

**Evaluation of Proposals Received on  
December 16, 2020 in Response to a Request for Proposals  
For a Developer of a Community Solar Renewable Energy  
Project to be a Co-Applicant on the Board of Public Utilities  
Year 2 Pilot Program and to Enter into a Master Performance  
Agreement with the City of Hoboken**



**Prepared for:  
The City of Hoboken**

**By:  
The City of Hoboken Proposal Evaluation Team**

**Dated:  
January 4, 2020**

Evaluation Report  
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## **1. Introduction and Executive Summary**

On November 17, 2020, the City of Hoboken issued a Request for Proposals (RFP) for the purpose of retaining the services of a solar developer as a co-applicant into the New Jersey Board of Public Utilities' (BPU) Community Solar Pilot Program Year 2 (CSPP or the Program). If Hoboken and the Successful Respondent are selected by the BPU, the Successful Respondent will build and maintain a solar project to serve low-and-moderate income (LMI) residents of Hoboken.

The impetus for this RFP is the City's desire to participate in the CSPP which would provide affordable renewable energy to LMI residents of Hoboken, which is a key component of Hoboken's Climate Action Plan and Executive Order on Climate Action. The Community Solar Pilot Program, which was established as part of New Jersey's 2018 Clean Energy Act, enables utility customers to participate in a solar energy project that is remotely located from their property. Historically, solar energy projects have only been feasible for customers who have the physical and financial capability to host solar on-site. The benefits of on-site solar energy have not been accessible to residential customers who are renters, have an older roof, live in an apartment, or have low credit. In fact, due to these and other disqualifying factors, the majority of residential customers in New Jersey have been blocked from direct access to solar benefits. These disqualifying conditions disproportionately apply to LMI customers, effectively preventing those most in-need of energy bill savings from saving through solar energy.

The benefits of solar energy are therefore out of reach for most low- and moderate-income residential customers. New Jersey's Community Solar Pilot Program establishes a pilot program that as a matter of policy and in line with the Governor's environmental justice priorities purposely favors providing LMI customers with access to low-cost solar energy produced at a remote site to residential customers.

The City seeks to participate in CSPP with the goal of advancing environmental justice to Hoboken's LMI residents. Through its' participation the City will provide access to LMI residents who cannot install solar panels on their own roofs to achieve the savings and environmental benefits of solar energy from a remotely sited solar project.

By resolution on November 4, 2020, the City issued an RFP to identify a solar vendor to develop the solar project at the developer's site, enter into a Master Performance Agreement (MPA), and be a co-applicant on the BPU's round 2 application process. The City desires a solar developer to fulfil these needs in accordance with N.J.S.A. 40A:11-4.1(j), N.J.S.A. 40A:11-15(44), and a fair and open process under the New Jersey Local Unit Pay-to-Play Law, N.J.S.A.19:44A-20.4 et seq.

The Successful Respondent will own the solar project. The City will take responsibility for establishing the subscriber group and managing the subscriber group for the life of the term of the Master Performance Agreement. The Successful Respondent is responsible for maintaining the solar project and for producing solar energy to the subscriber group.

The City has chosen to pursue a Project that will serve exclusively LMI residents (as opposed to the NJBPU's requirement of 51% LMI). The November 17, 2020 RFP was issued in order to secure the greatest cost savings to participating LMI customers with the highest chance of award by the BPU in its review process.

The BPU's CSPP Rules provide for solar capacity of up to 150 MW for Program Year 2, with at least 40% of the annual capacity allocated to LMI residents. Each solar project is limited to 5 MW in size (5 MW can serve approximately 800 residential customers). We are anticipating that substantially more applications than the BPU capacity amount will be submitted and that there will be a highly competitive process at the BPU.

The BPU's evaluation of applications is dependent on many factors, with the leading factor being benefit to LMI customers.

As set forth in the RFP, the Successful Respondent and the City will enter into a 15-year MPA under which the City would select and aggregate LMI customers, who will purchase solar energy from the Project.

