paper copy and e-copy and the 10 paper copies do not need to include Attachments 2-5 and 10-12 (pages 43-44).</p>   | <p>Correct, only one copy of Attachments 2-5 and 10-12 is required (attach to master paper copy).</p>  |
| <p>2.9 Please confirm that "all required attachments with this certification sheet" refers to Attachments 2,3,4,5, 10, 11, and 12 (page 45).</p>   | <p>“All required attachments” also refers to the additional, non-standard attachments that are unique to each proposal, and including</p> <ul style="list-style-type: none"> <li>• Attachment 6: Workplan Timeline</li> <li>• Attachment 7: Benefits Calculator Tool</li> <li>• Attachment 8: Budget Spreadsheet</li> <li>• Attachment 9: References Sheet</li> </ul> <p>Other non-standard attachments include the required letters from the LSE and local jurisdiction, and any letters of support from team members and/or the community. These are in addition to standard, template attachments (attachments 2-5 and 10-12)</p> |
| <p>2.10 May applicants submit a proposal that includes a single community solar financing transaction with the utility/CCA and a single customer offering, where the community solar installations</p>   | <p>Yes (see also response to Question 1.1 above). Since points are available based on the location of the site/s and of beneficiaries, all site locations should be specified for CSD to determine points to be awarded.</p>   |

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| <p>are aggregated over multiple local rooftops? This will help maximize local project siting resources, especially in denser urban environments.</p>   |   |
| <p>2.11 Can you please confirm that if a 501(c)(3) serves as Prime Proposer on behalf of one of its fiscally sponsored projects, the proposal is acceptable?</p>   | <p>Yes, that proposal would be acceptable. CSD would enter into a contract with the successful Prime Proposer (the 501(c)(3) entity) but not the fiscally sponsored project.</p>  |
| <p>2.12 Can the off-taker of the project be a private entity, if financial benefits are passed through an organization to qualifying low-income households? Or do the households that financially benefit from the project need to be subscribers to the energy generated by the project? We understand that there can be an "intermediary purchaser," but does a model where benefits are generated from the developer's cash flow, rather than through an off-taker or subscriber's bill credits, qualify?</p> | <p>CSD recognizes that not all terms, entities and arrangements discussed in the NOFA may be applicable to all project models, and welcomes innovative proposals that meet the goals of the pilot program with differing arrangements. However, all proposers are required to address energy cost benefits for low-income participants in their proposal (see Requirement 3.iii). If the formula provided in the section of the NOFA is not relevant to a project model as proposed, the proposer should describe and justify any alternate factors or formula that is utilized to quantify cost benefits. CSD reserves the right to work with Proposers to clarify or verify estimates and assumptions prior to scoring and making awards.</p> |
| <p><b>3. Questions from CSD's technical assistance webinar, <i>Best Practices in Solar Development and Oversight</i></b></p>   |   |
| <p><b>Question</b></p>   | <p><b>CSD Response</b></p>  |
| <p>3.1 An important element of (a solar) scoping process is the review of project economics. Do you recommend the use of off-the-shelf software products (e.g. Energy Tool Vase) to do this analysis? If so, can you recommend tools that are useful in evaluating the economics of community solar projects?</p>  | <p>Energy Tool Vase is a product that is useful in most typical circumstances (for 80-85 percent of projects).</p>  |
| <p>3.2 Is there a good resource for project cost benchmarks for community solar projects?</p>  | <p>Standardized benchmarks would be difficult to determine based on the unique variables and market conditions that may apply to each project. Projections on variables such as material costs and costs of financing are</p>   |

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|   | <p>typically based on prior experience and market understanding. For example, interconnection costs can vary based on project location and size, and environmental mitigations can have an impact. The National Renewable Energy Laboratory has published average prices for solar projects of various sizes and locations but actual prices could vary significantly. Conducting a competitive bidding process could provide the best information on project-specific pricing.</p>              |
| <p>3.3 Can you elaborate more on the negotiation process for securing Best and Final Offers from vendors?</p>                     | <p>It is an iterative process that requires expertise to identify risks relating to cost thresholds or qualitative issues. All contingencies should be identified through value engineering and negotiation before asking for a vendor's best and final number and terms. It is also possible to shortlist several vendors who are close in price and terms and proceed with value engineering, negotiation, and requesting best and final offers from the vendors prior to final selection.</p> |
| <p>3.4 Can a CCA submit grant proposals?</p>  | <p>Yes, as a Joint Powers Authority or local government entity a CCA would be eligible to submit a proposal. However, each proposal should address how the project is compatible with the existing regulatory and legal environment applicable to the project, and include all required steps and milestones for project development and implementation.</p>   |
| <p>3.5 What is one area where bidders should focus on when coming down to putting a complete and realistic schedule together?</p> | <p>This is difficult to determine given the unique variables that may apply to each project. All proposals should include a well-defined and detailed workplan and timeline that includes all required items for the project to be successful. Maximum points will be awarded to proposals with an approach that is assessed to be both comprehensive and feasible.</p>  |