

April 11, 2011

**VIA HAND DELIVERY & ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Summary Report on The Narragansett Electric Company d/b/a National Grid's First Solicitation for Long-Term Contracts for Renewable Energy Projects Pursuant to Rhode Island General Laws Section 39-26.1 et seq.**

Dear Ms. Massaro:

On behalf of National Grid<sup>1</sup>, enclosed are ten (10) copies of the Company's summary report on the results of the first solicitation conducted by the Company pursuant to R.I.G.L. Section 39-26.1 et seq. (the "Long-Term Contracting Standard") and the Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy (collectively, the "Regulations") promulgated by the Rhode Island Public Utilities Commission (the "Commission").

Under the Long-Term Contracting Standard and the Regulations, beginning on or before July 1, 2010, National Grid is required to annually solicit proposals from renewable energy developers and, provided commercially reasonable proposals have been received, enter into long-term contracts with terms of ten to fifteen years for the purchase of capacity, energy and attributes from newly developed renewable energy resources. Section 39-26.1-3 further provides that, at least 120 days prior to the issuance of the first solicitation and execution of such contracts, the Company must file its proposed timetable and method for solicitation and execution of such contracts for the Commission's review and approval. On March 1, 2010, the Company filed its proposed timetable and method for solicitation and execution of such contracts, which the Commission approved in Docket No. 4150.

National Grid initiated its first solicitation for long-term contracts for renewable energy on June 30, 2010, with the issuance of the Company's Request for Proposals for Long-Term Contracts for Renewable Energy Projects ("RFP"). The Company, however, was not required to enter into any contracts as a result of this solicitation because the Company had already exceeded twenty-five percent (25%) of the 90 MW minimum long-term contract capacity required under the Long-Term Contracting Standard through the execution of a Power Purchase Agreement ("PPA") with Rhode Island LFG Genco, LLC for the Town of Johnston Project. Notwithstanding the fact that the Company had already satisfied this minimum requirement, the Company selected one proposal for a 3.0 MW anaerobic digester biogas project for negotiation of a PPA. The Company and the project's developer are currently in the process of negotiating the terms of the PPA and, assuming the parties are able to reach agreement, the Company will file the executed PPA with the Commission for its review and approval, pursuant to the Long-Term Contracting Standard and the Regulations.

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid ("National Grid" of the "Company").

Luly E. Massaro, Commission Clerk  
Long-Term Contracts Solicitation  
April 11, 2011  
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While the Company and the project's developer continue their PPA negotiations, the Company is filing the enclosed summary report to provide the Commission with the results of the Company's first solicitation for long-term contracts for newly developed renewable energy projects, as required by the Regulations. Section 4.12 of the Regulations specifically provides that, "[w]ithin thirty (30) days of the execution of final contracts, or upon a determination that no Commercially Reasonable contracts could be entered into, [National Grid] shall file with the Commission a report on each solicitation regarding the results of such solicitation, even if no contracts are executed following the solicitation." The enclosed summary report includes a brief description of the solicitation process, the number and types of proposals received, the evaluation of those proposals, and lessons learned. Appendix A of the report contains a more detailed summary of the bids received, including pricing data, as well as the price and non-price evaluation of those bids. Appendix B of the report contains the non-price bid evaluation protocol used in the solicitation.

This filing also contains a Motion for Protective Treatment in accordance with Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(B). The Company seeks protection from public disclosure of Appendix A to the report as it contains confidential information including pricing data, and also with respect to so much of Appendix C as contains the identity of a bidder with which the Company is continuing to negotiate. In compliance with Rule 1.2(g), National Grid is providing one (1) complete unredacted copy of the confidential documents in a sealed envelope marked "**Contains Privileged and Confidential Materials – Do Not Release.**" The Company has provided the Commission with the confidential version of those documents.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Leo Wold, Esq.  
Steve Scialabba, Division

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

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**Summary Report on The Narragansett Electric Company d/b/a National Grid's  
First Solicitation for Long-Term Contracts for Renewable Energy Projects  
Pursuant to Rhode Island General Laws Section 39-26.1 et seq.**

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**NATIONAL GRID'S REQUEST  
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid<sup>1</sup> hereby requests that the Rhode Island Public Utilities Commission (“Commission”) provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(i)(B). National Grid also hereby requests that, pending entry of that finding, the Commission preliminarily grant National Grid’s request for confidential treatment pursuant to Rule 1.2 (g)(2).

**I. BACKGROUND**

On April 11, 2011, National Grid filed with the Commission a summary report of its first solicitation for long-term contracts, which includes a brief description of the solicitation process, the number and types of proposals received, the evaluation of those proposals, and lessons learned. Appendix A of the report, which is confidential, contains a detailed summary of the bids received, including pricing data, as well as the price and

non-price evaluation of those bids. Appendix C of the report contains the name of a participant in the RFP with which the Company is still in negotiations.

