

CITY OF DETROIT
OFFICE OF CONTRACTING AND PROCUREMENT
REQUEST FOR INFORMATION (RFI) NO. 183562
Solar Deployment

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EVENT / ACTIVITY	DUE DATE / TIME
ADVERTISEMENT DATE	June 30, 2023
QUESTIONS DUE ROUND 1	On or before July 31, 2023 All questions must be submitted online in the Supplier Portal as indicated in the “Required RFI Response Content and Format” Section of this RFI. Answers will be posted within 3 business days of this date.
RFI OVERVIEW CONFERENCE	2:00 PM Eastern Time on August 14, 2023 Microsoft Teams meeting (Link)
QUESTIONS DUE ROUND 2	On or before August 28, 2023 All questions must be submitted online in the Supplier Portal as indicated in this RFI. Answers will be posted within 3 business days of this date.
RESPONSE DUE DATE *	October 2, 2023 @ 03:00 PM EST In the Supplier Portal as specified in “Required RFI Response Content and Format” Section of this RFI.

* Responses must be uploaded into the Supplier Portal on, or prior to the exact date and time indicated above. Late or emailed responses will not be accepted.

Respondents must enroll in the Supplier Portal to download the RFI documents and to ensure inclusion in our database www.detroitmi.gov/supplier. Instructions may be found on the City of Detroit website that includes tutorials on how to register. If you have any questions, please email procurementinthecloud@detroitmi.gov or call (313) 224-4600.

Comments on the accuracy and relevancy of technical aspects of the work plan are welcome, as are suggestions on implementing an effective program. This document is a

Request for Information (RFI) only – this is not a statement of work (SOW), nor does it constitute a Request for Proposal (RFP), Request for Application (RFA), or a promise to issue an RFP or RFA in the future. Respondents are advised that the City of Detroit will not pay for any information or administrative costs incurred in response to this RFI; all costs associated with responding to this RFI will be solely at the respondent's expense. Not responding to this RFI does not preclude participation in any future RFP or RFA.

Introduction

The City of Detroit seeks to procure enough renewable energy to power its municipal facilities. It seeks information from renewable energy developers, particularly those with experience deploying solar energy projects, on the best way to do so. The City hopes the results of this RFI will inform a later RFP or RFPs for specific projects.

With an abundance of vacant land and its own municipal utility, the City of Detroit is uniquely situated to utilize and benefit from solar energy installations. To that end, the City is interested in deploying City-owned ground-mounted solar systems on city-owned property in a size sufficient to match the City's energy consumption at municipal facilities. These solar projects will be located inside the City on parcels identified by the communities, and the land rights and zoning necessary for solar development will be secured by the City. In some cases the parcels will likely be located in proximity to City-operated facilities, allowing for some behind-the-meter consumption; it is likely that in other cases, the location will mean the project will not do so. This RFI outlines the City of Detroit's interests and goals related to on-site and off-site municipal solar installations.

Deployment will depend on neighborhood interest in hosting a site. Therefore, in the event City residents do not identify sufficient sites on which they would support such developments, the City also wishes to explore the option of a renewable energy project or projects outside of the City's boundaries.

The City encourages respondents to provide RFI responses through any preferred format, including but not limited to PowerPoint or narrative documents but must include information from the "Required RFI Response Content and Format" section below. Respondents may choose to respond to Part I (in-City deployment) or Part II (non-City deployment) or both.

PART I – In-City Deployment

Purpose

The City of Detroit through this RFI seeks feedback on the number and type of projects that would best achieve the goal of generating enough renewable energy to power municipal operations and buildings with locally generated and City-owned solar power. The City is interested in learning more regarding potential structures for the agreements related to those solar installations. Building from the Solar Opportunity Study published by the Office of Sustainability in 2019, this RFI seeks additional information based on current conditions and dynamics. Please refer to the available documents on the Office of Sustainability website as you formulate a response. The information gained in this RFI will assist the City in identifying what actions it can take to formulate a successful RFP at a future date with a preferred deal structure on identified parcels, should it choose this path towards its goals.

The City seeks information on projects that could supply 60,000, 100,000 and 150,000 MWh annually of renewable energy and how the costs and benefits to the City will differ based on the scale (parcel size) of the deployment(s).

