



**REQUEST FOR PROPOSALS**

For Solar and Battery Storage Installation Vendors

for

Solarize Philly

and

**REQUEST FOR INFORMATION**

for Solar Financing Models

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Issued by:

THE PHILADELPHIA ENERGY AUTHORITY (PEA)

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## 1. Purpose

The purpose of this Request for Proposals (**RFP**) is to solicit proposals from solar PV developers and installers (**Contractors**) that offer solar PV installation, storage, and/or financing options for participating in Solarize Philly, a program to help all Philadelphians go solar. The Philadelphia Energy Authority (**PEA**) is seeking qualified Contractors to deliver cost-competitive solar installations to one or more of the following segments of Philadelphia property owners:

1. Market-rate (MR) residential customers
2. Low- and moderate-income (**LMI**) residential customers
3. Commercial customers

PEA expects to select multiple Contractors with this RFP for a two-year contract term from January 2024 through December 2025, with the option to renew the Contract for up to three years.

The Purpose of the Request for Information (**RFI**) by Philadelphia Green Capital Corp (PGCC) is to seek input from financing companies to develop new and innovative financing models to further expand the solar market in Philadelphia.

## 2. Background

### 2.1. About the Philadelphia Energy Authority

The Philadelphia Energy Authority is an independent municipal authority established in 2010 focused on issues of energy affordability and sustainability for Philadelphia's government and its citizens. In 2016, PEA and City Council President Darrell Clarke launched the Philadelphia Energy Campaign, a \$1 billion, 10-year investment in energy efficiency and clean energy projects to create 10,000 jobs. Since 2016, PEA has launched over \$380 million in projects, and created over 3,275 jobs. PEA's goal is to make Philadelphia a national model for implementing energy strategies that improve the health and well-being of the community and local economy, including the City's most vulnerable residents. PEA administers Philadelphia's Commercial Property-Assessed Clean Energy (C-PACE) program, the Built to Last low-income whole-home repair program and a set of clean energy workforce training programs. The Philadelphia Green Capital Corp is PEA's green bank affiliate and supports PEA programs by creating new financing products to meet market needs. Learn more at <http://www.philaenergy.org/> and <https://phillygreencapital.org/>.

PEA is a municipal authority and political subdivision of the Commonwealth of Pennsylvania, formed by the City of Philadelphia under the Pennsylvania Municipality Authorities Act, 53 Pa.C.S. ("the Act") for the purposes described in the Charter and included below:

*The Authority's purposes and responsibilities shall be limited to actions for and concerning (i) the development, facilitation and/or financing of energy storage and/or generation projects, (ii) the development, facilitation and/or financing of energy efficiency projects, and (iii) the purchase or facilitation of energy supply and energy services on behalf of the City of Philadelphia, government agencies, institutions and*

*businesses, as well as the education of consumers regarding choices available in the marketplace, and (iv) the promotion of a vital clean energy sector of the Philadelphia economy and increased employment in the sector by undertaking efforts to strengthen the markets for energy efficiency and energy storage and generation projects. The Authority shall have and may exercise all of the powers set forth in the Act that are necessary or convenient for carrying out its purposes and responsibilities.*

## **2.2. About Solarize Philly**

PEA launched Solarize Philly as a discount program for residential rooftop solar in 2017. Since then, the program has evolved into a platform for connecting property owners to approved solar companies to grow consumer trust and accelerate market growth. To date, over 1,900 homes (including approximately 600 LMI households) have gone solar, making it the largest solarize initiative in the U.S. Over 38,000 Philadelphia property owners have expressed interest through the Solarize Philly portal and through installer outreach efforts, and over \$36 million has been invested in communities across the City. 50% of Solarize Philly customers said they would not have gone solar on their own.

PEA aims to grow Philadelphia’s residential and commercial solar market segments to take advantage of the many benefits of solar, including creating local jobs, reducing our carbon footprint, and providing long-term utility cost savings. The passage of the Inflation Reduction Act in 2022 established additional incentives for solar and energy projects that PEA is supporting. As detailed in the [City’s Clean Energy Vision](#), released by the City’s Office of Sustainability, Philadelphia must add 15 MW of rooftop solar annually to set us on a path to carbon neutrality by 2050.

PEA uses Solarize Philly to:

1. **Grow the demand for solar in Philadelphia.** Solarize Philly enables Philadelphians to go solar who may not have done so on their own, by embedding important consumer protections, pre-vetting installers, and offering competitive pricing. The involvement of the Philadelphia Energy Authority and the consumer protections built into the program increase consumer confidence and ensure that the local market grows with high-quality installations and consumer-friendly practices.
2. **Grow the supply of solar in Philadelphia.** PEA aims to increase the number of solar contractors serving the Philadelphia market by leading programs that create favorable market conditions for current and new players. PEA engages regularly with PECO and the Philadelphia Department of Licenses and Inspections (L+I) to streamline the interconnection and permitting processes and address Contractor questions. PEA has supported the Philadelphia City Council to pass legislation, zoning changes and incentives that reduce the soft costs of solar, and make it easier to design, permit and install solar installations citywide.
3. **Ensure that all Philadelphians can benefit from this solar growth.** LMI households are positioned to benefit the most from the savings and jobs generated by this growth in Philadelphia’s solar industry. Program fees collected from each Solarize Philly installation are used to increase LMI access to solar energy and support job training.

