

CITY OF GALLUP  
CENTRAL PURCHASING OFFICE  
P.O. BOX 1270  
GALLUP, NEW MEXICO 87305-1270  
Phone: 505-863-1232; Fax: 505-722-5133

**TITLE: POWER PURCHASE AGREEMENT & ASSET PURCHASE OPTION FOR A 10MW AC SOLAR PHOTOVOLTAIC GENERATION FACILITY WITHIN THE CITY LIMITS OF THE CITY OF GALLUP, NM**

AMENDMENT NO.: **Three (3)**

RFP NO.: **2015/2016/05/P**

THE FOLLOWING REVISIONS, ADDITIONS AND/OR CLARIFICATIONS SHALL FORM A PART OF THE PROPOSAL DOCUMENTS AND EACH OFFEROR SHALL INDICATE ON THEIR PROPOSAL, THE RECEIPT OF THIS NUMBERED AMENDMENT. REVISIONS, ADDITIONS, AND/OR CLARIFICATIONS ARE AS FOLLOWS:

1. Questions received and their responses/clarifications (2<sup>nd</sup> Round) are attached. These are the final set of questions/answers that will be addressed.

**RFP due date of January 13, 2016 at 2:00 (local time) remains unchanged.**

This Amendment consists of four (4) pages. If you do not receive all pages please contact our office immediately.

City of Gallup:

DATE: January 6, 2015

BY/S/ *Frances Rodriguez*  
Frances Rodriguez, Purchasing Director

Acknowledge  
Receipt No. Three

Contractor:

BY/S/ \_\_\_\_\_  
Authorized Signature of Seller/Bidder

Company Name: \_\_\_\_\_

**[TO ACKNOWLEDGE RECEIPT OF AMENDMENT SIGN AND RETURN ONE (1) COPY WITH PROPOSAL]**

## City of Gallup RFP NO. 2015/2016/05/P

- 1) Will the contract contemplated pursuant to this RFP require compliance with the Public Facility Energy Efficiency and Water Conservation Act in order to enter into a contract longer than 8 years in duration per NMSA Section 13-1-150, or does the City's Home Rule status exempt it from this Act?

Contracts less than 8 years will follow City of Gallup ordinance (Home Rule). Contracts that exceed 8 years will be required to be in compliance of NM State Procurement Code NMSA 13-1-150.

- a. If we are to follow the Act, does the City require the Respondent to be certified with EMNRD as a Qualified Provider under the Act?

Less than 8 years....NO. In excess of 8 years....YES.

- 2) Our understanding of the power agreement the City has with CDEC as allowing the City to procure or contract for 10% of the trailing three-year average annual purchases from CDEC, beginning after July of 2016. Can you specify what this 10% amount is expected to be in annual MWh?

21,000 MWhrs

- a. Will the City only be allowed to purchase up to that amount of MWh under any PPA contemplated by the RFP? i.e. will any PPA pursuant to this RFP require the City to only pay for MWh produced up to the capped amount?

The City may only purchase, own or control generation delivering up to 10% of the total three year average aggregate customer load (21,000 MWhrs).

- b. Should Respondents size the system to 10MWac even if their specific design approach and technology will produce more than the MWh figure that equals 10% of the average CDEC MWh purchases at the 10MWac size?

No, proposals should be for a maximum delivery of 21,000 MWhrs/year.

- c. Alternatively, should Respondents instead propose a system size and configuration meant to meet the MWh goal, regardless of final proposed MWac size? i.e. Is the primary goal for a specific MW size, or specific MWh production?

The Primary goal is to obtain a PPA that minimizes the rate impact and has a favorable purchase option at the end of the term.

- 3) Will the City entertain contract lengths longer than 10-years? As an example, our typical contracts are 20 or 25-years, and allow for numerous options for the City to purchase the project at Fair Market Value. A shorter term contract typically requires a higher price.

Respondents are welcome to offer alternative contract terms however, they will be compared against the requested 7, 10, & 12 year terms.

- 4) Will the City allow for a purchase option in the PPA contract that requires a transaction for a purchase option to be determined by Fair Market Value? A pre- determined option price can put the 30% Federal ITC at risk of recapture if deemed to be a disguised sale.

Yes.

- 5) Who will be the jurisdictional permitting and zoning authority for the project?

The City of Gallup has jurisdiction for permitting and zoning. The State of New Mexico has jurisdiction for electrical permits and inspections.

- 6) Does the City or County have jurisdiction over development efforts in the Floodplain?

The Site is city owned and controlled. The City of Gallup will have jurisdiction over development in the floodplain

- 7) Does the 'Regulatory Floodway' designation for the western portion of the proposed site impact permitting and zoning requirements of the City? If the City is not the permitting jurisdiction, who is the primary contact for Floodway development in Gallup?

The engineering design of the solar project will need to address the flood plain location. The City's Certified Floodplain Manager is Dorson Mahooty.

- 8) Does the NMDOT require any special setbacks from I-40 that are not reflected in the site plan?

NMDOT does not require any special setback from I-40.

- 9) Will the City provide additional consideration for Respondents who incorporate local manufacturers into the project specifications?

Yes, as set forth in the RFP under section 4.2 Response Requirements.

- 10) Can you confirm that the Respondent itself will be required to be a New Mexico Resident Business itself to qualify for the 5% preference? i.e. an out- of-state firm using or employing the Contractor's license of a New Mexico company would not qualify for the preference, correct?

The Respondent must submit a valid Resident Preference Certification form. Please also refer to page 27-28: *Application of In-State Preference* of the original RFP documents.

- 13) Can Gallup possibly change the Commercial Operation Date to Q1 or Q2 of 2017 given the ITC extension?

The commercial Operation Date may be included in negotiations with the successful proposer.

14) Does the 30 page RFP limit include or exclude appendices?

30 page limit does NOT include any appendices that you may have to submit as part of your proposal.