The respondent may assume two use cases:

- The installation and deployment of new solar systems (and potentially battery storage) to generate energy on large parcels of City-owned property that will not have behind-the-meter usage;
- On-site installation of solar (excluding rooftop generation) at key municipal facilities that will have behind-the-meter usage, including on-site battery storage; and

In each of these cases, the City seeks to understand the costs of solar installations and operations at different scales throughout the City in order to determine where the costs of deploying solar are most efficient (e.g., several 10 acre parcels versus higher ranges including 20, 30, 40, and 50 acre parcels). The City also seeks to understand whether the project designs would likely benefit from the elimination of roads on the existing parcels or whether it would be beneficial to leave them in place.

For these key use cases, the City also seeks information on the different potential project structures, as well as associated costs. All project structures should assume City ownership of both the personal and real property such that the project will not have to pay property taxes. Within those parameters, the City is interested in learning about a wide variety of proposed structures that the solar development community might find attractive. Such structures and methods include (but are not limited to) build-transfer models to the City utility with a contract to a vendor to operate and maintain the systems, and additional models that involve energy and/or capacity sales to another utility or the

MISO market. The City is interested in learning about potential structures that vary the amount of up-front payment by the City.

Models, Specifications, and Financing

The City of Detroit owns and operates a municipal electric utility. That utility is not a supplier to any non-governmental customers, nor is it a supplier of last resort to any customer. It is not seeking via these projects to supply power to any entity on a retail basis except the City itself. It is not a Midcontinent Independent System Operator (MISO) market participant. Potential revenue models may include but are not limited to sale to DTE Electric Co. under available tariffs or merchant plant arrangements.

The City of Detroit expects the per-kilowatt/hr cost of specific projects to vary, depending on, for example, the location of the project and the type of real estate involved (e.g., municipal facility on city property, brownfield, etc.). Based on the proposed approach and execution of the project, responses should outline the following:

- a) A clear description of the ownership of the photovoltaic system(s) installed under the agreement and for how long. (If ownership will be transferred during the life of the system, please explain how that process will take place and what, if any, transaction costs will occur and who will pay them);
- b) As part of the ownership analysis, include whether the Production Tax Credit or Investment Tax Credit will be selected and what entity would receive the credits and the estimated value, as well as the estimated impact on project costs of property taxes if the proposed ownership structure varies from municipal ownership at any point. Respondents to this RFI may submit alternative short-term concepts and methods to achieve the purpose of this project;
- c) A clear description of who will perform any necessary maintenance on the systems installed during and after the project period, including the removal of the system;
- d) Information about other projects the respondents have done, including whether any projects by respondent have resulted in litigation;
- e) Information regarding whether you have any experience siting arrays on wastewater or water treatment plant sites and any special considerations the City should take into account when evaluating such projects; and
- f) If applicable, the financial impact of tax incentives and/or energy credits and/or other grants or financial resources that could be utilized in specific structures beyond the PTC or ITC.

For purposes of this RFI, the respondent should assume the economics of the project will include a one-time payment of \$25K/acre (which may be timed to occur after the receipt of federal tax credits) for use of the real estate for the life of the project. Such monies will be used to ensure the community benefits from the project.

Respondents to this RFI should assume that potential projects will be on City-owned real property, that the City can utilize its municipal utility for the projects, and ownership by the City's municipal utility of the real and personal property involved, including the solar

| deployment(s). Responses should also assume that the City will undertake required zoning or land acquisition activities.

PART II – Non-City Deployment

Purpose

The City of Detroit through this RFI seeks feedback from stakeholders on the most efficient deployment of solar energy projects that would best achieve the goal of generating enough renewable energy to power municipal operations and buildings. Such a project or projects could be City-owned throughout its construction and deployment, or acquired by the City upon completion through a build-transfer arrangement. The City would also consider a vPPA structure or other structures the stakeholders may find attractive. The City is interested in learning more regarding potential structures for the agreements related to those projects, and the likely timeline for availability of or deployment of such projects. The information gained in this RFI will assist the City by helping it to shape a procurement process that would result in the best outcomes, assuming in-City development is not the preferred option.

The City seeks information on projects that could supply 60,000, 100,000 and 150,000 MWh annually of renewable energy and how the costs and benefits to the City will differ based on the proposed structure. The City also seeks information on the likely timeline and location for project deployment.

Models, Specifications, and Financing

The City of Detroit owns and operates a municipal electric utility. That utility is not a supplier to any non-governmental customers, nor is it a supplier of last resort to any customer. It is not presently a Midcontinent Independent System Operator (MISO) market participant.