### **2.3. Program Outcomes to Date**

PEA launched Solarize Philly in April 2017. PEA received seed funding and technical assistance through the U.S. Department of Energy’s Solar In Your Community Challenge to establish a scalable and replicable model to bring solar to underserved communities.

The results of the first six years of the Solarize Philly program have put Philadelphia in the national spotlight for solar growth. Solarize Philly projects have added 10.5 MW of rooftop solar to date. Philadelphia has emerged as one of the fastest growing solar markets in the country, and Solar Contractor is designated as a High Priority Occupation for Philadelphia County.

In 2021, Solarize Philly started offering a lease through one of our approved Contractors. This lease increased access to solar by providing an affordable and predictable monthly payment for a 20 or 25-year lease term, with no income or credit requirements. Of the 715 contracts signed between 2021 and 2022, approximately 70% went solar through the lease, 33% of which self-identified as LMI, demonstrating that this option significantly increased access to solar for all income levels.

PEA formed the Philadelphia Green Capital Corp (PGCC) in 2021 as its “green bank” affiliate to support PEA’s work and the goals of the Philadelphia Energy Campaign. As the local green bank affiliate, PGCC has partnered with Solarize Philly to make solar more accessible for low-to-moderate income participants. PGCC supports LMI lease projects by pre-purchasing the Solar Renewable Energy Credits (SRECs) from those systems.

PGCC also launched the first-of-its-kind Share the Sun program to support the financing for LMI Solarize Philly participants. Through Share the Sun, individuals with solar systems installed on their homes can donate their system’s SRECs to PGCC to support LMI solar in Philadelphia. The revenue generated from a single Share the Sun donor can subsidize solar on at least one new LMI home.

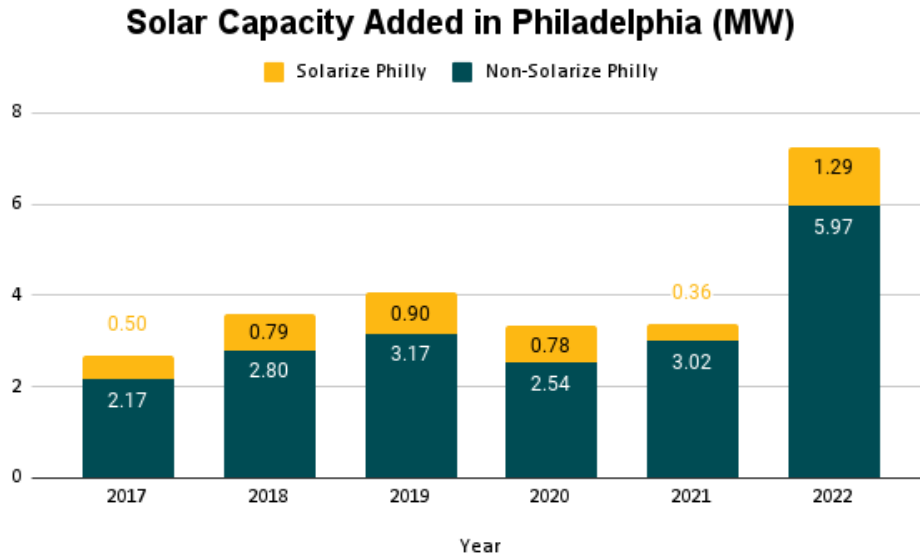
### **2.4. PEA Workforce Training**

When it launched Solarize Philly, PEA also began planning for the increased demand for skilled solar workers that would be required to meet the growing solar market. PEA developed the Bright Solar Futures (BSF) program in partnership with the School District of Philadelphia and launched a first-of-its-kind 1,080-hour, 3-year high school vocational solar program, which will soon be starting its fifth year. PEA also launched a BSF Fellowship for opportunity youth in partnership with PowerCorpsPHL, which is an accelerated solar installer training targeting adults aged 18-30.

### **2.5. Scaling up Solarize Philly**

Through this RFP, PEA is seeking Contractors that will partner with PEA to continue to scale up Solarize Philly’s impact over the next two years. Despite being the largest single solarize campaign in the nation, Solarize Philly has not yet resulted in the scale of market growth required by the City’s climate goals.

The graph below shows the solar capacity added annually since 2017, demonstrating that significant additional market growth is required to get on track with the City’s goal of adding 15 MW of solar each year.



The Total Addressable Market is significant and far greater than the numbers needed to reach the City’s climate goals. With approximately 349,000 owner-occupied homes in the city, PEA estimates that there is 750+ MW of residential solar potential in Philadelphia. To assess the solar potential in Philadelphia, the City’s Office of Sustainability and Office of Innovation and Technology have created a [solar viability map](#) that enables residents and businesses to determine the solar potential of their rooftops.

PEA expanded Solarize Philly to include commercial properties in 2021. Through this RFP, PEA is seeking installers with a successful track record of selling small-medium sized commercial projects (~25-500kW). We believe the ITC and new [PECO incentive](#) will help to accelerate this market.

