



**Request for Proposals
for Solar Installation Vendors for Solarize Philly
Responses to Applicant Questions**

Questions Received as of May 7, 2021

- 1. *Is the Solarize Philly program dedicated only for companies that have been in the market? Are companies that have no prior work experience and customer references in the Philadelphia market still able to participate?***

Yes, solar developers and installers are still eligible to apply even if they do not have prior experience working in Philadelphia.

The three customer references required in the RFP are not required to be Philadelphia projects.

The additional list of projects to be provided for third-party inspections may include projects located outside of Philadelphia, with a preference for all listed projects to be located within the Greater Philadelphia region.

- 2. *If we are offering a PPA as a third-party financing option, would this be for 2 years as well, or is the 2 year contract term how long our pricing will remain valid for with the Solarize Philly customer base? I am assuming that we would execute separate PPAs with customers with our own term length?***

The 2-year term is for the contract between Philadelphia Energy Authority (PEA) and solar PV developers and installers ("Contractors") selected from the RFP process. The Contractors will execute separate PPA/loan contracts with the customers with their own term length, and our expectation is that the preferred pricing remains active through the term of your PPA/loan.

- 3. **Responding to 2.5.2 and 3.d on program fees & leads (Contract 7.b.3)****

We generate non-Solarize Philadelphia leads from a number of sources including referrals, reputation, and paid online campaigns. Contractors do not expect to pay fees on leads that are internally generated. This would be a burden since those leads have already been paid for by the contractor and have not been generated by PEA. Does the PEA expect contractors to pay program fees on all of these leads generated across the city during the enrollment period?

PEA would consider allowing a reduced program fee for leads generated by Contractors. Participating contractors will owe program fees to PEA for any Customers that they recruit or re-engage in Philadelphia or that are referred to Contractor by PEA during the Enrollment Period.

We expect that participation as a Solarize Philly Contractor provides benefits outside of lead generation to the Contractor, and it would be impossible for customers to distinguish when they're using the Contractor as part of Solarize Philly or not. Respondents are invited to provide comments on the program fee amount in the Response Form.

- 4. Responding to 3.b PEA shall have the continuing option to renew this Agreement for successive Enrollment Periods for up to three years. Does this option provide a total of 5 years, or is the option for the 2 years plus one year for a total of 3 years?**

PEA has the option to renew the Contract with the Contractor for successive Enrollment Periods for up to three years (until 2026).

- 5. Responding to 2.5.5 "PEA will establish standards for customer communication..." Are you open to figuring out a way the leads can be doled out directly to participating companies so that initial contact can come from us in a timely fashion?**

Yes, PEA is considering adjustments to the referral process for Phase 5, which will be discussed with the selected Contractors.

- 6. Responding to 2.5.4 'PEA believes that the addition of a cost competitive Power Purchase Agreement ("PPA") or Lease (defined as a lease with a third party tax-owner) has the potential to significantly grow Philadelphia's residential solar market.' Are you going to require any specific terms and conditions in lease or PPA language (i.e. escalator rates or starting rates)?**

PEA will review financing options, including lease and PPA proposals, submitted by RFP Respondents based on the Evaluation Criteria listed in the RFP. PEA must approve all financing products offered by Contractor to Solarize Philly Customers.

- 7. What is the PEA's monthly advertising budget for meeting these goals? Is there a scenario where the PEA would match advertising funds with a participating installer?**

PEA will collaborate with the selected Contractors to design an appropriate marketing and advertising plan. Yes, PEA encourages Respondents to consider proposing joint marketing with PEA or other Contractors, as listed in the RFP.

- 8. Will installers be responsible for paying the PEA Solarize Philly fees on LMI projects as well as normal projects? Is there any opportunity to work with the city and PECO on LMI projects for free permitting or other potential discounts?**

PEA will not charge a program fee from the Contractors on the LMI projects. Solar developers and installers responding to the RFP can describe the subsidy requested (Loan Loss Reserve, SREC Purchase Contract, or otherwise) requested to support the LMI offering in PART XII of the RFP Response Form.

