LEASE
UP TO 220 ACRES OF LAND
FOR
RENEWABLE ENERGY, SECURITY AND RELIABILITY

Naval Weapon Station (NWS) Earle

Request For Proposal
No. LO-2015247

Naval Facilities Engineering Command, Headquarters
Washington, DC 20374-5140

Contents

1.0 - EXECUTIVE SUMMARY

1.1 AUTHORITY

The Department of the Navy (DON) is making available for lease non-excess real property at Naval Weapon Station (NWS) Earle, Colts Neck, New Jersey, under the authority of Title 10, United States Code § 2667.

1.2 NWS EARLE RENEWABLE ENERGY AND RELIABILITY

The offering for potential outlease of non-excess property aboard NWS Earle is being made pursuant to SECNAVINST 4101.3.

1.2.1 SITE/LOCATION

The proposed area (Site) is approximately 220 acres of sparsely forested, unimproved LAND in Colts Neck, New Jersey (see Appendix A). This is a Site consisting of a number of noncontiguous sites being offered to the potential developer (Offeror) available for use in its entirety. Site 1 is approximately 3 acres. Site 2 is approximately 34 acres. Site 3A and 3B is approximately 10 acres. Site 4 is approximately 9 acres. Combined Site 5/6 is approximately 162 acres. Site 12 is approximately 3 acres. The sites are currently absent of activity and are accessible by internal base roads.

1.2.2 VISION

The vision for this opportunity is for DON to lease the property to a qualified non-Federal user (Lessee) for generation and distribution of renewable energy to the commercial power grid. The Lessee will plan, finance, construct, provide all necessary equipment for, operate, and maintain a solar PV generation system for the full term of the Lease and receive market fees from end users. The DON does not intend to purchase power generated on the lease premises and the Offeror will need to secure an off-taker. Ownership of the Site shall remain with the Government for the duration of the lease term. Pursuant to its energy security goals, the Government seeks in-kind consideration that enhances the installation's energy security posture. The term of the proposed lease will be calculated by adding a period of construction to a period in years equal to the useful economic life of the proposed renewable energy generation facility which could be up to 37 years.

1.2.3 SITE IMPROVEMENTS

As some of the sites on NWS Earle are currently forested, the Lessee will, at its sole expense, need to clear, grub and grade the land as required for the successful performance of a renewable generation asset. Offerors are advised that there is marketable standing timber on the sites. The Lessee is required to pay the appraised amount for said timber to the Government within 30 days after lease signature, to be deposited in the DON Forestry Account. This potential payment for marketable forest products is not included in, or a part of lease payments (rent), and must be provided to DON as a separate cash/check payment. There will be a tree cutting and shrub

removal restriction from March 15 to July 31 to protect nesting migratory birds. The U.S. Fish and Wildlife Service may extend the land clearing restrictions, especially of forested areas, through 30 September, because the proposed site is located within the summer range of the federally listed (threatened) northern long-eared bat.

1.3 BUSINESS OPPORTUNITY

The DON seeks to competitively select a qualified Lessee to lease the Site. The Lessee will timely develop, operate and maintain a renewable generation asset within the Site for the term of the lease. The Lessee will provide in-kind consideration which enhances the installation's energy security posture, and/or make cash rent payments to the DON valued at not less than the fair market rental value of the developer's leasehold interest, as determined by Government appraisal.

1.4 GENERATION INTERCONNECTION QUEUE POSITION AA2-184

Naval Facilities Engineering Command (NAVFAC) Atlantic is currently listed as the Interconnection Customer (IC) with PJM and has proposed a solar PV generating facility project with a PJM Interconnection Request AA2-184, located in Monmouth County, NJ. The installed facilities will have a total capacity up to 20 MW in energy with 0 MW of this output being recognized by PJM as capacity. The proposed in-service date for this project is December 2016.

The selected offeror will be required to reimburse the DON for fees in the amount of $15,000 associated with the DON's previous application to PJM for a generation interconnection feasibility study, and take over responsibilities as the IC no later than 23 November 2015, when the IC must submit an Impact Study to PJM.

In addition to reimbursing the DON for fees associated with the interconnection application, as a requirement for interconnection, the IC (selected Offeror) will be responsible for the cost of constructing:

(1) Direct Connections, which are new facilities and/or facilities upgrades needed to connect the generator to the PJM network, and
(2) Network Upgrades, which are facility additions, or upgrades to existing facilities, that are needed to maintain the reliability of the PJM system.