Pursuant to the Community Solar Pilot Program Rules, the City will serve as the "Community Solar Subscriber Organization". The City's consultant in this matter, Gabel Associates, will act as the Administrator of the Program on behalf of the City and manage all activities that apply to a Subscriber Organization. Individually metered residential customers will be enrolled in the Program on an "opt-out" basis. These customers may withdraw at any time, and through the program design, another customer would be placed into the Program. Master metered customers at the Hoboken Housing Authority will opt-as residents of the Housing Authority.

To evaluate proposals, the City organized an evaluation team comprised of Administration personnel and supporting legal and energy professionals (collectively, "Evaluation Team") composed of Jason Freeman, Business Administrator, Caleb Stratton, Assistant Business Administrator, Jennifer Gonzalez, Director of Environmental Services, Sabit Nasir, Environmental Planner, and personnel of Gabel Associates: Steven Gabel, President, Pamela Frank, Vice President, Brian Bizjak, Senior Associate, and Belle Gabel, Associate.

Pursuant to N.J.S.A. 18A:18A-4.5(d), the Evaluation Team performed a collective evaluation and proposal ranking and drafted this consensus-based Evaluation Report for consideration by the Council in order to make an award decision. Evaluation of the proposals was based on point-ranking in a variety of categories, including financial benefits, technical design and approach, Respondent experience, and other factors as defined in the Evaluation Matrix included in the RFP, as follows:

<b>CATEGORY</b>	<b>EVALUATION FACTOR</b>	<b>WEIGHTING</b>
<b>Financial Benefits</b>	<b>Value of Benefits</b>	<b>33</b>
<b>Design &amp; Approach</b>	<b>Design Strategy &amp; Technical Approach</b>	<b>8</b>
	<b>Site Control</b>	<b>5</b>
<b>Respondent's Experience &amp; Capability</b>	<b>Proposal Team Experience</b>	<b>10</b>
	<b>Financial Capability</b>	<b>7</b>
<b>Commercial Factors</b>	<b>Commercial Terms</b>	<b>7</b>
<b>Improves BPU Application</b>	<b>Strength relative to BPU evaluation criteria</b>	<b>30</b>
<b>Total Proposal</b>		<b>100</b>

### RFP Results

The Evaluation Team recognizes that the approach contained in the RFP is an innovative approach intended to serve LMI community with solar energy. Innovation has its challenges, and the Community Solar Pilot Program provides the appropriate venue in which to innovate and learn. The MPA was drafted to serve this first-of-its-kind community solar approach. While the solar development community understands PPAs as a standard form of agreement, this MPA approach is new to the solar development community.

The City received a strong proposal from one Respondent on December 16, 2020, in response to the RFP that will provide demonstrable savings to LMI customers and prove this innovative project form.

This proposal was submitted by Hartz Solar, LLC (Hartz). Hartz proposed a PPA Rate of \$0.065/kwh from a 3.91644 MW dc solar project to be developed at 201 Bay Avenue, Elizabeth, New Jersey.

The Evaluation Team is recommending Hartz be selected as the Successful Respondent to the RFP. As described herein, the Evaluation Team has concluded that the Hartz proposal was found to be complete and legally compliant, is well positioned with respect to the BPU’s Community Solar Pilot Project criteria to maximize points, will provide demonstrated savings to Program participants, and has strong financial backing from an experienced developer with a solid reputation in the New Jersey solar market.

Respondent	Total Size (kW DC)	PPA Rate (\$/kWh)	Annual Escalation Rate
Hartz Solar, LLC	3.91644 kw DC	\$0.065/kWh	0%

The above table is a detailed summary of the key information from the Hartz proposal.

The Hartz proposal received as score of 98 based on the Evaluation Matrix provided in the RFP. Of significant note are the following four factors:

- Strong pricing from Hartz: its proposed rate of \$0.065 per kwh will provide savings of at least 20% to both master metered customers at the Hoboken Housing Authority and individually metered residential customers. This means that participating customers can expect savings of more than 20% below the solar credit.
- The extensive experience and financial strength of Hartz, including the use of internal sources of funds.
- Acceptance by Hartz of the commercial terms provided for in the Master Performance Agreement.
- Hartz addresses the priorities in the BPU application including rooftop siting, high rate of savings for end-use customer, and multiple other benefits, namely job training for Hoboken residents and energy efficiency funding.