- 9. Has a previous installer ever offered a lease for Solarize Philly customers? If not, do you believe the financial conditions have changed to make leases favorable? If so, please detail.**

A lease option was not previously offered to the Customers through Solarize Philly.

10. What CRM does PEA intend to use for updating lead status?

PEA intends to use Salesforce as the Customer Relationship Management (CRM) for the transfer and management of leads with the Contractors.

11. In reference to Contract 7.b.iii. "This requirement includes Customers recruited directly by Contractor during the Enrollment Period" This paragraph seems to indicate that all our Philadelphia customers, even self-generated, would be required to be tracked in the PEA CRM. Is this correct? Please advise that this is incorrect as this would be a significant burden on the contractors.

The requirement to track key data about each Customer and solar PV project in the CRM includes Customers recruited directly by Contractor during the Enrollment Period or Customers referred to the Contractor by PEA.

12. 7.c.iv. "Contractor will present the Customer Proposal and quote to the Customer within fifteen business days of the initial Customer assignment. Contractor must detail why a specific Project requires a cost adder and specify the amount of each adder in the Customer Proposal and in the CRM."

The detailing of pricing for specific adders would be a burden to contractors and we are not comfortable with this. Also, this time limit for presenting a proposal is new. What if the customer goes away on vacation, or if they never provide a PECO bill? Does this mean that we are required to generate proposals for all customers, even those that are Non-responsive?

Contractor will provide a free Remote Site Assessment to determine if solar is viable for all Customers that are assigned to Contractor on the CRM. If following this assessment the site is deemed to be not viable for solar or the customer is unresponsive after three attempts to contact them, the Contractor may mark the Customer as lost in the CRM and not proceed with presenting the Customer with a Customer Proposal.

Contractor must detail why a specific Project requires a cost adder and specify the amount of each adder in the Customer Proposal and in the CRM. This requirement is a critical component of the consumer protections offered to Solarize Philly customers.

13. Bottom of page 8, LMI section "System insurance, warranty management, ongoing maintenance support, and performance guarantees are offered;"

Can you detail what you mean by system insurance?

System insurance refers to insurance held by the third-party owner to cover the cost of damage or issues that are not at the fault of the Customer and are not included in the scope of the installer or equipment warranties.

14. LMI work makes sense when mixed in with regular Solarize leads. Will you guarantee

that each installer gets an equal share of Solarize and LMI leads?

PEA will not provide guarantees on the number of leads to any Contractor. Respondents are invited to specify which market segment (Residential, LMI, and/or Commercial) they wish to serve and specify their capacity to handle leads in PART XX (Capacity for Solar Installations) of the Response Form.

- 15. Upon review, the Proposal does not appear to provide for any specific installation cost reductions, dedicated marketing or sales support, or enhanced financial incentives for contractors seeking to provide solar installations to low to moderate income customers. [We] would like to confirm this understanding, and to confirm that PEA is open to suggestions in all of these areas in order to minimize costs and enable service to LMI customers.**

Section 2.5.3 of the RFP (Joint Recruitment and Marketing) provides details on some of the ways PEA will partner with the Contractors selected through this RFP process to do joint marketing and outreach. This applies to LMI customers as well. PEA will also provide support to Contractors with interconnection and permitting processes through partnership with PECO and Department of Licenses and Inspections (L+I).

PEA is open to suggestions in all of the listed areas to enable service to LMI customers.

- 16. [We] would like to know whether PEA will waive the standard \$.20/w program fee for the Solarize campaign for solar providers who are selected to serve LMI participants in order to help reduce the significant additional service costs related to lower income customers.**

PEA will not charge a program fee from the Contractors on the LMI projects. Solar developers and installers responding to the RFP can describe the subsidy requested to support the LMI offering in PART XII of the RFP Response Form.