Point of Interconnection: AA2-184 will interconnect with the JCPL system along the Atlantic-Red Bank 34kV line.

Direct Connect Requirements: Offeror's project design shall not deviate from the project design submitted in Attachment N of the Generation Interconnection Feasibility Study Application and the Interconnection Customer Requirements specified by PJM in the Generation Interconnection Feasibility Study Report (http://www.pjm.com/pub/planning/project-queues/feas_docs/aa2184_fea.pdf). As an addition to initial design, PJM specifies system protection relaying requirements, a high-side fully rated 34.5kv circuit breaker, and a FirstEnergy Transmission compatible SCADA system.

Cost Summary for Network Upgrades: The AA2-184 project will be responsible for the cost of Attachment Facilities, Direct Connection Network Upgrades and Non-Direct Connection Network Upgrades, which are estimated to be up to $677,700, including Tax, as applicable.

1.5 PROJECT OBJECTIVES

The following objectives have been set for this project:

- Entering into a long-term lease with a responsible party who will provide good stewardship over the property;
- Successfully integrating development activities with cultural resources and environmental policy management requirements compatible with the mission of the Installation;
- Complying with all National Environmental Policy Act (NEPA) and Environmental Condition of Property Report and Checklist (ECP) requirements;
- Employing the best commercial practices to the benefit of both the DON and the Lessee, and enhancing energy security for the Installation in accordance with Title 10, United States Code §2924.

1.6 INDUSTRY DAY

An Industry Day will be held on 22 September at NWS Earle to answer questions related to this RFP and to host a tour of the proposed sites.

Please register by 15 September by emailing the names of the attendees and the company name to Lurdes Gil at lurdes.gil@navy.mil. Please limit the attendees to two or three per company.

2.0 – DEVELOPMENT CONSIDERATIONS

This section describes existing conditions at the Site. Information and/or documents pertaining to the property and provided to Offerors are believed to be correct; however the DON does not warrant this information. This property is offered "as is, where is" in the lease.

2.1 SITE IMPROVEMENTS

Any mission, environmental, cultural, regulatory, or real estate encumbrances or constraints that may exist at the proposed project site are noted below. It is anticipated that infrastructure upgrades to both the commercial power grid and the on-base distribution infrastructure will be required for successful performance of a renewable energy generation asset.

2.2 HISTORICAL, CULTURAL AND ARCHEOLOGICAL

DON will consult with the New Jersey State Historic Preservation Officer (SHPO) and other interested parties under Section 106 of the National Historic Preservation Act. DON is recommending to the SHPO a finding of "no historic properties affected" for the lease. DON is further recommending the following:

(1) At Combined Site 5/6, the Lessee will commit to avoiding the location of the archaeological site,

(2) At Site 3A and 3B, a 25 to 50 foot buffer area needs to be placed alongside the edge of the site to allow visual clearance between the Classification Yard and the solar PV array. The buffer area would include a vegetative screen and fencing with mesh panels on its western edge (i.e., closest to the PV array), and

(3) At Site 4, vegetative screening and fencing with mesh panels need to be utilized.

2.3 DON ENVIRONMENTAL DOCUMENTATION

An Environmental Condition of Property (ECP) Memorandum for the Record and an Environmental Assessment Finding of No Significant Impact (FONSI) will be completed by DON prior to lease execution, currently expected first quarter of calendar year 2016. DON has conducted wetland delineations for the proposed sites and combined site 5/6 contains wetlands, as noted in the site map in Appendix A.

2.4 UTILITIES

Jersey City Power and Light (JCPL) provides the distribution of electricity to NWS Earle. Connection may be subject to an interconnection agreement with PJM. The Lessee shall be responsible for all costs including but not limited to new lines and associated studies required.

2.5 EASEMENTS AND ENCUMBRANCES

Known third-party real estate encumbrances or constraints existing at the proposed project Site are identified in the attached plat map (see Appendix A). The Lessee is responsible for determining and coordinating its use with all easements and encumbrances.

2.6 NAVAL ORDNANCE SAFETY AND SECRUITY ACTIVITY (NOSSA)

A portion of the Site may be within the inhabited building distance (IBD); inhabited structures must be located outside of IBD from all potential explosion sites (PESs). Final site approval is contingent upon receipt of details of the general layout and a letter of risk acceptance from the Lessee.

