

## **Request for Information (Modification 01)**

NOTICE: THIS REQUEST FOR INFORMATION (RFI) IS FOR PLANNING PURPOSES ONLY. THIS IS NOT A REQUEST FOR PROPOSAL (RFP). NO SOLICITATION, SPECIFICATIONS, OR DRAWINGS WILL BE ISSUED AT THIS TIME. THE U.S. GOVERNMENT IS NOT RESPONSIBLE FOR ANY COSTS INCURRED IN ORDER TO PARTICIPATE IN THIS RFI PROCESS; ALL INFORMATION SUBMITTED IS AT THE RESPONDENT'S OWN EXPENSE. ANY RECOMMENDATIONS OR SUGGESTIONS, NOT MARKED AS PROPRIETARY, PROVIDED IN RESPONSE TO THIS RFI MAY BE UTILIZED WITHOUT ANY RESTRICTIONS OR COST TO THE U.S. GOVERNMENT AND MAY BE INCLUDED IN THE SCOPE OF WORK OF A FUTURE RFP. RESPONDENTS MAY SUBMIT PROPRIETARY INFORMATION IN RESPONSE TO THIS RFI; RESPONDENTS MUST APPROPRIATELY AND UNAMBIGUOUSLY LABEL ANY SUCH INFORMATION AS "PROPRIETARY." PROPRIETARY INFORMATION RECEIVED BY THE GOVERNMENT WILL BE PROPERLY SAFEGUARDED BY THE GOVERNMENT IN ACCORDANCE WITH U.S. LAWS AND REGULATIONS. THE GOVERNMENT RESERVES THE RIGHT TO CANCEL THIS RFI AT ANY TIME.

This RFI is a market research tool used only to obtain information and identify contractors who may possess the capability to provide the products and services described below. It does not constitute a commitment, implied or otherwise, that the Department of the Navy (DON) will take procurement action in this matter. The Naval Facilities Engineering Command (NAVFAC) Atlantic is performing this market research to aid in the development of its acquisition approach.

### **N62470-15-R-4020: REQUEST FOR INFORMATION FOR RENEWABLE ENERGY GENERATION TO SUPPLY LOCATIONS IN ITALY**

#### **Background:**

This RFI modification is being issued to ask additional questions of industry. Please review the initial RFI for all background and relevant conditions.

#### **Information Requested:**

As permitted by FAR Part 10, DON is requesting responses, comments, recommendations and suggestions to assist in the development of an acquisition strategy. The intent is to identify potential proposers and collect information on any new renewable energy generation that is economically attractive and feasible. DON is also seeking information and insight from industry on the overall feasibility of this procurement. DON is interested in how electricity market operators will provide the renewable and conventional supplies of the procurement, and what technology of REGs may be used to meet the renewable portion of this proposed procurement. DON hopes to elicit maximum industry participation in response to this RFI and RFI modification so that DON may use the information obtained to perform the anticipated procurement in an efficient and timely manner. This RFI and RFI modification shall not be construed as a Request for Proposal (RFP) or as an obligation on the part of the U.S. Government. If a company did not respond to the initial RFI posting and would like to provide a response to DON, please

review the initial posting and provide a response to both the original RFI and the questions included in this modification. The response should not exceed the page limitation listed below.

**Submittal Requirements:**

DON requests that interested and qualified firms submit a statement of interest on company letterhead demonstrating the firm's qualifications to perform the defined work. Responses should be complete and sufficiently detailed to address the specific information discussed herein. Responses are requested in English; no translations will be provided and non-English responses may not be considered. Responses should not exceed 30 single-sided pages, including all attachments.

**Please submit your completed response by 1400 EST on Wednesday, 16 March 2016 to the Contract Specialist, Ms. Erin Quimby, via email at [erin.quimby@navy.mil](mailto:erin.quimby@navy.mil)**

In summary, DON requests the following information from each respondent:

1. A Company Profile to include: (a) Name and address; (b) Brief description of firm including the year the firm was established and number of employees; and (c) Names of two points of contact (including title, telephone number and email addresses).
2. Detailed description of three projects of similar scope, in similar locality, completed within the last five years by the responding firm.
3. Describe your company's experience working in the European energy market.
4. Identification of what actions the U.S. Government could take to reduce risk and cost for this project.
5. Information the U.S. Government should provide to prospective bidders in an RFP.
6. Answers to all of the below questions.