Based on the above considerations as further detailed in this Report, the Evaluation Team recommends that the Council issue a resolution that a) designates Hartz as the Successful Respondent, b) provides that that the City enter into the MPA with Hartz, and c) directs the City staff and Gabel to work with Hartz to complete and submit the BPU

Application on behalf of Hoboken and Hartz, and to otherwise implement a successful Community Solar program on behalf of the City.

### **Evaluation of the Submitted Proposal**

The City received a proposal from one Respondent on December 16, 2020, in response to the RFP. This proposal was submitted by Hartz Solar, LLC (Hartz). The Respondent proposed a PPA Rate of \$0.065/kwh from a 3.91644 MW dc solar project to be developed at 201 Bay Avenue, Elizabeth, New Jersey.

This Evaluation Report provides a review of the Hartz proposal relative to the Evaluation Criteria identified in the RFP. These criteria and associated point weightings are:

<b>CATEGORY</b>	<b>EVALUATION FACTOR</b>	<b>WEIGHTING</b>
<b>Financial Benefits</b>	<b>Value of Benefits</b>	<b>33</b>
<b>Design &amp; Approach</b>	<b>Design Strategy &amp; Technical Approach</b>	<b>8</b>
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	<b>Financial Capability</b>	<b>7</b>
<b>Commercial Factors</b>	<b>Commercial Terms</b>	<b>7</b>
<b>Improves BPU Application</b>	<b>Strength relative to BPU evaluation criteria</b>	<b>30</b>
<b>Total Proposal</b>		<b>100</b>

## **2. Evaluation: Mandatory Elements**

Submission of the following documents are mandatory, as provided for in the RFP. Failure by a Proposer to submit any of the following shall be deemed a fatal defect that cannot be cured and will result in mandatory rejection of the Proposal as unresponsive to the RFP.

- Appendix B-1 Proposal Option 1 – Quotation Form
- Appendix B-2 Respondent Information/Cover Letter
- Appendix B-3 Agreement for Proposal Security in Lieu of Proposal Bond

- Appendix B-4 Proposal Bond
- Appendix B-5 Ownership Disclosure Statement
- Appendix B-8 Statement of Respondent's Qualifications
- Appendix B-9 Acknowledgement of Receipt of Addenda
- Appendix B-11 Disclosure of Investment Activities in Iran
- Appendix B-6 Non-Collusion Affidavit
- Appendix B-7 Consent to Investigation
- Appendix B-10 Affirmative Action Compliance/Mandatory EEO Language
- Appendix B-12 Proposal Checklist
- Appendix B-13 Political Contribution C. 271
- Business Registration Certificate

The Hartz Proposal satisfies these mandatory requirements.

### **3. Evaluation: Value of Benefits**

Savings to subscribers are the focus of the "Value of Benefits" review. The solar price of the Successful Respondent will be paid by subscribers to the Program. Under BPU rules, participating customers receive a "Solar Credit" set by the BPU on their monthly electric bill, which reflects the avoidance of certain utility costs by virtue of purchasing solar energy. Accordingly, the comparison of the solar price of the Successful Respondent relative to the Solar Credit determines the level of savings the customer will receive through participating in the Program. These estimated savings, as described below, form the basis for determining the number of points to be awarded to the Hartz proposal for this evaluation category.

To calculate the estimated savings for the Community Solar subscribers, Gabel Associates prepared an analysis of the Community Solar Bill Credit inclusive of two customer types: master metered customers living in multi-family housing managed by the Hoboken Housing Authority, and individually metered residential customers. These two types of customers are on different PSE&G tariffs, which have different Solar Credit levels as set by the BPU. To determine savings, the solar price to be charged is compared with the Solar Credit for each customer.

It is estimated that approximately 660 residential customers can be served by the Program. The number of customers will be further defined during program implementation when there is information on actual usage of participating customers. Savings analysis was performed for an estimated subscriber group comprised of 388 customers within the Hoboken Housing Authority on master metered service and 276 individually metered residential customers.

It should be noted that because the Solar Credit for master metered customers is less than the proposed price, the Project will utilize differentiated pricing whereby different prices will be set for master metered customers and individually metered customers in order to achieve greater than 20% savings for both types of customers.