2.7 DAVIS-BACON ACT

Depending on the in-kind consideration projects proposed, Davis-Bacon wage requirements may apply.

2.8 BUILDING CODES

Construction on the Site shall comply with the building code of the City and County and all applicable governmental laws, codes, rules and regulations. Construction on the Site shall also comply with the appropriate National Fire Protection Association Standards then in effect for the type(s) of occupancy proposed, or such other more stringent fire protection and life safety codes, if any, then in effect and adopted by the City and County.

2.9 NDAA COMPLIANCE (COMPONENT ORIGIN)

Offeror acknowledges that photovoltaic panels for use in the proposed project shall comply with Section 858 of Public Law 113-291.

2.10 PERIMETER FENCING AND GATE ACCESS

Fencing is required to separate the land being utilized by the solar PV facility from the installation.

A gate will be required to provide access from a public roadway for the developer to use. An additional gate will be required from the DON side to the solar facility for the fire department to enter in case of a fire. Only the fire department and security will have access to this gate.

3.0 - PROPOSAL SUBMISSION INSTRUCTIONS

3.1 PROPOSAL CONTENTS AND FORMAT

The Offeror's proposal will consist of four factors:

(1) Factor A: Technical Proposal – including proposed site layout and renewable energy generation asset design, preliminary engineering drawings and technical system information required to communicate the proposed concept. Specifically, Offeror will provide a conceptual design of the generation system and one-line diagrams of the system, including interconnections, if applicable, to the electric distribution system. The one-line diagrams should also include equipment manufacturer and model information on major power generation equipment, such as inverters, panels, telemetry and control devices. If the Offeror proposes to use wireless communication for telemetering at the location, the Offeror must provide details of the communication medium for review and approval.

(2) Factor B: Business Proposal - with relevant experience, past and present performance, including a project plan that identifies the overall project concept, proposed plan of objectives and milestone and a work plan identifying key logistics and touch points.

(3) Factor C: Acknowledgement of reimbursement and other requirements provided in RFP Paragraph 1.4 Generation Interconnection Queue Position AA2-184. Failure to acknowledge could result in Offeror not being considered to be in the competitive range.

(4) Factor D: Proposed In-Kind Consideration - Proposed specific in-kind consideration (IKC) projects including Net Present Value (NPV) calculation of the proposed in-kind consideration and/or the lease rent cash payment schedule. Fair Market Rental Value of the Sites is estimated at $1.8 million (NPV) across the proposed lease term. See examples of acceptable IKC in Appendix B.

   a. SubFactor D1: If proposed IKC requires connection to and/or alteration of the electrical distribution infrastructure not owned by the Installation (i.e., "outside the meter"), then demonstrate technical ability and legal ability to execute the proposed connection and/or alteration, in order to enable full

consideration of all energy-security related IKC possibilities desirable to the DON.

b. SubFactor D2: Demonstrate technical ability and legal ability to execute procedural and/or technical changes to the restoration protocols, reliability planning, isolation, and switching activities that are involved with power supply to the Installation and/or related Sites of interest to the DON.
c. SubFactor D3: Documentation of Offeror's plan for transmission and sale of power generated (including consumption by the Offeror for purposes of serving Offeror's operations) and any necessary offtake approvals (including interconnection and regulatory approvals) for power generated on the site.

3.2 SUBMISSION OF PROPOSALS

Offerors will, within 45 calendar days ending at 4:00pm ET on 19 October, send all Proposal materials via email to: john.w.baxter@navy.mil.

4.0 - EVALUATION OF PROPOSALS

4.1 SOURCE SELECTION

It is the intent of the DON that, after a thorough review and evaluation of all compliant proposals received, a single Offeror will be selected for the exclusive negotiation of a lease that provides the best overall value to the DON and is determined to be most advantageous to the DON.

4.2 RISK FACTORS

All Proposals will be evaluated on Factors A, B, and C listed above, based on the Risk Assessment to establish a Competitive Range. All Proposals within the Competitive Range will then be evaluated on Factor D listed above, based on the best value in terms of subjective lifecycle cost to the DON.

The following shall be used when defining Risk Assessment:

LOW RISK (L): Demonstrate the ability to market utility-grade renewable power generation and complete construction of a utility-scale renewable generation asset. Any weaknesses identified by the evaluators have little potential to cause disruption to the construction and operation phases. Normal contractor/DON effort and monitoring will probably minimize any difficulties. Little doubt exists, based on the Offeror's performance record, that the Offeror can perform the proposed effort.

