



VIRGINIA MUNICIPAL ELECTRIC ASSOCIATION

Request for Battery Energy Storage System Proposals Frequently Asked Questions

Event	Date
Issue RFP	December 5, 2018
Respondents' Questions Due	January 11, 2019
Responses to Respondents' Questions Due	January 21, 2019
Proposals Due	February 1, 2019
Short-List Notification / Commence Negotiations	March 22, 2019
Complete Contract Negotiations / Execute Contract	May 1, 2019
Facility COD / Commencement of Service	January 1, 2020

RFP Website: <https://www.gdsassociates.com/request-for-proposals/>

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Request for Battery Energy Storage System Proposals

Frequently Asked Questions

Question 1 In Section 7, the RFP states, “Respondents shall have successfully completed two other BESS projects similar in size and scope to the service that they are proposing in this RFP.” Is this an absolute requirement? If a team could demonstrate compliance among the partners would that qualify? Or if the proposal was strong in other aspects would it be considered?

This is not an absolute requirement. Our evaluation will include a review of a Respondent’s, including the partners’, experience with this size project and will be reflected in VMEA’s qualitative assessment. With this being VMEA’s first storage project, it is imperative that the Respondent have adequate experience.

Question 2 Will VMEA consider proposals for full tolling contracts with the ownership by external parties? Would VMEA be open to a tolling agreement proposal on the requested storage sizes as opposed to an outright purchase?

VMEA / HEC can only transact on an ownership proposal for the energy storage facility. Tolling agreements (or PPAs) cannot be accepted.

Question 3 Please provide the exact location of the East Market Street substation site, the Point of Interconnection, and where the BESS will be located at the substation site. Will supplemental fencing be required? Will a Google Earth file (.kmz) or survey map be provided?

Yes, a Google Earth file (.kmz) as well as other information on the specific site location will be provided on the GDS RFP website. We do not expect additional fencing would be required.

Question 4 Has there been a geotechnical soil report, environmental study, or resistivity test completed previously on or in close proximity to the proposed site?

No.

Question 5 Are sales/use taxes assumed to be excluded?

Yes, please exclude sales and use taxes as this is not a differentiating factor between BESS pricing.

Question 6 What specific interconnection responsibilities does the Respondent have with respect to the installation of the BESS? Are interconnection requirements

known and/or available for review (equipment, specs, metering, scope provided by HEC)?

For purposes of the evaluation, the Respondent should assume full responsibility of the BESS installation scope and HEC will assume full responsibility of the interconnection scope. The Respondent should include the step-up transformer(s) needed to interconnect into the 23 kV bus at the substation. HEC will take responsibility at the high side of the transformer. There will be no Interconnection Agreements or fees. Please see the one-line diagram that is posted on the GDS RFP website.

Question 7 Is there a battery manufacturer that is being considered by VMEA as a preferred technology?

No, there is no preferred battery manufacturer or technology.

Question 8 Will the Respondent be procuring the batteries, or is it possible that VMEA may arrange procurement for the batteries?

Yes, the Respondent should submit a proposal that includes procurement of all parts of the BESS facility.

Question 9 Since this is located on utility owned land, is the Respondent to assume building/electrical through AHJ not required?

Yes, building/electrical through AHJ is not required.

Question 10 Confirm what permits are expected to be obtained by the Respondent and/or the Owner. Have any discussions occurred around permitting of the project with local officials? If so, is there any information that has been confirmed – code, certifications, or permitting details?

There are no additional permits for a BESS that is located on HEC's site.

Question 11 What version of the National Electric Code (NEC) is going to be required?

The proposed BESS should comply with the current version of the IEEE National Electrical Safety Code (NESC).

Question 12 Will the project need to do a design review with the Fire Marshall? If so, please provide the contact information.

VMEA has never needed to review substation design work with the Fire Marshall. If necessary, we will provide this information with the short-listed bidders.

Question 13 Would civil engineering be handled by the site Owner or the Respondent?

Any civil engineering work should be handled by the Respondent.

Question 14 Please confirm that there is no intent to participate in the PJM wholesale market.

VMEA / HEC has no intention to participate or register the asset in the PJM wholesale market.

Question 15 What is the required useful life of the storage asset? Does VMEA have an expectation for degradation curve or maintaining a certain capacity over the life? Does VMEA want to keep a certain percentage of the capacity in tact?

There is no required useful life. The primary use case of the BESS is to peak shave and therefore the useful life should be tailored to maximize this capability. VMEA would like to see the pricing options of maintaining a certain capacity over the life as well as the expected capacity including annual degradation. Also, there is no specific charge profile required.