The following tables provide the results of this estimated customer savings analysis.

15-Year Community Solar NPV of Savings	
Proposer	15-Year NPV of Savings @ 5%
Hartz Solar, LLC	\$1,039,803.21

Economic Analysis Summary Table

Year	System Size (kW)	Expected Output (kWh)	Residential Allotment (kWh)	Residential Group Credit	Commercial Allotment (kWh)	Commercial Group Credit	Total Annual Bill Credit	Annual Savings
1	3,916.44	4,777,763	1,984,205	\$292,387.94	2,793,558	\$121,678.67	\$414,066.61	\$103,512.01
2	3,916.44	4,751,963	1,973,490	\$290,809.04	2,778,473	\$121,021.60	\$411,830.64	\$102,953.04
3	3,916.44	4,726,302	1,962,833	\$289,238.65	2,763,469	\$120,368.07	\$409,606.72	\$102,397.09
4	3,916.44	4,700,780	1,952,234	\$287,676.76	2,748,546	\$119,718.09	\$407,394.85	\$101,844.15
5	3,916.44	4,675,396	1,941,692	\$286,123.32	2,733,704	\$119,071.61	\$405,194.93	\$101,294.19
6	3,916.44	4,650,149	1,931,207	\$284,578.26	2,718,942	\$118,428.63	\$403,006.89	\$100,747.21
7	3,916.44	4,625,038	1,920,778	\$283,041.53	2,704,260	\$117,789.11	\$400,830.64	\$100,203.17
8	3,916.44	4,600,063	1,910,406	\$281,513.11	2,689,657	\$117,153.06	\$398,666.17	\$99,662.07
9	3,916.44	4,575,223	1,900,090	\$279,992.96	2,675,133	\$116,520.44	\$396,513.40	\$99,123.91
10	3,916.44	4,550,517	1,889,830	\$278,481.01	2,660,687	\$115,891.23	\$394,372.25	\$98,588.64
11	3,916.44	4,525,944	1,879,625	\$276,977.20	2,646,319	\$115,265.41	\$392,242.62	\$98,056.26
12	3,916.44	4,501,504	1,869,475	\$275,481.53	2,632,029	\$114,642.98	\$390,124.52	\$97,526.76
13	3,916.44	4,477,196	1,859,379	\$273,993.94	2,617,817	\$114,023.91	\$388,017.85	\$97,000.11
14	3,916.44	4,453,019	1,849,339	\$272,514.36	2,603,680	\$113,408.18	\$385,922.55	\$96,476.31

15	3,916.44	4,428,972	1,839,352	\$271,042.74	2,589,620	\$112,795.76	\$383,838.50	\$95,955.32
<b>15-Year Total (Nominal Dollars)</b>							\$5,981,629.12	\$1,495,340.24
							<b>15-Year NPV of Savings</b>	\$1,039,803.21
							<b>% Savings Below Total Solar Credit (over 15 years)</b>	25.0%

The Evaluation Criteria contains thirty-three points for Value of Benefits, which are awarded proportionally based on net present value of the savings to the subscriber as described above. The proposal with the highest NPV is awarded the full 33 points for Value of Benefits, and the remaining projects are awarded points in proportion to their savings NPV relative to the best proposal in the group. Inasmuch as there is only one Proposal, and the Proposal provides substantial savings, 25% below the Solar Credit for both master metered and individually metered residential customers over 15 years, 33 points are awarded to the Hartz proposal in the Value of Benefits category.

#### 4. Evaluation: Design and Approach

The evaluation of the Design and Approach section carries a total weighting of thirteen (13) points in the evaluation. There are two subsections to this section:

- Design Strategy and Technical Approach
- Site Control

Each of these areas will be discussed and reviewed with a rating to be given for the Respondent's Proposal.

##### a. Design Strategy and Technical Approach

The evaluation of the Design Strategy and Technical Approach carries a weighting of eight (8) points in the evaluation.

The RFP required the solar system proposed was not to exceed 5MW and preferably be at least 2MW. The Respondent was evaluated on system size, system production, major system components, construction schedule, status of permitting, construction contractor, and operations and maintenance contractor.