MODERATE RISK (M): There are weaknesses identified by the evaluators that can potentially cause disruption to the construction and operation phases. Special contractor/DON effort and close monitoring will probably minimize any difficulties. Some doubt exists, based on the Offeror's performance record, that the Offeror can perform the proposed effort.

HIGH RISK (H): These are weaknesses identified by the evaluators that have the potential to cause significant disruption to the construction and operation phases even with special contractor/DON effort and close monitoring. Significant doubt exists, based on the Offeror's performance record, that the Offeror can perform the proposed effort.

4.3 COMPETITIVE RANGE

After DON's evaluation of the Risk Assessments, all Proposals with Low or Moderate Risk will qualify for the Competitive Range. Any Proposal meeting the definition of High Risk will be removed from consideration.

4.4 SELECTION OF PROPOSAL

All Proposals within the Competitive Range will then be evaluated on Factors C and D listed above in Section 3.1, based on the best value in terms of subjective lifecycle cost to the DON.

5.0 - SPECIAL CONDITIONS AND LIMITATIONS

5.1 NO OBLIGATION

While the DON intends to enter into a lease with an Offeror selected through the process set forth in this RFP, the DON is under no obligation to do so. The DON reserves the right to cancel this RFP at any time, or to reject any and all submissions prepared in response to this RFP.

5.2 HOLD HARMLESS

By participating in the RFP process, Offerors agree to hold the United States of America its officers, employees, and advisors harmless from all claims, liabilities, and costs related to all aspects of this RFP. Under no circumstances shall the United States of America be liable for any "bid and proposal" costs, real estate brokerage commissions, finder's fees, or other forms of compensation related in any way to activities undertaken by any person as a result of the submission of the RFP proposal.

5.3 WAIVER

The DON reserves the right to waive informalities and minor irregularities in offers received if it is determined that it is in the best interest of the Government to do so.

5.4 ORAL PRESENTATIONS

At the discretion of the DON, oral presentations may be required. If any oral presentation is required, it shall be limited to 30 minutes. During the oral presentation, Offerors should be prepared to provide information concerning any aspect of the Proposal submitted. Offerors should be prepared to provide a pictorial representation of the project concept through the use of renderings, sketches, photomontages, or other types of graphic media. As applicable, the time and date for presentation will be scheduled individually with the Offerors after the Proposals have been submitted and evaluated.