PEA is calling on companies responding to this RFP (“**Respondents**”) to put forward bold, creative proposals to help achieve the following 2-year goals:

- **10 MW of additional contracted residential solar capacity.**
- **Contract 750 more LMI households**, building on the success of the solar lease offering, and advancing PEA’s goal of solarizing 1,000 LMI households by 2026.
- **5 MW of contracted commercial solar capacity**, with increasing capacity additions in future years. Commercial projects may be rooftop, canopy, or ground-mounted.

### 2.5.1. Defining the Market Segments

For the purpose of this RFP, the target market segments will be defined as described below. Respondents will be asked in **Appendix A - Solarize Philly Contractor Response Form** to indicate which segment or segments they propose to serve if selected as a pre-approved

Contractor. Respondents may propose serving any segment or combination thereof.

- **Market-rate (MR) residential** – Projects installed on buildings that are legally used as single-family residences or multi-family residential structures of no more than four units and which are not specifically serving low-or moderate-income households.
- **Low-and moderate-income (LMI) residential** - The LMI residential market segment is a priority for PEA to ensure that rooftop solar is available to all households in Philadelphia. LMI residential projects are those installed for homes located in a [HUD Qualified Census Tract](#) and/or households with a verified income below 80% of Area Median Income (AMI). The 2023 criteria for 80% AMI are shown in the table below:

| Household Size | Upper Limit for 80% AMI <sup>1</sup> |
|----------------|--------------------------------------|
| 1              | \$62,500                             |
| 2              | \$71,400                             |
| 3              | \$80,350                             |
| 4              | \$89,250                             |
| 5              | \$96,400                             |
| 6              | \$103,550                            |
| 7              | \$110,700                            |
| 8              | \$117,850                            |

- **Commercial** - Projects installed on any other property that does not fall into the description of “residential” or “LMI” will be considered commercial (this includes multifamily properties with more than four units, commercial buildings, and mixed-use residential and commercial buildings). These properties have commercial electric billing rates. Respondents should state whether they have any minimum or maximum project size limitations in the Response Form.

## 2.6. Program Design

This section summarizes the key elements of the program. The program design includes several changes in approach from prior years to achieve the 2-year goals.

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[https://www.huduser.gov/portal/datasets/il/il2023/2023summary.odn?STATES=42.0&INPUTNAME=METRO37980M37980\\*4210199999%2BPhiladelphia+County&statelist=&stname=Pennsylvania&wherefrom=%24wherefrom%24&statefp=42&year=2023&ne\\_flag=&selection\\_type=county&incpath=%24incpath%24&data=2023&SubmitButton=View+County+Calculations](https://www.huduser.gov/portal/datasets/il/il2023/2023summary.odn?STATES=42.0&INPUTNAME=METRO37980M37980*4210199999%2BPhiladelphia+County&statelist=&stname=Pennsylvania&wherefrom=%24wherefrom%24&statefp=42&year=2023&ne_flag=&selection_type=county&incpath=%24incpath%24&data=2023&SubmitButton=View+County+Calculations)

### 2.6.1. Highly Competitive Pricing

A core concept of the Solarize model is that customers in the program can access highly competitive pricing by participating in the program. Respondents are asked to state their proposed system prices in **Appendix A**.

### 2.6.2. Program Fees to Support Equitable Access to Solar Energy and Jobs

PEA collects a program fee from Solarize Philly solar installations to support equitable access to solar energy and jobs. Participating contractors will pay program fees to PEA for any customers that they recruit or re-engage in Philadelphia or that are referred to the Contractor by PEA. Participation as a Solarize Philly Contractor provides benefits outside of lead generation to the Contractor, and it would be difficult for customers to distinguish when they're using the Contractor as part of Solarize Philly or not. In 2021-2023, PEA collected \$0.10 per watt for residential projects and \$0.05 per watt for commercial projects. PEA does not collect a program fee from LMI-verified projects (as determined by location based on HUD's determination of Qualified Census Tracts<sup>2</sup> or verification of income below 80% of AMI). PEA may elect to revise the program fees for other reasons, including whether a Contractor is a Philadelphia [Certified Local Business Entity](#) (LBE).

PEA will not charge program fees for non-solar products such as storage systems and electric vehicle chargers. However, Contractors are still expected to submit product cut sheets for vetting by PEA and include details on these sales as part of the data reporting requirements described in Section 2.6.8. For combination projects (e.g. solar with storage), a program fee will be charged for the solar portion only.

Respondents should provide pricing **excluding** PEA's program fees. PEA will evaluate the customer-facing pricing as the Respondent's submitted price. Respondents are invited to provide comments on the program fee amount in the *Response Form*. The program fees will be finalized during PEA's review of the RFP responses.

### 2.6.3. Joint Recruitment and Marketing

PEA is seeking Contractors who will partner with PEA and make a joint commitment to scaling up the program to meet the goals in Section 2.5. To demonstrate this commitment, PEA will expect the pre-approved Contractor to engage in marketing their participation in Solarize Philly to recruit leads in Philadelphia. PEA will list the selected Contractors on the Solarize Philly website, provide the Contractors with materials describing them as a Solarize Philly-approved Contractor (such as brochure inserts and website images), and will name the pre-approved Contractors in press and social media about the program. Contractors are encouraged to submit creative recruitment and marketing plans in response to this RFP, such as joint marketing with PEA or other Contractors, door-to-door marketing, and referral campaigns via prior customers.