Based on the proposed approach and execution of the project or projects that would most economically meet the City's desires, responses should outline the following:

- a) A clear description of the preferred ownership structure. (If ownership will be transferred during the life of the system, please explain how that process will take place and what, if any, transaction costs will occur and who will pay them);
- b) As part of the ownership analysis, include whether the Production Tax Credit or Investment Tax Credit will be selected and what entity would receive the credits and the estimated value, as well as the estimated impact on project costs of property taxes under the proposed ownership structure (City vs. privately owned). Respondents to this RFI may submit alternative short-term concepts and methods to achieve the purpose of this project;
- c) A clear assignment of who will perform any necessary maintenance on the systems installed during and after the project period, including the removal of the system;
- d) Information about other projects for the respondents have done, including whether any projects by respondent have resulted in litigation;

- e) If applicable, the financial impact of tax incentives and/or energy credits, including, for example, the potential use of private activity bonds for models that do not involve municipal ownership throughout the project;
- f) An analysis of whether the cost per MWh would change materially if the City sought production of 60,000, vs 100,000 or 150,000 MWh annually of renewable energy;
- g) The stage of governmental (permits) and interconnection approval that projects should be required to have, and what protections the City should seek if projects without full approvals are allowed to bid into an RFP.

Respondents to this RFI should assume that the City is open to ownership models that take advantage of its status as a governmental entity and/or which use its utility as the ownership entity if desirable.

REQUIRED RFI RESPONSE CONTENT AND FORMAT

Each response to must respond to Attachment A. Each response must also respond to either or both of Attachment B and Attachment C in their entirety, and responses must be uploaded in the Supplier Portal:

Required Response Item	
1.	Attachment A – Respondent Questionnaire
	Respondent shall complete and upload Attachment A with their response in the Supplier Portal. Provide a detailed response to each question.
2.	Attachment B – Responder Introduction and Solution Response (City Deployment)
	Respondent shall complete and upload Attachment B with their response in the Supplier Portal. At a minimum this shall include responses to the items listed in this Attachment B.
3.	Attachment C – Responder Introduction and Solution Response (Outstate Deployment)
	Respondent shall complete and upload Attachment C with their response in the Supplier Portal. At a minimum this shall include responses to the items listed in this Attachment C.

1. ECONOMY OF PREPARATION

Responses should be prepared simply and economically providing a straightforward, concise description of the Respondent’s ability to meet the requirements of the RFI. Emphasis should be on the completeness and clarity of content.

2. SUBMITTAL INSTRUCTIONS

All responses **must** be submitted through the Supplier Portal. Each Respondent is responsible for ensuring that its response is received by the City on a timely basis. **Faxed or mailed responses will not be accepted.**

Firms shall not distribute their responses to any other City office or City employee. Responses received become the property of the City. The City is not responsible for any costs associated with preparation or submission of responses. All responses submitted by the due date will be recorded in the Supplier Portal. Responses received **will not** be available for review. Responses received will be subject to disclosure under the state of Michigan’s Freedom of Information Act.

Attachment A – Respondent Questionnaire

Respondent shall complete and upload **Attachment A** with their response in the **Supplier Portal**. Provide a detailed response to each question.

1. Respondent’s Contact Information

Complete the following table for your Sole Point of Contact During RFI Process.

Single Point of Contact for RFI Response	Respondent Response
a. Name	
b. Title	
c. Address	
d. E-mail	
e. Phone Number	

2. Respondent Background Information

Complete this table with your background information.

	Respondent Response
a. Full legal business name.	
b. Full legal business address of the firm’s principal place of business and, if different, the location of the place of performance of the contract.	
c. Website address (if applicable).	

Attachment B – RFI Response (City Deployment)

A. Work Proposal / Approach

ASSUMPTIONS:

- a. City ownership of real estate and personal property, including the solar deployment
- b. City can utilize the City-owned municipal utility
- c. Ground-mounted deployment (no rooftop installations)
- d. An estimated need for minimum 60,000 MWh/year to maximum 150,000 MWh/year
- e. City will not supply energy to any non-governmental customer nor will become supplier of last resort to any customer, including itself
- f. City is not currently a Midcontinent Independent System Operator market participant (but is open to MISO participation if economically favorable)
- g. Revenue models may include a) sale to DTE Electric Co. under available tariffs, or b) merchant plant arrangements
- h. City will undertake any required zoning or land acquisition activities

PROJECT TYPES UNDER CONSIDERATION:

- a. The installation and deployment of new solar systems to generate energy on large parcels of City-owned property ranging from 10-50 acre parcels that will not have behind-the-meter usage. Such installations may include battery storage depending on the economic and resiliency benefits of such installations.
- b. On-site installation of solar (excluding rooftop generation) at key municipal facilities that will have behind-the-meter usage, including battery storage at these locations.
- c. On-site installation at wastewater and/or water facilities with behind-the-meter capabilities.