## **II. LEGAL STANDARD**

The Commission's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1, *et seq.* Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, the Commission has the authority under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure.

In that regard, R.I.G.L. §38-2-2(4)(i)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would be likely either (1) to impair the Government's ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

was obtained. Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I.2001).

The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47.

In addition, the Court has held that the agencies making determinations as to the disclosure of information under APRA may apply the balancing test established in Providence Journal v. Kane, 577 A.2d 661 (R.I.1990). Under that balancing test, the Commission may protect information from public disclosure if the benefit of such protection outweighs the public interest inherent in disclosure of information pending before regulatory agencies.

## **II. BASIS FOR CONFIDENTIALITY**

The Company seeks confidential treatment for Appendix A of the report since it contains confidential and proprietary information including pricing information and bid-evaluation information. This information was obtained from bidders under a confidentiality agreement and contains their confidential pricing data. Disclosure of this information would impact the competitive position of these parties, and such disclosure would impede National Grid's future ability to obtain bids and/or this type of proprietary information. Additionally, disclosure of the identity of the party with whom the Company is still negotiating that is contained in Appendix C would prejudice that party and also could prejudice the ongoing negotiation between the Company and that party.

**III. CONCLUSION**

Accordingly, the Company requests that the Commission grant protective treatment to Appendix A and so much of Appendix C as identifies the party with which the Company is still negotiating.

**WHEREFORE**, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

**NATIONAL GRID**

By its attorney,



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Thomas R. Teehan  
National Grid  
40 Sylvan Road  
Waltham, MA 02451  
(781) 907-1820

Dated: April 11, 2011

Long-Term Contracting Standards for Renewable Energy  
Summary Report on First Solicitation

The Narragansett Electric Company d/b/a National Grid

April 11, 2011

national**grid**

**Long-Term Contracting Standards for Renewable Energy**  
**Summary Report on First Solicitation**  
**March 21, 2011**

Introduction

On June 30, 2010, National Grid<sup>1</sup> issued its first solicitation for proposals from renewable energy developers to enter into long-term contracts for the purchase of capacity, energy and attributes from newly developed renewable energy resources under the Long-Term Contracting Standard for Renewable Energy (the “Long-Term Contracting Standard”). Pursuant to Section 4.12 of the Regulations<sup>2</sup>, National Grid has prepared this summary report to provide the Rhode Island Public Utilities Commission (the “Commission”) information regarding the results of the Company’s first solicitation.

Background

National Grid is required to annually solicit proposals from renewable energy developers and, provided commercially reasonable proposals have been received, enter into long-term contracts for the purchase of capacity, energy and attributes from newly developed renewable energy resources. Prior to its first solicitation, on March 1, 2010, National Grid made a filing with the Commission setting forth the timing and method of the solicitation process. The Commission approved this filing with some limited modifications at its open meeting on June 17, 2010, and issued a written order on December 1, 2010.

Under the Long-Term Contracting Standard, National Grid is required to reach the 90 MW<sup>3</sup> minimum long-term contract capacity under contract within four years of the date of its first solicitation and was authorized expressly to procure long-term contracts for two specific projects: (1) the Town of Johnston Project (landfill gas) and (2) the Town of New Shoreham (Block Island) Project (including an undersea transmission cable to the Rhode Island mainland). On May 29, 2010, prior to the first solicitation, National Grid executed a Power Purchase Agreement (“PPA”) with Rhode Island LFG Genco, LLC (“RI LFG Genco”). In accordance with the specific statutory provisions authorizing this PPA, the Rhode Island Division of Public Utilities and Carriers (the “Division”) filed the executed PPA and required certifications with the Commission on July 9, 2010. This 32.1 MW project provides 27.3 MW of contract capacity, as defined under the statute, and represents 30.3 percent of the 90 MW requirement<sup>4</sup>.

The Company also entered into an amended PPA with Deepwater Wind Block Island, LLC (“Deepwater Wind”) for the Town of New Shoreham Project, which the

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”).

<sup>2</sup> The Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy, effective January 28, 2010 (the “Regulations”).

<sup>3</sup> The requirement is equivalent to 90 MW at a capacity factor of 100 percent, which is 788,400 MWh annually, and includes 3 MW of solar.

<sup>4</sup> The combined cycle generating facility has an output of 32.1 MW under average ambient conditions, and an estimated availability of 85 percent.

Commission approved on August 17, 2010. If Deepwater Wind constructs the Town of New Shoreham Project with eight 3.6 MW offshore wind turbines, having a total nameplate capacity of 28.8 MW, the project would comprise 11.5 MW of the minimum long-term contract capacity requirement, bringing the Company’s total contract capacity to 43.1 percent of the minimum requirement.