The Hartz Solar, LLC (Hartz) proposed a roof mounted system size of 3,916.44 kW DC has a guaranteed output 2,304,852.30 kWh which represents 90% of the first years expected system output. The Hartz proposal included the chart below

for the expected vs guaranteed output for the proposed system over the fifteen (15) year term of the PPA.

<b>Year</b>	<b>System Size: (kW DC)</b>	<b>Expected System Output: (kWh)</b>	<b>Guaranteed System Output: (kWh)</b>
1	3,916.44	4,777,763	4,299,986.70
2	3,916.44	4,751,963	4,276,766.77
3	3,916.44	4,726,302	4,253,672.23
4	3,916.44	4,700,780	4,230,702.40
5	3,916.44	4,675,396	4,207,856.61
6	3,916.44	4,650,149	4,185,134.18
7	3,916.44	4,625,038	4,162,534.46
8	3,916.44	4,600,063	4,140,056.77
9	3,916.44	4,575,223	4,117,700.47
10	3,916.44	4,550,517	4,095,464.88
11	3,916.44	4,525,944	4,073,349.37
12	3,916.44	4,501,504	4,051,353.29
13	3,916.44	4,477,196	4,029,475.98
14	3,916.44	4,453,019	4,007,716.81
15	3,916.44	4,428,972	3,986,075.14

Hartz's proposed equipment from the proposal and compliance to specifications are as follows:

#### **Hartz: Major System Components**

<b>System Component</b>	<b>Manufacturer</b>	<b>Compliance with Project Technical Specifications</b>
<b>PV Modules</b>	Hanwha – Q-Peak Duo L-G8 430– 430W	Yes
<b>Inverters</b>	Solectria – PVI-60TL	Yes
<b>Racking System</b>	Panel Claw – ClawFR 10° – Ballasted System	Yes

Hartz confirmed the use of Tier 1 materials, either those listed above or equivalent.

Hartz's proposal included a letter from Kafrouni Engineering, Inc. indicating the roof structure has at least a five (5) pounds per square foot excess capacity that can be used for the solar modules.

Hartz has submitted its utility interconnection application. It has not yet submitted its construction permit for this project. Hartz controls the property where the project will be located and has substantial experience in obtaining permits and approvals for the Property.

Hartz provided a construction schedule of 183 days from BPU Approval to commercial operation. Hartz is planning on using Solar Energy Systems, LLC (SES) as the EPC company to provide a full turnkey installation, as well as provide the ongoing O&M of the solar array. SES has completed over 22 MWs on over 30 projects for Hartz. This includes four NJBPU Year 1 Pilot community solar projects currently under construction. SES as a company has installed over 50 MWs, with almost 35 MWs of that in New Jersey, and has over 16 MWs currently contracted in SES's pipeline.

The Evaluation Team awarded Hartz Solar LLC's eight points out of the eight possible points for the Design Strategy and Technical Approach portion of the evaluation, based on its highly achievable and effective design and technical approach.

#### **b. Site Control**

The evaluation of the Site Control carries a five (5) point weighting in the evaluation.

Each Respondent was evaluated on the documentation provided in the proposal of location, site control, land ownership, system location, and confirm that the array is located and interconnected in the PSE&G territory.

The Hartz Solar LLC (Hartz) proposal indicates they will be using a facility located at block 1 lot 1350 in Elizabeth, Union County, New Jersey, also known as 201 Bay Avenue, Elizabeth, New Jersey 07201. This site has been confirmed to be located within the PSE&G service territory. Hartz's proposal contained documentation confirming that Hartz is the owner of the property and has site control to install a roof mounted solar renewable energy project.

The Evaluation Team awarded Hartz Solar LLC with 5 points out of the 5 points possible points for the Site Control portion of the evaluation.

## **5. Evaluation: Respondent's Experience and Capability**

The evaluation of the Respondent's Experience & Capability section carries a total weighting of seventeen points (17) in the evaluation. There are two subsections to this section:

- Proposal Team Experience
- Financial Capability

### **a. Proposal Team Experience**

The evaluation of the Proposal Team Experience carries a weighting of ten (10) points in the evaluation.

The Respondent was evaluated on their team's management, supervisory, and key staff, along with successfully completing projects on time in New Jersey.