Information received from respondents will not be shared with any other respondent. Respondents will not be notified of the results of the market research. Response to this RFI is not required in order to respond to any future RFP that may follow, but information gathered through this RFI may influence RFP development. Offers from Associazione Temporanea d'Imprese (ATI) or Offers using a contract of avvalimento (contratto di avvalimento) will not be accepted.

DON requests that respondents address each of the following questions:

1. The U.S. Department of the Navy has several different regulations permitting the purchase of electricity. Generally, the regulations fall into two categories, 1) contract lengths of 1-10 years or 2) contract length of 11-30 years. While there are other considerations when determining contract length, the U.S. Department of the Navy would like to determine if there is a preferred contract length that would lead to a more economically beneficial opportunity to purchase renewable energy.
  - a. What contract length would be the most suitable for Contractors to provide renewable energy from one or more new renewable energy generation system(s) at a price point that would be economically beneficial to the U.S. Department of the Navy? 1-10 years? 11-20 years? 21-30 years? Please select the most mutually advantageous contract length and explain why the U.S. Department of the Navy should consider it.
2. Most of the U.S. Department of the Navy's contracts are bilateral agreements with Contractors who are able to provide complete and delivered products or supplies. However, some Contractors

cannot provide the complete and delivered product or supply on their own, so they must establish or maintain additional contracts outside their Navy contract. In this procurement, the Navy is looking for a bilateral contract for the complete and delivered supply of 100% of the electricity required by NAS Sigonella and NSA Naples. Additionally, the electricity is required to be sourced from one or more new renewable energy generation system(s) and supplemented by conventionally produced energy sources to balance out the intermittency associated with renewables. With this understanding, what are the U.S. Department of the Navy's options for contracting for renewable energy supply?

- a. Is it possible for a retail supplier to submit a proposal and enter into a contract to provide all of the services necessary to satisfy the U.S. Department of the Navy's needs?
  - b. Is it possible for a generator to submit a proposal and enter into a contract to provide all of the services necessary to satisfy the U.S. Department of the Navy's needs?
  - c. Is there another entity capable to submit a proposal and enter into a contract to provide all of the services necessary to satisfy the U.S. Department of the Navy's needs?
  - d. If there are multiple options the U.S. Department of the Navy should consider, what is the best strategy to achieve the lowest cost and lowest risk?
3. If the U.S. Department of the Navy enters into a bilateral contract with an entity such as a retail supplier to purchase 100% of its electricity needs and the retail supplier provided the renewable energy from one or more specific renewable energy generating system(s), how would transmission and congestion charges be calculated from the location of the specific renewable energy generating system(s) to the multiple U.S. Department of the Navy points of delivery across Italy?
- a. Are there any additional things to consider regarding how the transmission and congestion charges are calculated if the contract is between the U.S. Department of the Navy and a generator?
  - b. Are there any additional things to consider regarding how the transmission and congestion charges are calculated if the contract is between the U.S. Department of the Navy and another entity?
  - c. Are there any additional market charges that will result from this purchase due to the geographically dispersed nature of the facilities, or the inclusion of one or more specific renewable energy generating system(s)? If so, please explain.
4. The U.S. Department of the Navy values being able to predict its electricity costs in the future and is seeking a price point for renewable energy that can provide the most price stability from a fixed price while minimizing price escalation during the contract. Can renewable prices be fixed as a part of a bilateral contract between the U.S. Department of the Navy and a retail supplier, generator or other entity?
- a. Through a number of projects, the U.S. Department of the Navy has seen escalation in the 0-2% range. What escalation rates may be expected for this kind of contract and why?
5. Would a Contractor be able to satisfy the renewable energy portion of the procurement without support from state incentives at a price that is competitive with the market?
6. When the U.S. Department of the Navy issues a Request for Proposals (RFP), Contractors are typically provided a 30-60 day period of time to submit their proposals. Does a period of 30-60 days from the issuance of the RFP provide adequate time for submission of proposals?

If not, how much time should the U.S. Department of the Navy consider allowing for submission of proposals?

### **Notice**

The Government uses support contractor/non-Government personnel from Booz Allen Hamilton (BAH) to help collect and review market information. BAH is contractually bound with respect to proprietary information by organizational conflict of interest and non-disclosure clauses. Supporting contractor personnel are procurement officials within the meaning of the Office of Procurement Policy Act (41 U.S.C. 423) and as implemented in the FAR.

Questions or comments regarding this notice may be addressed in writing to Ms. Erin Quimby, via email at [erin.quimby@navy.mil](mailto:erin.quimby@navy.mil). We appreciate your interest and thank you in advance for responding to this RFI.