Alongside Contractors' recruitment and marketing efforts, PEA will be building on its

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<sup>2</sup> <https://www.huduser.gov/portal/datasets/qct.html>



successful track record of lead generation from prior years. PEA plans to recruit leads using earned media coverage, social media, webinars, Facebook and Google ads (in partnership with Contractors), and engagement with partners across the city including Philadelphia City Council, the Office of Sustainability, PECO, community-based organizations, Chambers of Commerce

and other business associations. PEA attends community events, such as neighborhood meetings and block parties, and expects Contractors to join and share events they plan to attend. PEA will also work with Contractors to re-engage leads from prior years of the Solarize Philly program that did not move forward with a project. PEA does not have a significant marketing budget, but will consider joint marketing campaigns on an individual basis.

Installers will be required to share content related to the [Share the Sun](#) program in their materials, proposals, and maintenance/servicing conversations with customers. PEA and PGCC will provide the Installer with copies of the Share the Sun handouts to include with their initial proposals to customers during the sales process, the final Installer manual packet, and any maintenance or follow-up communication packets. PGCC will also host a training session with the Installer's sales team and share talking points for sales conversations. The Installer's information will be included in the Share the Sun marketing material, including the program's social media, website, and other external-facing handouts.

#### **2.6.4. Financing Options**

##### **a. Residential**

PEA seeks solar loans that offer a range of term lengths, no or low dealer fees, no penalties for prepayment, and the option to re-amortize the loan after receiving the Federal Investment Tax Credit. PEA invites Respondents to list Loans (defined as unsecured loans, loans secured by a security interest in the solar system, of financing leases, but excluding loans secured by a mortgage on customer's property) which will be made available to Solarize Philly customers in the *Response Form*.

PEA also invites Respondents to list Power Purchase Agreement (**PPA**) or Lease (defined as a lease with a third-party tax-owner) financing which will be made available to Solarize Philly customers in the *Response Form*. PEA is seeking a product with the following characteristics:

- No payment is required upfront;
- Projected to result in customer savings in Year 1<sup>3</sup>;
- System insurance (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), warranty management, ongoing maintenance support, and performance guarantees are offered;
- Have simple assignability/transferability provisions;
- For leases, early buyout terms are provided;

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<sup>3</sup> PEA acknowledges that Year 1 savings are difficult to achieve for households on the Customer Assistance Program (CAP) and plans to serve these households (at or below 150% of the Federal Poverty Level (FPL)) through PEA's Built to Last program.

- For both leases and loans, no collateral is required beyond the solar system itself;
- Uses alternative underwriting (i.e. not reliant on FICO scores) to include households that are likely to make on-time payments.

To support such an LMI offering to be made available to Solarize Philly participants, PEA or its green bank affiliate, the Philadelphia Green Capital Corp, will be open to subsidizing the product using a Loan Loss Reserve, a long-term contract for purchasing the SRECs, or another approach suggested by the Respondent. Scalability is critical for this and all PEA programs, so preference will be given to products that balance solar accessibility with minimal subsidies.

#### **b. Commercial**

Respondents may submit financing options for commercial solar projects in the *Response Form*. PEA would prefer for Respondents to include at least one loan option and one third-party ownership option, such as a PPA or Lease.

Please note that PEA administers the C-PACE program in Philadelphia and will actively market C-PACE as a financing option during this contract term.

#### **c. Financing Models**

Respondents may, but are not required to, submit ideas for financing models they already provide to other markets, or ones they'd like to develop in partnership with PEA and PGCC. This section is intended for organizations with alternative financing methods for solar that can be made available to third-party solar installers in the MR residential, LMI residential, and/or commercial markets.

#### **2.6.5. Consumer Protections**

Consumer protection is core to the Solarize Philly program. PEA will evaluate Respondents' previous performance by contacting the customer references provided by the Respondent and conducting on-site Quality Assurance Assessments, as outlined in the *Response Form*. During the contract term, PEA will also conduct random Quality Assurance Assessments of completed Solarize Philly installations to ensure installation quality and best industry practices. The Contractor will be expected to correct any issues identified in these assessments. PEA also requires installers to offer a minimum workmanship warranty for a minimum of ten years.

PEA pre-approval is required for all financing options (i.e. loans, PPAs and leases), as well as for the modules, inverters, and racking to be utilized for Solarize Philly projects. Respondents should include proposed financial products and equipment on the *Response Form*.

PEA will establish standards for customer communication, including but not limited to the timeframe of Contractor's responses to customer inquiries, a standard cover sheet to be included with customer proposals/contracts, and required contract terms (included in **Appendix C Solarize Philly Installer Manual**). PEA will hold Contractors to a high standard of customer service and expects Contractors to resolve customer issues quickly (expected timelines are listed in Section 2 of **Appendix C Solarize Philly Installer Manual**).

### **2.6.6. Streamlined Permitting and Interconnection**

Contractors will benefit from improvements that have been put in place in Philadelphia to streamline permitting and interconnection. In 2020, Philadelphia’s Department of Licenses and Inspections (L+I) implemented a new online application submission portal that makes it possible for Contractors to secure permits online, eliminating the need to wait in person. In October 2020, L+I announced another major improvement specifically for solar permits, rolling out a new EZ permit for solar which provides a three-day turnaround for qualifying residential installations. In addition, in 2019 the Philadelphia City Council capped the cost of a building permit for solar at \$200.