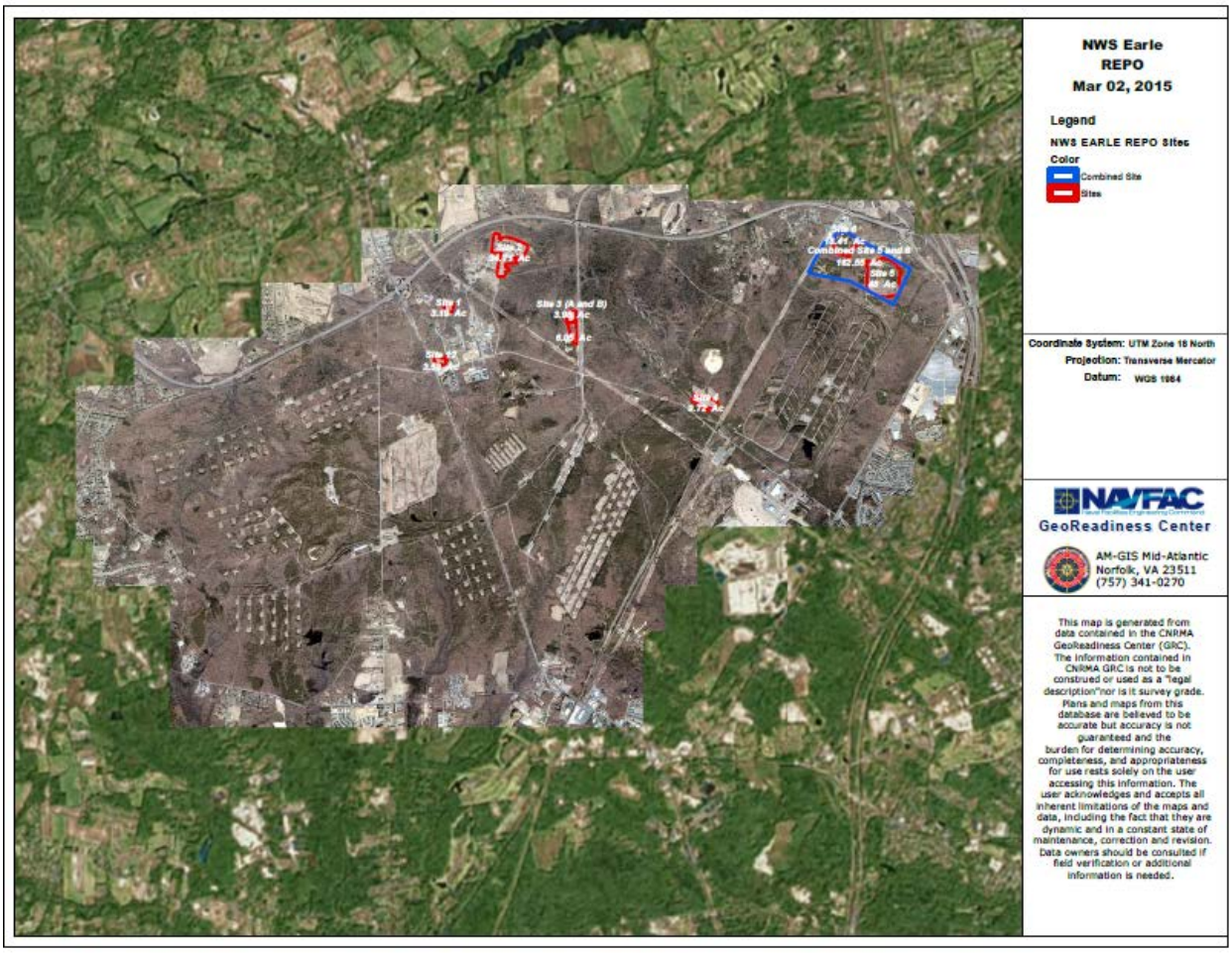
5.5 POINT OF CONTACT FOR INFORMATION AND CLARIFICATIONS

All questions, clarifications and general information requests shall be submitted via email to: john.w.baxter@navy.mil.