First Solicitation

National Grid issued its first request for proposals (“RFP”) on June 30, 2010, with bids due on August 4, 2010. The Company posted the RFP and supporting documents on the power procurement section of the National Grid website and sent notifications to the ISO-NE Markets Committee and to a list of parties who have supplied, or indicated an interest in supplying, renewable energy certificates (“RECs”) to National Grid. The Company also sent notice of the RFP’s release to contacts with various “trade” publications in the energy field. On July 14, 2010, the Company held an information conference for prospective bidders at its office in Cumberland, Rhode Island.

The Company received eight bids in response to its first solicitation. While the Company received only a limited number of bids, it is aware of confidential bids received by its Massachusetts affiliate in connection with similar solicitations in Massachusetts and can state that the bids the Company did receive were consistent in general terms with those received by its Massachusetts affiliate.

The following table summarizes the bids received in terms of generation source, location, net capacity (MW), and capacity factor<sup>5</sup>.

<b>Generation Source</b>	<b>Location</b>	<b>Net Capacity (MW)</b>	<b>Capacity Factor</b>
Anaerobic digester biogas	RI	2.8	77%
Anaerobic digester biogas	RI	3.0	87.5%
Land-based wind	ME	75-100	32%
Land-based wind	ME	33	32%
Coal/wood biomass	MA	73/39	85%
Offshore wind	Federal waters	234	37.1%
Solar photovoltaic	MA	1.45	14%
Solar photovoltaic	MA	1.6	14%

The Company evaluated all of the bids based on price and non-price factors as described in the RFP. In the price evaluation (*see* Appendix A, Tables 2 and 3), which can award a maximum of 80 points, the submitted pricing is compared to a market forecast for capacity, energy, and RECs. The year-to-year differences between the pricing and forecast are brought to a unitized (\$/MWh) net present value in the first year of operation using a discount rate of seven percent. The project with the lowest unitized difference

<sup>5</sup> Multiplying the net capacity by the capacity factor would indicate the amount of contract capacity that would count toward the 90 MW requirement. A more detailed summary including identity of bidders and pricing information is provided in Appendix A, Table 1.

from the forecast is awarded 80 points. Points for the remaining projects are determined by subtracting 0.5 points for each \$/MWh higher in unitized net present value, and the remainder of the projects are ranked accordingly.

The Company also considered several non-price factors in its evaluation of the bids received in the first solicitation. Appendix B sets forth the non-price bid evaluation protocol method, which includes the following factors: Siting and Permitting, Project Development Status and Operational Viability, Experience and Capability of Bidder and Project Team, Financing, and Economic Benefit. A project may receive a maximum of 20 points in the non-price evaluation (*see* Appendix A, Table 4).

After the Company initially evaluated all proposals, the Company identified three bidders from which it sought additional information and, on October 29, 2010, notified all other bidders by email that they had not been selected for further negotiations. After further evaluation of these three bids, including the additional information received, the Company selected a single proposal for a 3.0 MW anaerobic digester biogas project, which received the highest total points in the evaluation, for negotiation of a PPA (*see* Appendix A, Table 5). The Company and the project's developer are still negotiating the terms of a PPA and, assuming the parties are able to reach agreement, the Company will file the executed PPA with the Commission for its review and approval, pursuant to the Long-Term Contracting Standard and the Regulations. National Grid notes that some delay was introduced in this process by the preference of the Rhode Island Resource Recovery Corporation ("RIRRC") to locate the project in Johnston, Rhode Island, rather than at the site originally proposed. A redacted copy of a letter from RIRRC is provided in Appendix C to this report. This project would contribute 2.6 MW of contract capacity toward the Company's statutory 90 MW minimum requirement, bringing the total contract capacity to 46 percent of this requirement.

As provided in Section 4.9 of the Regulations, following receipt of proposals resulting from the solicitation, the Company consulted with the Division. The Company provided copies of all bids to the Division, subject to a confidentiality agreement, on August 10, 2010. In its transmittal letter, the Company pointed out that it received one of the bid proposals on August 9, 2010. The Company agreed to accept this submittal because the bid was received only a few days after the August 4, 2010 deadline and the Company had received only a limited number of bids in response to the first solicitation. The Company then conducted an initial overview of the bids with the Division via teleconference on August 20, 2010. On December 6, 2010, after additional information had been received, and analyses had been completed, the Company met with the Division to review the bids in detail.

Because it had satisfied the 25 percent minimum long-term contract capacity requirement prior to December 30, 2010<sup>6</sup>, by entering into the RI LFG Genco PPA, National Grid was not required to select any projects in the first solicitation. The Commission concurred with the Company's position. Therefore, the Company had complete discretion in its first solicitation to choose only those projects that it determined had sufficient value to warrant execution of contracts for additional capacity at this time.