	Question	Response
1.	Please describe your proposed solution to efficiently and effectively supply solar-generated energy to power municipal buildings.	
2.	Please indicate which use case your solution addresses out of the project types listed above.	
3.	Who will own the photovoltaic system during construction? If ownership will be transferred during the life of the system, please explain how that process will take place and what, if any, transaction costs will occur and who will pay them.	

4	Who will perform any necessary maintenance on the systems during and after the project period, including removal of the system?	
5	<ul style="list-style-type: none"> a) Would the Production Tax Credit or Investment Tax Credit be selected in your proposed structure? b) What entity would receive the federal tax credits and what is the estimated value of those credits? c) What is the estimated impact on project costs of property taxes under the proposed ownership structure? 	
6	<p>How many acres does your ground-mounted solar system need to generate the following:</p> <ul style="list-style-type: none"> a. 60,000 MWh/year b. 100,000 MWh/year c. 150,000 MWh/year 	
7	Please describe any cost advantages as the average project size moves between 10 and 50 acres (i.e. is there a cost advantage to larger tracts, and if so, what is it?). Please include in your answer whether the elimination of existing roads in the parcel would be helpful to the project economics.	
8	Please describe what special considerations would be included for an installation on a water or wastewater site (e.g. a pump station)?	
9	Please describe your company's prior experience in deploying ground mounted solar energy systems, and include at minimum the following information including scale, location, client, number of years in operation, ownership structure, and whether the project has been the subject of any litigation. If your prior projects differ from your proposed solution, please explain why.	
10	Please describe whether you think the benefits associated with adding storage to solar projects without behind-the-meter usage are sufficiently attractive to warrant including such technology in any eventual RFP.	

Attachment C – RFI Response (Non-City Deployment)

A. Work Proposal / Approach

ASSUMPTIONS:

- a. City can own real and personal property if advantageous
- b. An estimated need for minimum 60,000 MWh/year to maximum 150,000 MWh/year
- c. City is open to a variety of structures to achieve lowest cost

PROJECT TYPES UNDER CONSIDERATION:

- a. Renewable energy projects with preference for those closer to the City geographically.
- b. Storage may be a component of projects depending on the cost/benefit analysis.

	Question	Response
1.	What ownership structures should the City consider as part of its RFP? If the City considers responses with a variety of structures, how should it compare them (e.g. PPAs to build-transfer constructs)?	
2	As part of the ownership analysis, describe whether the Production Tax Credit or Investment Tax Credit will be selected and what entity would receive the credits and the estimated value, as well as the estimated impact on project costs of property taxes under the proposed ownership structure (City vs. privately owned).	
3	Who will own the photovoltaic system during construction? If ownership will be transferred during the life of the system, please explain how that process will take place and what, if any, transaction costs will occur and who will pay them.	
4	Who will perform any necessary maintenance on the systems during and after the project period, including removal of the system?	
5	If the City imposed locational limitations on projects (e.g. within the State of Michigan, within 150 miles of the City of Detroit, within MISO) would that be expected to materially affect the project economics? If so, explain how.	
6	Would the economics of the per-unit cost be expected to change materially if the City sought to procure the following amounts of energy: <ul style="list-style-type: none"> a. 60,000 MWh/year 	

	<ul style="list-style-type: none"> b. 100,000 MWh/year c. 150,000 MWh/year 	
7	Please describe the stage of governmental (permits) and interconnection approval that projects should be required to have, and what protections the City should seek if projects without full approvals are allowed to bid into the RFP.	
8	Please describe your company's prior experience in deploying solar energy projects within the State of Michigan and within 150 miles of the City of Detroit, and include at minimum the following information including scale, location, client, ownership structure, number of years in operation, and whether the project has been the subject of any litigation. If your prior projects differ from the type of project being sought, please explain why.	
9	Please describe whether you think the City should require projects bidding into an RFP to also analyze associated costs and benefits of adding storage to the project/s.	