6.0 - APPENDIX

6.1 APPENDIX A

PROPERTY AND VICINITY MAPS OF APPROXIMATELY 220 ACRE SITES



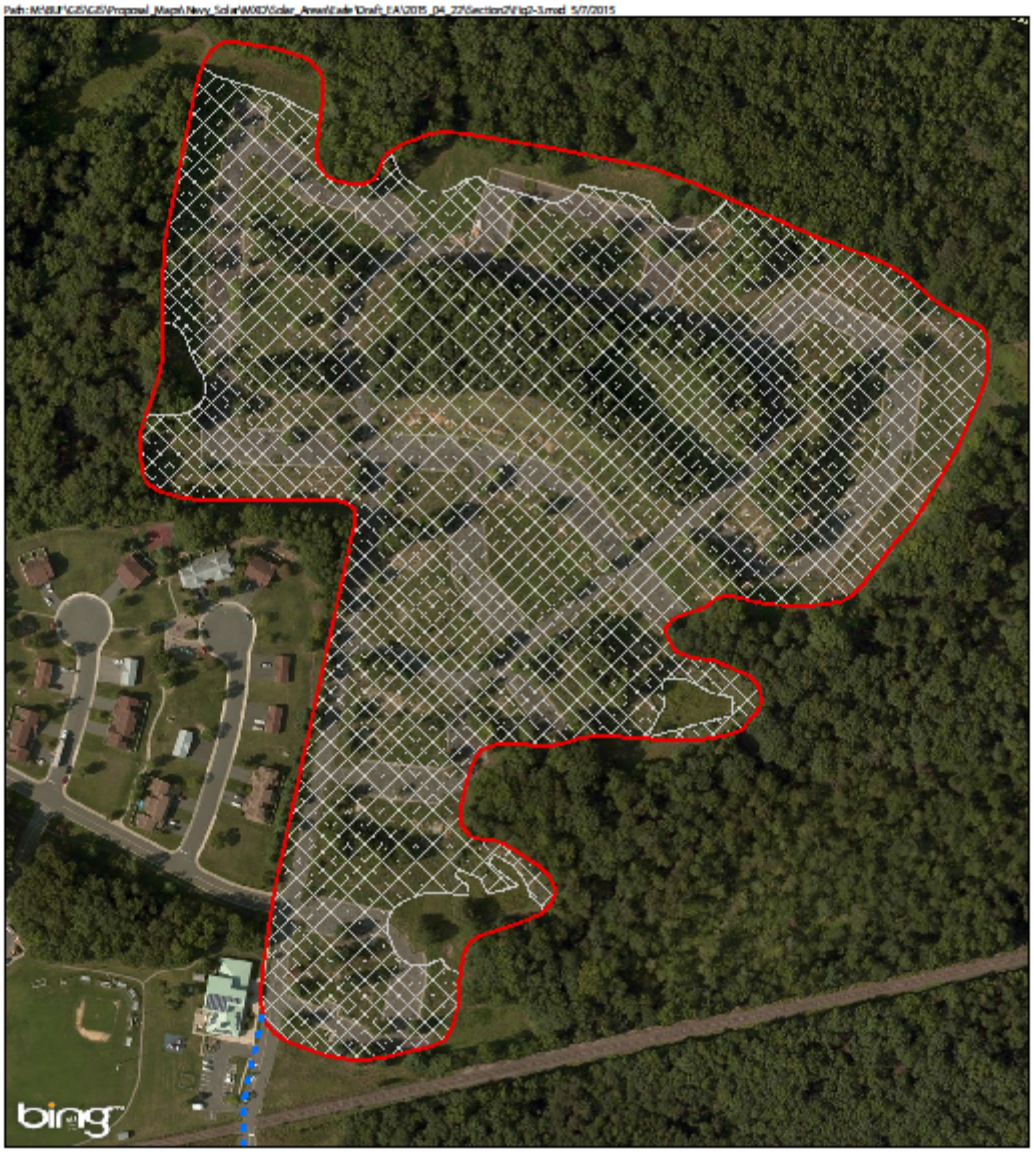
SCALE
0 100 200 Feet

Service Layer Credits: Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Legend

- Proposed Solar Facility Site Boundary
- Estimated Solar Project Footprint
- Existing Transmission Line

Figure 2-2
Proposed Solar Project Location: Site 1 at NWS Earle
Monmouth County, New Jersey



SCALE
0 200 400 Feet

Service Layer Credits: Image courtesy of USGS Earthstar Geographics SIO © 2015 Microsoft Corporation

© 2015 Ecology and Environment, Inc.

Legend
Proposed Solar Facility Site Boundary
Estimated Solar Project Footprint
Existing Transmission Line

Figure 2-3
Proposed Solar Project Location: Site 2 at NWS Earle
Monmouth County, New Jersey