With respect to the 3 MW solar requirement, National Grid was under no obligation to execute a PPA for any solar projects at this time. Because only two bids for solar projects were received, and both projects were from the same developer, it was not possible to make a separate comparison of solar bids. It should also be noted that both projects were located outside of Rhode Island. While location of projects in Rhode Island is not a requirement for renewable energy projects to count toward the 90 MW requirement, the Long-Term Contracting Standard and the Regulations require that projects meeting the 3 MW solar requirement be located in Rhode Island.

### Lessons Learned

The Company announced the first solicitation through all customary channels used by National Grid, including contact with "trade" publications, yet the Company received only a relatively small number of bids. While this outcome was surprising, the Company cannot attribute this result to any particular factor. Because solicitations have now been conducted in both Rhode Island and Massachusetts, where a similar process was followed, the Company will send announcement of future RFPs to all bidders that have participated in both Rhode Island and Massachusetts solicitations.

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<sup>6</sup> National Grid is not required to enter into long-term contracts that exceed a four-year phased schedule to reach the minimum long-term contract capacity under contract. See R.I.G.L. Section 39-26.1-3(c)(2) and Section 4.7 of the Regulations.

**REDACTED**

Solicitation for Long-Term Contracts for  
Renewable Energy Projects  
Pursuant to RIGL Section 39-26.1 et seq.  
Appendix A  
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## **Appendix A**

### **RHODE ISLAND RENEWABLE ENERGY SOLICITATION**

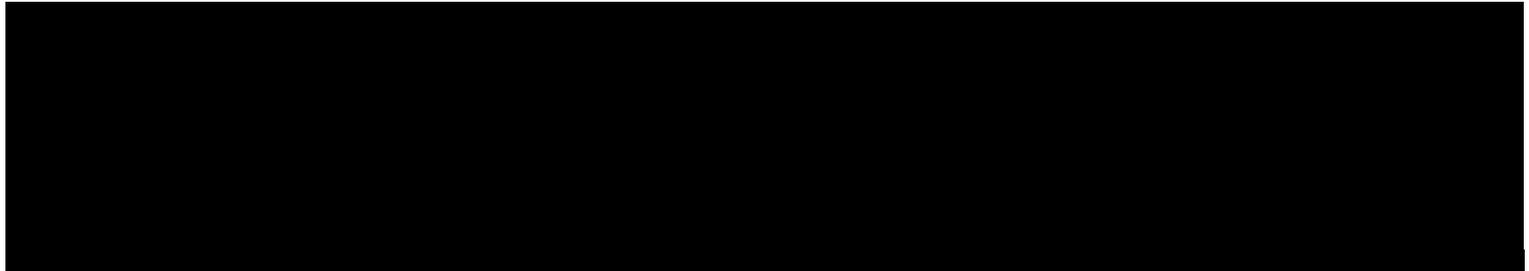
**RFP Released June 30, 2010**

### **SUMMARY OF BIDS, SCORING AND RANKING**

**Table 1  
Rhode Island Renewable Energy  
June 30, 2010 RFP  
Includes Revised Prices**

COMPANY NAME	TECHNOLOGY	Net Capacity MW	Yrly MWh	PROJECT & LOCATION	Operational Date	Bundled \$/MWh (15)	Energy \$/MWh (15)	REC \$ (15)	Capacity Price (\$/kW-mo.)	Esc Rate	Delivery Zone
	Wind	33	91,927								ME
		33	91,927								RI
		33	88,748								ME
		33	88,748								ME
		33	88,748								RI
		33	88,748								RI
	Wind	75	230,000								ME
		100	306,667								ME
		75	210,000								RI
		100	300,000								RI
		75	210,000								ME
		100	300,000								ME
	Offshore Wind	234	762,000								SEMA
	Anaerobic Digestion	3	23,000								RI
		3	23,000								RI
	Anaerobic Digestion	2.8	18,000								RI
	Coal/Wood Biomass	39	292,000								SEMA
	Solar PV	1.6	2,500								SEMA
	Solar PV	1.45	2,207								SEMA
RI LFG Genco	Landfill Gas	32.1	239,002	Johnston RI	1-Jun-2012	119.80		inc.	inc.	2.5%	RI

Notes:



The RI LFG Genco project is included in this summary as a reference, and is highlighted in tan.

Table 2  
Project Ranking Based on Initial Price Evaluation

ORIGINAL RI LT RENEWABLE RFP Submittals	80 Point Award		RANK
	Above Market Cost (\$/MWh)	Points Awarded	
[REDACTED]			

In determining the point award, a levelized difference between contract price and market price forecast is calculated using a discount rate of 7%. The lowest bid is awarded 80 points; points for the remaining projects are determined by subtracting 0.5 points for each \$/MWh by which a bid exceeds the lowest.