- 17. The RFP indicates a total 2-year program goal of including 300 LMI households by Spring 2023, and 1000 LMI households by 2026. [We] would like to inquire as to whether full program support for LMI households would be available should more than 300 LMI households qualify to participate during the program and prior to Spring 2023. [We] would also inquire as to whether full LMI support could be extended post-Spring 2023, until the full target of 1000 LMI households is met.**

PEA is open to supporting more than 300 LMI households to go solar by Spring 2023 based on the funding available and the subsidy requested. PEA has the option to renew the Contract with the Contractor for successive Enrollment Periods for up to three years (until 2026).

- 18. [Our company] utilizes subcontractors to provide both our solar installations, and our energy audits and efficiency upgrades, and would propose to do so for Philadelphia customers utilizing Philadelphia licensed contractors. [We have] not previously installed in Philadelphia. Given this, we will include subcontractor information to the extent that it relates to Philadelphia specific licensing, quality controls and specific customer references, etc. [We] will otherwise provide requested customer reference information from our customer base in our**

Connecticut and/or New Jersey markets. Should PEA desire alternative or additional information in the Response Form given this situation, we request clarification for the Response form as to preferred installer information by section and/or additional information.
See response to Question #1.

- 19. [Our company] offers a solar with energy efficiency financing lease at a fixed price with net savings guarantee, and is not aware of another provider that offers a comparable product. [We are] concerned that customers that we acquire through our marketing efforts might be directed to another solar installer that offers a dissimilar product, reducing the likelihood of customer confusion and loss, and undercutting our incentive and ability to successfully serve the full market. We would appreciate clarification and ideally confirmation of an ability to evaluate this challenge during the Proposal evaluation process.**

The leads generated by a Contractor as a part of Solarize Philly will not be assigned to other Contractor(s) participating in the program. PEA will refer Solarize Philly leads to the Contractor based on source, stated Customer preference related to financing products (and Contractor preference if stated) and their eligibility for the LMI subsidy.

- 20. [We are] concerned about the impact of the CAP program on our ability to meet our basic net savings customer value proposition, and would appreciate some additional information and clarity on how this program impacts and might interact with the LMI portion of this Solarize Philly program.**

PEA acknowledges that Year 1 savings are difficult to achieve for households on the Customer Assistance Program (CAP) and plans to start serving these households that are at or below 150% of the Federal Poverty Line (FPL) with solar through its Built to Last program. Respondents are encouraged (but not required) to submit distinct models and subsidy requirements for households earning less than 150% FPL.

- 21. [We] would appreciate additional information regarding the LMI income verification process, which can present significant hurdles and disincentives to participation for LMI customers, as well as add significant complexity, cost and time burdens to efficient solar installations. [We] would recommend that PEA consider and adopt the income verification process utilized by the Connecticut Green Bank, which is a well designed and effective program to ensure income qualified ratepayers can access the program while screening for non-income qualified ratepayers.**

PEA is open to reviewing its process of income verification in consultation with the selected Contractors.

- 22. [We] would appreciate some clarification as to the insurance requirements for this Proposal. In particular, please provide additional information as to what are the full policy requirements for the primary applicant, and what are the full policy requirements for subcontractors utilized for the solar installations.**

Insurance requirements for the Contractor are listed in Section 20 ("Insurance) in the Appendix B: Contract for Services Between Contractor and the Philadelphia Energy Authority.

Contractor shall require that all of its Subcontractors and consultants obtain and maintain, at their respective cost and expense, the appropriate types and amounts of insurance covering the work and their performance of services.

- 23. [Our company] includes a Building Performance Institute energy audit and energy efficiency upgrade as part of our offering for all customers, regardless of income. We would appreciate information on available energy efficiency incentives that might be utilized to reduce our overall increased costs of providing financing for both rooftop solar and energy efficiency to all customers.**

Utility energy efficiency incentives may be found on each utility's website.

- 24. The solarize program is dedicated for only companies that have been in the market? What happens for the new businesses without Solar references in the market? Are we still able to participate?**

Solar installation experience is required, and PEA will require a reference check as part of this RFP.