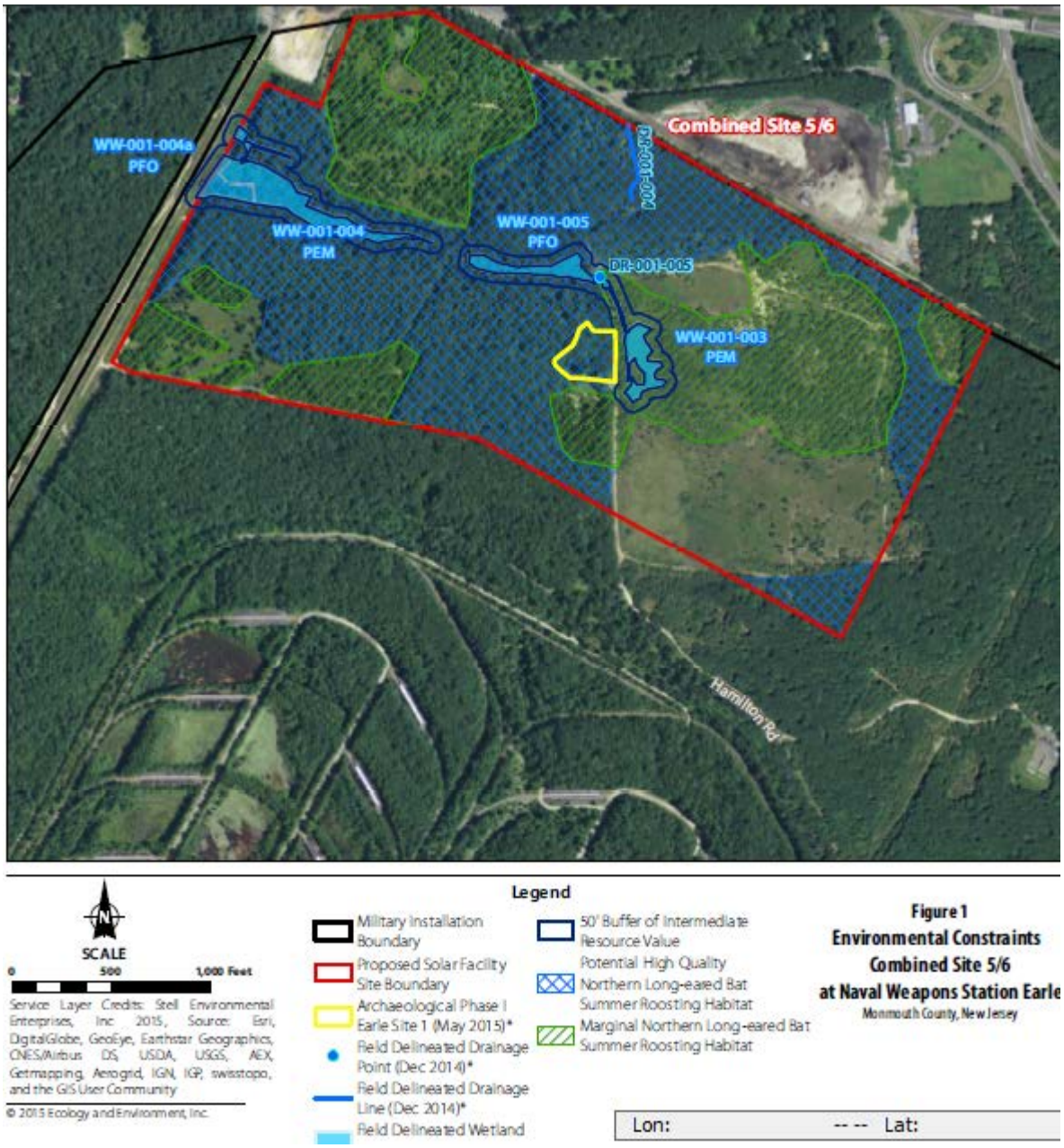
Figure 2-4
Proposed Solar Project Location: Site 3A and 3B at NWS Earle
Monmouth County, New Jersey

SCALE
0 100 200 Feet

Service Layer Credits: Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Legend
- Proposed Solar Facility Site Boundary
- Estimated Solar Project Footprint
- Existing Transmission Line

Figure 2-5
Proposed Solar Project Location: Site 4 at NWS Earle
Monmouth County, New Jersey


Combined Site 5/6
WW-001-004a
PFO
WW-001-004
PEM
WW-001-005
PFO
DR-001-004
DR-001-005
WW-001-003
PEM
Hamilton Rd
N
SCALE
0
500
1,000 Feet
Service Layer Credits: Stell Environmental Enterprises, Inc 2015, Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community
© 2015 Ecology and Environment, Inc.
Legend
Military Installation Boundary
Proposed Solar Facility Site Boundary
Archaeological Phase I Earle Site 1 (May 2015)*
Field Delineated Drainage Point (Dec 2014)*
Field Delineated Drainage Line (Dec 2014)*
Field Delineated Wetland
50' Buffer of Intermediate Resource Value
Potential High Quality Northern Long-eared Bat Summer Roosting Habitat
Marginal Northern Long-eared Bat Summer Roosting Habitat
Figure 1
Environmental Constraints
Combined Site 5/6
at Naval Weapons Station Earle
Monmouth County, New Jersey
Lon: -- -- Lat:

SCALE
0 100 200 Feet

Service Layer Credits:Source Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Legend

- Military Installation Boundary
- Proposed Solar Facility Site Boundary
- Estimated Solar Project Footprint
- Existing Transmission Line

Figure 2-7

Proposed Solar Project Location: Site 12 at NWS Earle

Monmouth County, New Jersey

6.2 APPENDIX B

LIST OF EXAMPLES OF ACCEPTABLE POTENTIAL IN-KIND CONSIDERATION

(1) Separate renewable energy project that enhances the installation's energy security posture.
(2) Other projects that meet the requirements of both Title 10, United States Code §2924 and Title 10, United States Code §2667.

6.3 APPENDIX C
ONE-LINE DIAGRAM