**Table 3**  
**Project Ranking Based on Final Price Evaluation**

RANKING WITH REVISED PRICING	80 Point Award		RANK
	Above Market Cost (\$/MWh)	Points Awarded	

In determining the point award, a levelized difference between contract price and market price forecast is calculated using a discount rate of 7%. The lowest bid is awarded 80 points; points for the remaining projects are determined by subtracting 0.5 points for each \$/MWh by which a bid exceeds the lowest.



## **Appendix B**

### **Non-Price Bid Evaluation Protocol Rhode Island Renewable Energy Solicitation**

## **Non-Price Bid Evaluation Protocol Rhode Island Renewable Energy Solicitation**

For the first four categories in the Non-Price Evaluation, four grade rankings for each bid evaluation factor have been developed that will serve as the basis for the evaluation of each bid. Within each factor, each proposal will be classified into one of the following categories based on whether the proposal meets the requirements listed for each factor:

- Highly preferable
- Acceptable
- Meets minimum standards
- Below minimum standards

Evaluation sheets have been developed for each evaluation factor that includes a description of the requirements for proposals to be classified in each of the above grade rankings. The Evaluation Sheets are attached as Exhibit 1. Each proposal will be evaluated and ranked into one of the four grade rankings for each factor based on the criteria outlined in the Evaluation Sheets and any appropriate comments outlining the basis for the ranking will be provided. For the four categories, bids in the highest grade category receive maximum points all the way to the lowest category where the bid will receive 0 points.

For the last category, points are received based on whether the project meets each criteria.

Table 1 presents a list of the non-price factors along with the maximum points allocated to each category. In addition, the criteria considered within each factor are identified.

**Table 1: Non-price Evaluation Factors and Criteria**

<b>Evaluation Factors</b>	<b>Max Points</b>	<b>Criteria Considered in Each Factor</b>
A. Siting and Permitting	4.0	<ul style="list-style-type: none"> <li>• Extent to which site control has been achieved and acquisition of any necessary real property rights, including right of ways (1.5 points)</li> <li>• Identification of required permits and approvals and status of plan to obtain permits and approvals (1.5 points)</li> <li>• Community relations plan (1.0 points)</li> </ul>
B. Project Development Status and Operational Viability	5.0	<ul style="list-style-type: none"> <li>• Reasonableness of critical path schedule and demonstrated ability to meet major milestones (1.0)</li> <li>• Credibility of fuel resource plan (1.5)</li> <li>• Commercial access to and reliability of the</li> </ul>

		proposed technology (1.5) • Progress in interconnection process (1.0)
C. Experience and Capability of Bidder and Project Team	4.0	• Project development experience • Project financing experience • Operations and maintenance experience • Experience in the ISO New England market
D. Financing	4.0	• Credibility of the financing plan • Financial strength of the bidder
E. Economic Benefit	3.0	• Project provides direct employment benefits (1.0) • Project provides indirect employment benefits (1.0) • Project provides tax revenues or other similar revenues (1.0)

## A1. Site Status

**Project Name:** \_\_\_\_\_  
**Evaluated By:** \_\_\_\_\_  
**Weight:** \_\_\_\_\_

This criterion relates to the status of site ownership and control by the project sponsor as well as the maturity of site control. In addition, the zoning of the site and the status of any real property rights necessary for the project, including interconnection facilities, are considered.

### **Highly Preferable (1.5)**

The bidder owns the site, or has executed an agreement or option to purchase or lease the site for the term of the proposed power purchase agreement (“PPA”). The site is already properly zoned and any variances, have been obtained or are of no consequence. Any necessary real property rights, including rights of way and easements, for the construction, operation or interconnection of the project to the grid have been identified and have been obtained.

### **Acceptable (1.0)**

The bidder has executed an agreement or option to purchase or lease the site for the term of the proposed PPA. The site is not properly zoned but a reasonable plan for addressing zoning has been proposed. The bidder has letters of intent to obtain any other real property rights required, such as easements or right of ways.

### **Meets Minimum Standards (.5)**

The bidder has at least executed a letter of intent for the site. The site is properly zoned. Other real property rights for interconnection and access to the site need to be secured but the bidder offers a reasonable plan.

### **Below Minimum Standards (0)**

The bidder has at least executed a letter of intent for the site. The site is not properly zoned. Real property rights for interconnection and access to the site need to be secured and the bidder has not offered a reasonable plan for zoning or for securing real property rights for interconnection and access to the site.