Hartz is planning on using Solar Energy Systems, LLC (SES) as the EPC company to provide a full turnkey installation, as well as provide the ongoing O&M of the solar array. SES has completed over 22 MWs on over 30 projects for Hartz. This includes 4 NJBPU Year 1 Pilot community solar projects currently under construction. SES as a company has installed over 50 MWs, with almost 35 MWs of that in New Jersey, and has over 16 MWs currently contracted in SES's pipeline. Below is a partial list of projects completed by the firm in New Jersey within the last three years:

- 1590 Lower Road, Linden – 754.0 kW DC
- 60 Metro Way, Secaucus – 309.5 kW DC
- 46 Meadowlands Parkway, Secaucus – 2,000.1 kW DC
- 1600 Lower Road, Linden – 239.8 kW DC
- 77 Metro Way Secaucus – 1,233.7 kW DC
- 201 Bay Avenue, Elizabeth – 999.8 kW DC
- 435 Bergen Avenue, Kearny – 1,899.2 kW DC
- 4 Emerson Lane, Secaucus – 999.0 kW DC

The Evaluation Team awarded Hartz Solar LLC's with ten points out of the ten possible points for the Proposal Team Experience portion of the evaluation, in light of the successful experience of the team in installing solar projects in New Jersey, supported by

the longstanding experience of the parent company of Hartz (Hartz Mountain Industries) in developing and constructing a wide array of commercial projects in New Jersey.

### **b. Financial Capability**

Pursuant to Section 3.9 of the RFP, the Respondents were required to provide complete financial statements of the current fiscal year to date and the prior fiscal year. The financial statements were to include a balance sheet, statement of operations and statement of cash flows. The Respondent was also to provide any other information it deems relevant to demonstrate its financial strength. In the case of a subsidiary or affiliate, statements must include information with respect to the operating entity.

The evaluation of the Financial Capability carries a weighting of seven (7) points in the evaluation.

Hartz provided updated financials for December 31, 2019 to September 30, 2020 and financials for the year 2019. Moreover, Hartz will be financing the project equity from internal sources.

Based on this strong plan of finance, the Evaluation Team awarded Hartz with seven points out of the seven possible points for the Financial Capability portion of the evaluation.

### **6. Evaluation: Commercial Factors**

The Commercial terms of the carries a weighting of seven points in the evaluation. This criterion is included to evaluate any exceptions or out-of-the-norm conditions that a Proposer might include in its Proposal.

Hartz included no exceptions to the Master Performance Agreement or to other requirements of the RFP. Accordingly, it is provided with seven points out of the seven possible points in the Commercial Factors portion of the evaluation.

### **7. Evaluation: Improves BPU Evaluation**

A key factor in the evaluation is how well the Proposal meets the criteria that the be BPU will use in its evaluation of applications its Round 2 application process. Accordingly, per the RFP, Respondents are evaluated with a thirty (30) point weighting on the degree to which the Respondent addresses the requirements of the BPU application, including the “Higher Preference” criteria provided for the BPU’s Round 2 Application.

Applications to the BPU will be evaluated on seven factors:

- i. Low- and Moderate-Income and Environmental Justice Inclusion (25 points),
- ii. Siting (20 points and 5 possible bonus points),
- iii. Community and Environmental Justice Engagement (15 points),
- iv. Product Offering (15 points),
- v. Other Benefits (10 points),
- vi. Geographic Limit within EDC service territory (5 points), and
- vii. Project Maturity (5 points).

The BPU will use the above criterion to score each application out of 100 possible points. Awards are granted to the highest-scoring project and proceeding to the lowest-scoring project, until the 150 MW capacity is met.

The City's design (enrolling only LMI customers) and its high level of community engagement (item i and iii.) are not part of the Hartz proposal. Accordingly, only items ii, iv, v, vi, and vii, are addressed by the Hartz Proposal and are discussed below.

Regarding siting, Hartz proposes to build the system on a rooftop, which is the highest preferred site according to the BPU evaluation and so would be given the full 20 points by the BPU's criteria. Furthermore, the system proposed by Hartz would gain 2 bonus points as the site is located in an "economic opportunity zone".