PECO has also made improvements to the interconnection process over recent years. After establishing its Green Power Connect Group, PECO started offering alternative inverter settings as an additional interconnection option and also launched an online application portal “Connect The Grid.” PEA has worked closely with L+I and PECO to support them in managing the large volume of applications and facilitate communication about specific Solarize Philly projects to reduce delays.

PEA has also set up recurring meetings between Contractors and PECO/L&I to provide a forum for questions and issues and expedite projects where possible. PEA will continue to work with its Solarize Philly installers to find ways to further improve this process.

### **2.6.7. Job Training and Equal Opportunity Hiring**

Diversity and inclusion in business ownership, employment, and the overall workforce composition are core values for PEA. There are large numbers of marginalized populations that we are committed to serving, including black and brown people, indigenous people, and all other under-represented individuals in the solar workforce, and in this region. Solar contractors and other energy-adjacent employers typically report difficulty finding qualified candidates for open positions. In a concerted effort to build a well-trained, diverse workforce in Philadelphia, PEA launched the Bright Solar Futures program, which trains high school students and young adults to become solar installers.

Solarize Philly Contractors will be granted early access to interview Bright Solar Futures graduates before the end of the school year. Additional opportunities to engage with Bright Solar Futures trainees include serving on the School District of Philadelphia’s Solar Energy Occupational Advisory Committee, advising on curriculum development, visiting the classes as a guest speaker, or hosting classes for a virtual or in-person field trip.

### **2.6.8. Reporting Requirements**

PEA will share leads with installers through Salesforce and each Contractor will be given a Salesforce license for access and communication. Contractors selected to join Solarize Philly will be expected to share updates on these PEA-generated leads as well as any leads generated by the Contractor in Philadelphia. This can be done by sharing an export of the Contractor’s existing Customer Relationship Management software or using PEA’s Salesforce account to track projects and make updates directly in PEA’s system. This data will be used to

maintain a record of program performance and support PEA’s reporting requirements, to ensure that leads shared with installers are being contacted in a timely manner, and to provide third-party customer support to assist in resolving customer issues. Contractors will also be required to upload customer proposals (for contracted projects) and customer contracts directly into PEA’s Salesforce system. PEA will entertain but not necessarily agree to alternative reporting solutions suggested by Respondents.

*For Contractors responding for Residential and LMI sector only:* Contractors will be expected to share data related to all Philadelphia-based leads they recruit, in addition to providing updates to leads generated by Solarize Philly. Contractors should plan to self-generate roughly the same number of leads as those referred to them by PEA. PEA-generated leads will be assigned based on source, stated Customer preference related to ownership type (owned or leased), and Contractor preference if stated. To incentivize Contractor marketing, PEA will distribute the leads PEA generates among the Contractors proportionately based on the volume of leads that each Contractor has recruited into the program in each respective sector (residential and LMI). PEA will not provide guarantees on the number of leads to any Contractor. The leads generated by a Contractor as a part of Solarize Philly will not be assigned to other Contractor(s) participating in the program.

*For Contractors responding for Commercial sector:* Contractors are expected to share details on all Philadelphia-based leads whether originated by the Contractor or by Solarize Philly.

PEA actively tracks how the Solarize Philly program is contributing to job creation in Philadelphia. To support that effort, Contractors will be required to share demographic data on their company’s current and recently hired staff on a quarterly basis.

### 3. Questions, Proposal Format, and Submission

#### 3.1. Anticipated Procurement Timeline

| Step   | Date                                  |
|--|---------------------------------------|
| RFP released   | August 14, 2023                       |
| <b>Deadline to submit Intent to Respond (required)</b> | <b>September 22, 2023, at 5pm EST</b> |
| Deadline to submit RFP questions                       | September 27, 2023                    |
| Responses to RFP questions released                    | September 29, 2023, at 5pm EST        |
| <b>Deadline to submit Proposals</b>                    | <b>October 13, 2023</b>               |
| Contractor interviews (estimated)                      | October 23-27, 2023                   |
| Contractor selections announced (estimated)            | November 3, 2023                      |

### 3.2. Intent to Respond

Respondents must submit a statement of your Intent to Respond on your company's letterhead to [solarize@philaenergy.org](mailto:solarize@philaenergy.org) by 5pm EST on September 22, 2023, as an attachment with the subject line "Solarize Philly RFP Intent to Respond - [Company Name]."

### 3.3. Questions

All questions regarding Solarize Philly, this RFP, and the *Solarize Philly Contractor Response Form* must be submitted by email to [solarize@philaenergy.org](mailto:solarize@philaenergy.org).

Responses to questions received before 5pm on Wednesday, September 27, 2023 will be emailed to all Respondents who have submitted statements of Intent to Respond and posted on the RFP page on the PEA website ([www.philaenergy.org](http://www.philaenergy.org)). Contractors responding to this RFP are urged to check the website for the responses to the questions. All responses will be issued by 5pm on September 29, 2023. Oral responses by any PEA employee or agent of PEA are not binding and shall not in any way be considered as a commitment by PEA.