## A2. Permits

**Project Name:** \_\_\_\_\_  
**Evaluated By:** \_\_\_\_\_  
**Weight:** \_\_\_\_\_

This criterion evaluates the Bidder’s identification of the required permits and approvals, status of the permitting process, degree of certainty offered by the Bidder in securing the necessary permits/approvals, and the ability of the project to comply with permitting requirements. Projects in the early stages of development will be evaluated based on the reasonableness and comprehensiveness of their plan for securing permits/approvals. Projects that already have permits in hand or are able to demonstrate that they have thoroughly evaluated the project site, identified all major environmental issues and developed a realistic plan for securing permits will be evaluated more highly.

### **Highly Preferable (1.5)**

The bidder has identified all required permits and approvals and has received all or a majority of the required permits and approvals. If there are outstanding permits or approvals, it is not expected that there will be major issues associated with obtaining them.

### **Acceptable (1.0)**

The bidder has thoroughly evaluated the project site, identified all major permits and approvals required and potential environmental issues, and developed a realistic plan for securing permits and approvals. It is not expected that there will be major environmental issues associated with the project.

### **Meets Minimum Standards (.5)**

The bidder has identified all major permits and approvals required and has provided a preliminary plan for securing permits. It is not certain if there will be environmental issues associated with the site.

### **Below Minimum Standards (0)**

The bidder has provided very little environmental permitting information and has only provided a cursory evaluation of the project site. The bidder has identified many of the required permits. The project is likely to have adverse environmental impacts.

### **A3. Community Relations**

**Project Name:** \_\_\_\_\_

**Evaluated By:** \_\_\_\_\_

**Weight:** \_\_\_\_\_

This criterion addresses the level of community acceptance for the project as well as the plan of the bidder to work with the community regarding the project. Projects which can demonstrate documented support from the local community will be preferred.

#### **Highly Preferable (1.0)**

To achieve a highly preferable rating, the bidder must demonstrate local support from the community for the project via letters of support or public statements by community leaders. There is no indication of credible opposition. Also, the project sponsor has developed a thorough plan to inform and work with the local community.

#### **Acceptable (.75)**

The bidder has demonstrated local support from the community for the project via local press information. The project sponsor has developed a detailed plan to inform the community of the project.

#### **Meets Minimum Standards (.5)**

There is currently no defined indication of local support or opposition. However, the bidder has either met with community leaders or has developed a reasonable plan (which identifies contacts and potential issues) to inform the community of the project.

#### **Below Minimum Standards (0)**

The project has been subject to significant local opposition and the bidder has not presented a plan to address the opposition.

## **B1. Critical Path Schedule/Commercial Operation Date Certainty**

**Project Name:** \_\_\_\_\_

**Evaluated By:** \_\_\_\_\_

**Weight:** \_\_\_\_\_

This criterion addresses whether or not the schedule proposed by the Bidder is reasonable for meeting the proposed construction start date and commercial operation date. “Reasonable” means that the project has a likelihood of meeting the milestones in a timely manner to ensure the project meets its in-service date. In addition, the Bidder has identified the tasks on the critical path and any potential impediments to project development and has a reasonable plan to mitigate the impediment.

### **Highly Preferable (1.0)**

To achieve a highly preferable rating the bidder must provide a detailed critical path schedule that includes all critical path elements and clearly demonstrates that the project can meet its proposed in-service date, including identifying adequate slack time.

### **Acceptable (.75)**

To achieve an acceptable rating the bidder must demonstrate that there is a high likelihood that the project can meet its proposed in-service date. The Bidder should provide a detailed critical path schedule.

### **Meets Minimum Standards (.5)**

To achieve a “meets minimum standards” rating the bidder must demonstrate that there is a reasonable chance the project will achieve its anticipated commercial operation date. The critical path schedule at least includes all major milestone dates.

### **Below Minimum Standards (.25 to 0)**

To achieve a “below minimum standards” rating the bidder’s schedule raises concerns about its ability to achieve its commercial operations date. The critical path schedule is questionable and incomplete and does not adequately support the proposed schedule

August, 2010

## **B2. Fuel Supply/Energy Resource Plan**

**Project Name:** \_\_\_\_\_

**Evaluated By:** \_\_\_\_\_

**Weight:** \_\_\_\_\_

This criterion addresses the quality of the fuel supply/energy resource plan relative to the type of technology proposed. Projects that can clearly demonstrate a direct relationship between the availability of the required fuel or resource input and proposed output or operations profile will be more highly evaluated. In addition, the quality of the resource plan, the availability and quality of resource data, and other supporting information will be considered.