Question 16 What does “Dispatch algorithm capabilities” in Section 5, item 4 refer to? Does this refer to software capabilities for predicting system peaks and dispatching the battery in response?

This request refers to software capabilities and features that would allow for easier scheduling. VMEA’s preference is to manually dispatch the BESS themselves, and the most important feature would be to easily dispatch and control the BESS with an intuitive computer interface.

Question 17 Does VMEA have a preferred system size?

No, VMEA does not have a preferred system size beyond what is listed as the size range listed in the RFP. VMEA will determine the exact size based on how the pricing changes as the capacity and duration increases.

Question 18 Is the January 1, 2020 in-service date driven by regulatory requirements, financial/accounting considerations, or other considerations? How firm is the COD?

No, VMEA would prefer an in-service date as soon as reasonably possible. The Respondent should provide sufficient explanation within the proposal as to the factors that would lead them to not meet the preferred COD.

Question 19 Is VMEA considering alternative project sites for this project?

No, VMEA is not considering other alternative project sites for this project.

Question 20 Does the RFP require a price for nameplate or usable capacity on the battery?

VMEA requests that bidders provide pricing with and without a capacity maintenance agreement (CMA).

Question 21 One of the principal selection criteria is O&M cost. For how many years would the O&M cost be required for?

VMEA's preference is for the O&M cost be provided for the entire proposed useful life of the BESS. However, VMEA will also consider proposals that transfer certain O&M responsibilities to VMEA.

Question 22 We are assuming there is one site where the BESS shall be located (East Market Street Substation 23kV). At this site, we will be physically locating the BESS on a concrete pad, a 480v/23kV transformer and pad, and inverter and concrete pad. Is this correct?

East Market Street is the only BESS site and while the proposed BESS facility design appears reasonable to VMEA, ultimately, the Respondent should propose its preferred design.

Question 23 What setbacks are required from the existing 23 kV substation equipment and apparatus?

HEC needs 360 degree access to its existing substation equipment. The setback should be approximately 25 feet.

Question 24 The price requested shall include all site preparation, all interconnection communication and power systems and functional system? No allowances made? Is this correct?

Yes, VMEA expects turn-key, all-in EPC pricing for the BESS.

Question 25 Will lightning protection be required?

Please use standard safety and protection schemes when considering the BESS design.

Question 26 Looking at the Google map there seems to be access and/or height limitations for crane placement at the substation. Is there any other access than through the front gate?

There are two access gates. Please assume there are no height limitations.

Question 27 Will there be a pre-bid site visit?

No, there will not be a pre-bid site visit. The short listed respondents will be able to visit the site.

Question 28 Will the proposals be opened publicly?

No, proposals will not be opened publicly.

Question 29 Is there a preference between internal and external battery access?

No, there is no preference between internal and external battery access.

Question 30 Can you provide any information about POI power quality specifications, such as interconnection voltage tolerance that the system must be able to operate within, and power factor requirements that are expected at rated power?

Voltage tolerance limits should be maintained at 23 kV +/- 2.5%. The nameplate operating expectation is 22.860 kV. Please use standard system design. Respondents do not need to furnish VARs.

Question 31 Given the system use case, should we assume the BESS shall be designed for POI power/energy requirements net of auxiliary loads? Or should our system size be inclusive of auxiliary loads?

Yes, the system size should be inclusive of auxiliary loads.

Question 32 Will there be any 23 kV “master” metering requirements in addition to the low voltage DC metering?

Yes, HEC will likely need “master” metering in addition to the low voltage DC metering.

Question 33 Is there an existing fiber communications line / broadband / high-speed internet installed at the substation to the owner’s control room? If not, does this communications link need to be the Respondent’s scope? Where does this line need to be installed?

Fiber connectivity exists from the owner’s control room to the substation today, so we do not expect the Respondent to have to include fiber in their scope.

Question 34 Will VMEA be declaring an exemption from the mini-Brooks act or otherwise not applicable?

Virginia has a "mini-Brooks Act" that requires qualifications based selection (QBS) for "professional services." We do not feel this RFP qualifies as a request for professional services.

Question 35 Who is the ultimate counterparty? VMEA, HEC, or someone else? Does the counterparty have a credit rating or bond rating and what is their general creditworthiness?

The ultimate counter-party will be HEC. HEC does not have a credit or bond rating, but, in general, has good creditworthiness. HEC intends to own the asset so no credit issues are expected. Credit issues can be discussed with the short-listed Respondents, if necessary.