### 3.4. Proposal Deadline

Responses to this RFP must use the *Solarize Philly Contractor Response Form* in **Appendix A** and submit an electronic version of both the completed *Response Form* and its Exhibits by email to [solarize@philaenergy.org](mailto:solarize@philaenergy.org) no later than 5pm on Friday, October 13, 2023. **Responses received after the deadline will not be considered.**

### 3.5. Notice to State Requested Exceptions to Contract Terms and Conditions

PEA's Contract for Services Between Contractor and the Philadelphia Energy Authority is attached to this RFP as **Appendix B**. By submitting a Proposal in response to this RFP, the Respondent agrees that, except as provided here, it will enter into a contract with PEA containing substantially the Contract Terms and Conditions contained in **Appendix B**.

If the Respondent wishes to request revisions to the attached Contract, respondents must provide an annotated copy of the Contract with the Requested Revisions (**Exhibit J**). For each requested revision, the Respondent must propose alternative language or terms using tracked changes and state the reason for the request in a comment.

Requested Exceptions to PEA's Contract Terms and Conditions will be approved only when PEA determines in its sole discretion that a Requested Revision makes business sense, does not pose an unacceptable risk to PEA, and is in the best interest of PEA. By submitting its proposal, the Respondent agrees to accept all Contract Terms and Conditions to which it does not expressly seek a Requested Revision in its proposal. Blanket reservation of rights to exceptions to the full contract will not be accepted. PEA reserves the right, in its sole discretion, to evaluate and reject proposals based in part on whether the Respondent's proposal contains Requested Revision to Contract Terms, and the number and type of such requests and alternative terms proposed.

If, after PEA issues its notice of intent to contract to a Respondent, the Respondent seeks Requested Revision to Contract Terms that were not stated in its proposal, PEA may, in its sole discretion, deny the Requested Revisions without consideration or reject the proposal.

PEA reserves the right, in its sole discretion, (i) to waive any failure to comply with the terms of this Notice if it determines it is in the best interest of PEA to do so; and (ii) to require or negotiate terms and conditions different from and/or additional to the Contract Terms and Conditions in any final contract resulting from this contract opportunity. PEA expects to revise the Contract for the Contractor or Contractors selected to offer a financing product to LMI Customers to reflect unique requirements applicable to those projects.

### **3.6. The Philadelphia Tax and Regulatory Status and Clearance Statement**

It is the policy of the City of Philadelphia and PEA to ensure that each Contractor and subcontractor has all required licenses and permits and is current with respect to the payment of City taxes or other indebtedness owed to the City (including, but not limited to, taxes collected by the City on behalf of the School District of Philadelphia), and is not in violation of other regulatory provisions contained in the Philadelphia Code. To assist PEA, through the City of Philadelphia Department of Revenue and Department of Licenses and Inspections, in determining this status, each Respondent is required to submit with its proposal the certification statement entitled City of Philadelphia Tax and Regulatory Status and Clearance Statement which is attached to this RFP as **Appendix C** and a Tax Compliance Certificate from the City of Philadelphia which can be requested at <https://rev.phila.gov/taxcompliance/>. These documents should be submitted as Exhibit L of the Proposal.

If the Respondent is not in compliance with the City's tax and regulatory codes, an opportunity will be provided to enter into satisfactory arrangements with the City to achieve compliance. If satisfactory arrangements cannot be made, Respondents will not be eligible for award of the contract contemplated by this RFP.

The pre-approved Respondent will also be required to assist PEA in obtaining the above information from its proposed subcontractors. If a proposed subcontractor is not in compliance with City Codes and fails to enter into satisfactory arrangements with the City, the non-compliant subcontractor will be ineligible to participate in the contract contemplated by this RFP and the pre-approved Respondent may find it necessary to replace the non-compliant subcontractor with a compliant subcontractor. Respondents are advised to take these PEA policies into consideration when entering into their contractual relationships with proposed subcontractors. If a Respondent or a proposed subcontractor is not currently in compliance with the City's tax and regulatory codes, please contact the Revenue Department to make arrangements to come into compliance at 215-686-6600 or [revenue@phila.gov](mailto:revenue@phila.gov).

Respondents need not have a City of Philadelphia Business Income and Receipts Tax Account Number (formerly Business Privilege Tax Account Number) and Commercial Activity License Number (formerly Business Privilege License Number) to respond to this RFP, but will be required to obtain both prior to commencing work if pre-approved for award of the contract

contemplated by the RFP.<sup>4</sup> Applications for a Business Income and Receipts Tax Account Number or a Commercial Activity License<sup>5</sup> may be made online by visiting the City of Philadelphia Business Services Portal at <https://business.phila.gov/> and selecting eCLIPSE to submit online applications. If you have specific questions, call the Department of Revenue at 215-686-6600 for questions related to City of Philadelphia Business Income and Receipts Tax Account Number or the Department of Licenses and Inspections at 215-686-2490 for questions related to the Commercial Activity License.

### 3.7. Format for Proposals

All proposals in response to this RFP must submit all relevant requested information in **Appendix A - Solarize Philly Contractor Response Form**. Responses that do not meet all requirements described herein will be deemed non-responsive and discarded. **Appendix A** is a fillable PDF form. When the form is completed, it must be saved with a file name that includes the Respondent's business name (e.g. "Solarize Philly Response Form for Sunshine Solar, Inc.").