### **Highly Preferable (1.5)**

The bidder has submitted a detailed fuel supply/energy resource plan (including a 12x24 or other hourly matrix for wind, solar, and landfill gas projects) that shows the relationship between energy resource availability and projected output/generation profile of the project, supported by back-up information. The bidder has demonstrated the resource quality with substantial site-specific resource data, including any studies supporting the assessment. In addition, the bidder has provided all the information requested

### **Acceptable (1.0)**

The bidder has submitted a detailed fuel supply/energy resource plan (including a 12x24 or other hourly matrix for wind, solar, and landfill gas projects) that shows a direct relationship between energy resource availability and project output/generation profile. The Bidder has demonstrated the resource quality with some supporting site specific information.

### **Meets Minimum Standards (.50)**

The bidder has submitted a reasonable fuel supply plan that shows some linkage between the energy resource and project output. The supporting data is adequate to conduct the evaluation but there is limited data on the specific site.

### **Below Minimum Standards (.25 to 0)**

The bidder has submitted a poor fuel supply plan with limited linkage between the energy resource and project output. Supporting data is limited and uncertain.

References to Response Package: Section 6 [Note: for wind, solar and landfill gas projects, projected energy on an hourly basis is required; for other projects, only on-peak and off-peak monthly energy projections are required.]

### **B3. Commercial Access to and Reliability of the Proposed Technology**

**Project Name:** \_\_\_\_\_

**Evaluated By:** \_\_\_\_\_

**Weight:** \_\_\_\_\_

This criterion addresses whether or not the technology proposed for the project has a defined track record, has been demonstrated as being reliable in commercial applications, and the Bidder has contractual rights to the equipment. Equipment which has a demonstrated track record of success in commercial applications and to which Bidder has the contractual right to purchase will be preferred.

#### **Highly Preferable (1.5)**

The bidder demonstrates that the equipment proposed for the project has a successful track record in other similar applications of the same size and operations based on widespread installations in the industry and that the bidder has firm contractual rights to use the equipment for the proposed project.

#### **Acceptable (1.00)**

The bidder demonstrates (a) that the equipment proposed is generally reliable in similar applications of the same size and operations in other applications and that bidder has firm contractual rights to use the equipment for the proposed project or (b) equipment proposed for the project has a successful track record in other similar applications of the same size and operations based on widespread installations in the industry and the bidder has received a firm offer to purchase the equipment that Bidder plans to accept if it is successful in this RFP.

#### **Meets Minimum Standards (.50)**

The bidder demonstrates that the technology proposed for the project is classified as a commercial technology, including equipment options, and has shown a likelihood that it will be able to acquire the equipment within a timeframe that will allow the Bidder to construct the project in a timely fashion.

#### **Below Minimum Standards (.25 to 0)**

The proposed technology is either not commercial or not reliable or bidder has not shown a likelihood that it will be able to acquire the proposed technology for use in the proposed project.

## **B4. Interconnection Status**

**Project Name:** \_\_\_\_\_

**Evaluated By:** \_\_\_\_\_

**Weight:** \_\_\_\_\_

This criterion assesses the status of the bidder for addressing interconnection requirements. Projects which are further along in the interconnection process will be preferred in this criterion.

### **Highly Preferable (1.0)**

The bidder has an interconnection agreement for its project.

### **Acceptable (.75)**

The bidder has had an interconnection study completed for its proposed project. **Meets**

### **Minimum Standards (.50)**

The bidder has submitted an application for an interconnection study to ISO-NE.

### **Below Minimum Standards (.25 to 0)**

The bidder has not filed an interconnection study request at this time.

## C1. Experience of Bidder

**Project Name:** \_\_\_\_\_

**Evaluated By:** \_\_\_\_\_

**Weight:** \_\_\_\_\_

This criterion relates to the experience of the Bidder or of its affiliates and project team members in the successful development, financing and operation of projects, the nature and scope of which are comparable to the proposed project and experience with ISO-NE markets. Bidders (including affiliates) who have successfully developed, financed and operated several projects of the same size and technology and are experienced in ISO-NE markets will be rated highly.

### **Highly Preferable (4.0)**

The Bidder and its team have extensive experience in the successful development, financing and operation of similar projects, including at least three projects of similar size and technology. The Bidder has also demonstrated experience with the ISO-NE markets.

### **Acceptable (3.0)**

The Bidder and its team have some relevant experience (developed, financed and operated two or more power projects of similar size and/or technology). The bidder demonstrates that it has some experience in the ISO-NE market via development of at least one project or a detailed attempt to develop projects in this market.

### **Meets Minimum Standards (1.5)**

The Bidder and its team have some experience in the development and financing of renewable technologies (developed at least one project of similar type) or have successfully developed and financed one or more projects of different technologies but of similar size or complexity in New England.

### **Below Minimum Standards (0)**

The bidder has not developed a project of similar size and technology.