The Hartz proposal would win the City full points in the BPU's "Product Offering" criteria, as the rates proposed by Hartz will enable the City to guarantee savings customers at a level above the BPU's higher preference amount of 20%.

In considering the Other Benefits criteria, Hartz proposed project would likely be given the highest score of 10 points, as the project doubly fulfils the highest preference by providing job training in Hoboken and co-benefits through funding local energy efficiency projects.

As far as job training, Hartz demonstrates their high degree of commitment and experience in this arena by including letters of support from three organizations: youth outreach non-profit All Star Project of New Jersey, the Ironbound Community Corporation, and "green education" not-for-profit SolarOne. Additionally, All Star Project included photos and quotes from interns that had participated in training from Hartz expressing their positive experience. Hartz has committed to directing job training opportunities to residents of Hoboken.

The co-benefits criteria is fulfilled as well, as Hartz has agreed to the terms of the RFP in which the Proposer shall contribute \$50,000 to the City to use these funds for local energy efficiency and energy audits.

The BPU's criteria of Geographic Limit Within EDC Service Territory is scored by the relative location of the solar project site and the program's customers. The Project's proposed location, in Elizabeth, fulfills the medium preference of the BPU's criteria because Hudson County, home to the program's customers, is adjacent to Union County, the county where the solar is sited. Accordingly, the proposed project would win 3 of 5 possible points in Geographic Limit Within EDC Service Territory.

With respect to the Project Maturity criteria, the Project has received all non-ministerial permits and has submitted an interconnection application to PSE&G. The site control and firm financing of the Project are also strong evidence of Project Maturity.

The Hartz proposal has additional, non-quantifiable features which we believe would boost the City's application: 1) the above-and-beyond product offering of 50% savings, versus the BPU's highest preference of at least 20% savings; 2) the impressive 100% LMI subscribers far exceeds the BPU's minimum of just 51%; and 3) the innovative project form that demonstrates cost efficiencies at serving LMI customers with strong savings and strong consumer protections

For the reasons above, the Evaluation Committee awards the Hartz Proposal with 29 of 30 possible points for how it addresses the BPU application criteria.

## **8. Recommendation**

The Hartz proposal received as score of 99 based on the Evaluation Matrix provided in the RFP. Of significant note are the following four factors:

- Strong pricing from Hartz: its proposed rate of \$0.065 per kwh will provide savings of at least 20% to both master metered customers at the Hoboken Housing Authority and individually metered residential customers. This means that participating customers can expect savings of more than 20% below the Solar Credit.
- The extensive experience and financial strength of Hartz, including the use of internal sources of funds.

- Acceptance by Hartz of the commercial terms provided for in the Master Performance Agreement.
- Hartz addresses the priorities in the BPU application including rooftop siting, high rate of savings for end-use customer, and multiple other benefits, such as job training and energy efficiency funding.

Based on the above considerations as further detailed in this Report, the Evaluation Team recommends that the Council issue a resolution that a) designates Hartz as the Successful Respondent, b) provides that that the City enter into the MPA with Hartz, and c) directs the City staff and Gabel to work with Hartz to complete and submit the BPU Application on behalf of Hoboken and Hartz and to otherwise implement the Program.

## Attachment 1: Proposal Ranking Evaluation

<b>CATEGORY</b>	<b>EVALUATION FACTOR</b>	<b>WEIGHTING</b>	<b>HARTZ PROPOSAL</b>
<b>Financial Benefits</b>	<b>Value of Benefits</b>	<b>33</b>	<b>33</b>
<b>Design &amp; Approach</b>	<b>Design Strategy &amp; Technical Approach</b>	<b>8</b>	<b>8</b>
	<b>Site Control</b>	<b>5</b>	<b>5</b>
<b>Respondent's Experience &amp; Capability</b>	<b>Proposal Team Experience</b>	<b>10</b>	<b>10</b>
	<b>Financial Capability</b>	<b>7</b>	<b>7</b>
<b>Commercial Factors</b>	<b>Commercial Terms</b>	<b>7</b>	<b>7</b>
<b>Improves BPU Application</b>	<b>Strength relative to BPU evaluation criteria</b>	<b>30</b>	<b>29</b>
<b>Total Proposal</b>		<b>100</b>	<b>99</b>