**Respondent Background Information (Parts I - VI)** require information about the Contractor's business, location, employees, revenues, management, subsidiaries and affiliates and business relationships, as well as details about the Contractor's operations, marketing, capacity, and markets served.

Respondent's Solar PV Installation Experience (Part VII for MR residential, Part X for LMI residential, and Parts XV for Commercial) requires data for Contractor's installation history for both residential systems and commercial systems in 2019, 2020, 2021, and 2022, and requests customer references. Individual Contractors/employees' qualifications are also requested, such as electrician license numbers, and NABCEP and/or UL certification numbers. Copies of Contractor electrician licenses and NABCEP certifications are also required to be submitted as Exhibit A.

**Respondent's Proposed Pricing (Part VIII for MR Residential, Part XI for LMI Residential, and Part XVI for Commercial)** requires proposed pricing and adders for all four system sizes. PEA recognizes that dollars per watt does not always represent the best value to customers but will be used as a method of comparison between Respondents.

**Customer references (Part IX for MR residential, Part XII for LMI residential, and Part XVII for Commercial)** are required. 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

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<sup>4</sup> Respondents that have a Business Privilege Tax Number should use that number, as it is automatically their Commercial Activity License Number, and need not apply for a new Commercial Activity License Number. Similarly, Respondents with a Business Privilege Tax Account Number should use that number as their Business Income and Receipts Tax Account Number.

<sup>5</sup> Commercial Activity Licenses are not typically required for non-profit organizations; however, Business Income and Receipts Tax Account Numbers typically are required.

a preference for all listed projects to be located within the Greater Philadelphia region.

**Respondent's Proposed Hardware (Part XIII for MR and LMI residential, and Part XVIII for Commercial)** requires a standard and premium option for hardware (modules, inverters, and racking) that the Respondent intends to offer customers. These hardware descriptions should match the price options shown in the pricing section. Equipment specifications shall include, at a minimum, product manufacturers along with:

- PV module rated wattage (STC), current \$/watt price to you, and country of origin
- Inverter model #, wattage (AC), current \$/watt price to you, and country of origin
- Racking model #, type/description, and treatment for roof penetrations
- Battery storage equipment (optional)
- Electric vehicle chargers (optional)

**Respondent's Proposed Financing (Part XIV for MR and LMI residential, and Part XIX for Commercial)** requires information about financing solutions that the Respondent intends to offer Solarize Philly customers.

**Standalone Financing Products (Part XX)** is required for Respondents that offer standalone financial products that may be made available to third-party solar companies to offer to their customers. Respondents only offering standalone financing products need only respond to Parts I, XX, and XXI.

**Respondent's Signature (Part XXI)**

**Exhibits (Part XXII)** Exhibits must be saved as PDFs and submitted electronically.

- Exhibit A: Copies of Philadelphia Contractor and Electrical Contractor Licenses and NABCEP certifications (or certification numbers)
- Exhibit B: Spec sheets for all hardware listed in the Response Form.
- Exhibit C: Contractor's audited financial reports for the three most recent fiscal years. If audited statements are not available, include the business's federal tax returns for the three most recent years.
- Exhibit D: Current certificate of insurance (COI)
- Exhibit E: Respondent's Diverse Business and Local Hiring Plan. Though not required, Respondent is invited to explain your strategy for creating a robust diverse local solar workforce, which could include the Respondent's ability to commit to actions such as but not limited to the following:
  - Recruit Respondents for new positions who reside in the City of Philadelphia, who identify as minority, women, disabled, returning citizens, veterans, and/or who have completed Philadelphia-based solar training programs.
  - Support Philadelphia-based solar training programs, by, for example, advising for curriculum development, hosting trainees as interns, and providing guest speakers for classes and field trips. Please describe any previous experience considering applicants from workforce development initiatives.
- Exhibit F: A redacted version of a proposal and contract you presented to a recent customer with no visible customer information.



- Exhibit G: A redacted version of a Power Purchase Agreement you presented to a recent residential/commercial customer (if you offer a PPA, either through your company or a partner).
- Exhibit H: A redacted version of a Lease Agreement you presented to a recent residential/commercial customer (if you offer a Lease, either through your company or a partner).
- Exhibit I: A redacted version of a Loan Agreement you presented to a recent residential /commercial customer (if you offer a Loan, either through your company or a partner).
- Exhibit J: Contract with the Requested Revisions
- Exhibit K: A list of 10-20 past residential projects completed in Philadelphia as references with customer contact information that may be randomly evaluated by a third-party inspector for quality assurance.
- Exhibit L: City of Philadelphia Tax and Regulatory Status and Clearance Statement and a Tax Compliance Certificate from the City of Philadelphia (the certificate can be obtained here).

#### 4. Public Disclosure and Confidential Information

All Responses, Exhibits, and other information submitted in response to this RFP are subject to the public disclosure requirements of applicable law, including the Pennsylvania Right to Know Law. To the extent permitted by applicable law, PEA will use its best efforts to keep from public access the specific information that is identified by the Contractor as confidential. If a Contractor claims an exception to public disclosure requirements and desires that PEA keep certain information from public disclosure, then the Contractor must include a notice in the Proposal as follows:

“**Confidential Information Notice** Pages \_\_\_\_\_ of this Proposal, identified by a bold vertical line along the right hand margin, contain information that is excluded from public disclosure under applicable law. Contractor requests that such marked information be utilized by PEA only for evaluation of this Proposal, but Contractor understands that PEA is bound by applicable law and that such information may be disclosed in accordance with such law. The legal basis for the claim for protection of the marked information from public disclosure is set forth as follows: [Contractor to provide basis]”.