## D1. Financing Plan

**Project Name:** \_\_\_\_\_

**Evaluated By:** \_\_\_\_\_

**Weight:** \_\_\_\_\_

This factor addresses the comprehensiveness and reasonableness of the financial plan for the project. A complete financial plan addresses the following issues: project ownership, capital cost and structure, sources of debt and equity and evidence (e.g. letter from a bank) that the project is financeable. In addition, this factor considers the financial strength of the bidder as an underlying value to support its ability to finance the project. The financial strength of bidders or their credit support providers will be considered, including their credit ratings.

For purposes of the ratings below: if a bidder or credit support provider has no credit rating, the financial strength of the bidder will be evaluated based on evidence provided by the bidder with respect to its financial strength or that of its credit support provider.

### **Highly Preferable (4.0)**

The project has a solid financial plan with demonstrated details of the plan (i.e. capital structure, debt-equity structure, etc.) The material provided by the bidder provides a strong indication that the project is financeable. Equity participants in the project are strong financially. The bidder has the proven capability and financial strength to develop and construct the project. Bidder, its affiliate or credit support provider has a high net worth and very strong financial performance based on its financial statements and/or a strong investment grade credit rating (A- or better), and has substantial experience in financing projects of the magnitude and complexity proposed. The bidder has financed more than three projects of similar magnitude and size or larger.

### **Acceptable (3.0)**

The project has a reasonable financial plan with details of the plan provided. The material provided by the bidder, which could include a letter from a financial institution or bank, indicates that the project is financeable. Participants are reasonably strong financially. The bidder has demonstrated capability and financial strength to develop and finance the project. The bidder, its affiliate or credit support provider has a reasonably high net worth and strong financial performance based on its financial statements and/or a mid-level or greater investment grade credit rating (BBB or higher) and has financed at least three projects of similar magnitude.

### **Meets Minimum Standards (1.5)**

The project provides a basic financial plan for the project with limited details on the sources of debt and equity, capital structure, etc. Evidence is provided of general support for the project financing (i.e. interest in financing the project). Participants are reasonably strong financially. The bidder has adequate financial strength. The bidder, its affiliate or

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credit support provider has a positive moderate net worth and reasonable financial performance based on its financial statements and/or an investment grade credit rating (BBB- and above) and has financed less than three projects of similar magnitude.

**Below Minimum Standards (0)**

There is little documentation supporting the financeability of the project. The bidder has little or no practical financing experience and limited financial strength. The bidder, its affiliate, or credit support provider has low to moderate net worth and relatively weak financial performance based on its financial statements and/or a below investment grade credit rating.

References: Response Package Sections 7.1 – 7.11

## **E1. Economic Benefits to Rhode Island**

**Project Name:** \_\_\_\_\_

**Evaluated By:** \_\_\_\_\_

**Weight:** \_\_\_\_\_

This factor addresses the extent to which a project provides direct economic benefits to Rhode Island. (See Section 2.2.3.6 of the RFP and Section 15 of the Response Package.) Each category would receive either 1.0 points or zero points as applicable.

### **Direct Job Benefits (1.0)**

The project provides direct employment benefits.

### **Indirect Job Benefits (1.0)**

The project provides employment benefits beyond the direct employment associated with construction and operation, e.g., secondary employment effects through impact on related commercial activity, or through a significant advantage in pricing of the bundled renewable energy product relative to other projects submitting bids.

### **Property Tax or other Revenues (1.0)**

The project provides increased property tax revenues of other similar revenues.



March 14, 2011

Mr. Madison Milhous  
National Grid  
100 East Old Country Rd.  
Hicksville, NY 11801

65 Shun P

Johnston, RI 02919-4512

TEL: (401) 946-1450

FAX: (401) 946-5174

www.rirrc

Dear Mr. Milhous:

The purpose of this letter is to express my support for locating the [REDACTED] facility at the Lakeside Commerce Center in Johnston, RI.

Diverting food waste from the Central Landfill is a key Rhode Island Resource Recovery Corporation (RIRRC) initiative and supports our number one objective which is to reduce solid waste tonnage and increase the life of the landfill. We estimate that organics represent 20% of the current tonnage of solid waste at RIRRC and are the component of the waste stream offering the greatest potential for diversion/recycling. RIRRC strongly supports the construction of a food waste digestion or composting facility in or near Johnston to support our mission of increasing the life of the landfill. Additionally, the logistics and infrastructure to support waste recycling technologies, as well as waste disposal already exists in Johnston and at RIRRC.

RIRRC strongly supports having [REDACTED] locate in the Lakeside Commerce Center Industrial Park and believe this location will be most advantageous to the taxpayers of Rhode Island.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael O'Connell".

Michael O'Connell  
Executive Director  
Rhode Island Resource Recovery Corporation  
401-228-3262