Notwithstanding any such notice, however, PEA may disclose such marked information to individuals participating in the review or evaluation of Proposals, including members of the Selection Committee, other PEA employees, and advisors, attorneys, and consultants.

#### 5. Evaluation Criteria

Proposals in response to this RFP will be evaluated by the Solarize Philly Selection Committee. PEA may invite finalists to make a brief oral presentation and be interviewed by the Selection Committee and may conduct random Quality Assurance Assessments of Respondents’ installations to confirm quality of previous work. Selection criteria may include:

- **Overall Quality:** Overall quality of proposal
- **Experience:** Contractor’s experience and proficiency in the scope of work, including demonstrated experience in developing, designing, and installing residential and/or commercial solar PV systems in the region and customer service track records; Contractor’s past performance and participation in the Solarize Philly program may be taken into account in the evaluation process.
  - Contractors should demonstrate proficiency with the flat roofs common in Philadelphia row homes. PEA is also interested in Contractors who can work on more complicated structures like pergolas or roof decks. Respondents should note if Contractor does not serve certain types of roofs.
- **Value and Price:** The value offered by the pricing of proposed equipment, price adders, price escalators, and contract terms and conditions, as well as cash purchase (\$/W<sub>DC</sub>) and Loan, Lease, and PPA pricing and terms. For Respondents seeking to serve the LMI sector, the value to the customer, in addition to inclusive underwriting and requested subsidy level, will be taken into account.
- **Quality of Installations:** Determined by on-site assessments of a random set of installations from a pool of 10-20 past projects provided by the Respondents.
- **Quality of Customer Service and Consumer Protections:** Track record of providing timely, quality customer service; clear and transparent customer communication on sales materials; and consumer protections embedded in customer contracts.
- **Recruitment and Marketing Commitment (MR and LMI residential only):** Creativity and level of commitment demonstrated in Respondent’s proposed recruitment and marketing plan to generate leads for Solarize Philly during this contract term. Selected Contractors will be expected to dedicate staff time and financial resources toward recruiting leads for the program.
- **Implementation Capacity:** Ability to provide timely, quality customer service, site visits, design, and all turnkey installation services. Selected Contractors must be able to demonstrate sufficient staff capacity to successfully carry out this program (e.g. number of dedicated salespeople and number of installation crews).
- **Adequate Financial Capacity:** Solarize Philly is intended to result in a significant number of installations to the pre-approved Contractor. Selected Contractors must be able to demonstrate sufficient financial strength to successfully carry out this program (e.g. adequate trade credit and cash availability).
- **Licensing and Insurance:** The Contractors must be licensed in Pennsylvania to do the contracted work and must carry adequate insurance coverage, as detailed in the Contract for Services Between Contractor and the Philadelphia Energy Authority attached. The Contractors must have a valid General Contractor License and Electrical Contractor License in the City of Philadelphia.
- **Potential for Growth:** The Respondents will be evaluated on their potential to have a lasting job creation impact, in line with the goals of the Philadelphia Energy Campaign.
- **Diverse Business and Local Hiring Plan.** Though not required, Respondent is invited to explain your strategy for creating a robust, diverse, local solar workforce, which could include the Respondent’s ability to commit to actions such as, but not limited to, the following:
  - Recruit candidates for new positions who reside in the City of Philadelphia, who identify as minority, women, disabled, returning citizens, veterans, and/or who have completed Philadelphia-based solar training programs.

- Support Philadelphia-based solar training programs by, for example, advising for curriculum development, hosting trainees as interns, and providing guest speakers for classes and field trips. Please describe any previous experience considering applicants from workforce development initiatives.

The Contract for Services is included here as **Appendix B**. By responding to this RFP, Respondent agrees to the terms of the Contract, except as specifically provided in Section 3.5.

## **6. PEA's Additional Procurement Rights**

PEA reserves the right to modify this selection process, which may be exercised in its sole discretion at any time during the procurement process to:

- Cancel this RFP or the procurement process, with or without the substitution of another pre-qualification or procurement process;
- Waive any informality, defect, non-responsiveness, or deviation in a Proposal, or other submission, that is not material;
- Require one or more Contractors to supplement or clarify the Proposal or to provide additional information after the submission of Proposals including with respect to any exceptions to PEA's Contract Terms and Conditions;
- Take any action affecting the RFP process that would be in the best interests of the PEA or City;
- Conduct investigations and make inquiries concerning any aspect of any Proposal;
- Reject any or all Proposals;
- Reject a Contractor that has been delinquent or unfaithful in the performance of any contract with or obligation to the PEA or City is financially or technically incapable, or is otherwise not responsible; and/or
- Make judgments about the contents of any Proposal with respect to the requirements and criteria set forth in this RFP.

## **7. Costs**

Any and all costs incurred by the Contractor, or other party in connection with this RFP or other aspect of the procurement process shall be at such party's expense and risk. The Procurement Team accepts no liability and will not be responsible under any circumstance for any cost or expense incurred to respond to this RFP or otherwise participate in the procurement process.

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