

Solar Array Installation and Lease

Questions & Answers (10/20/14)

9/26/14

- 1. Is there a way to find out if certain parcels are owned in fee by MDOT?**

MnDOT's right-of-way (RW) map collection may be accessed via <http://www.dot.state.mn.us/surveying/mapping.html>. Some maps indicate whether the RW is fee or easement, but this is not always the case nor is it always correct. You may check with the County Recorder/Registrar.

- 2. Has MDOT leased any ROW land in the past? If so, have the lessee been subject to all insurance requirements listed in this RFP?**

Yes. Under its statutory authority found in Minnesota Statutes § 161.433, MnDOT leases right of way. The clause in the sample lease is the standard form insurance clause contained in MnDOT leases as recommended by the Minnesota Department of Administration's Risk Management section.

- 3. Provision 19 of the lease could prevent project financing unless the purchaser/transferee is obligated to perform under the lease. Is it the expectation of MDOT that any purchaser or transferee would be obligated to uphold the lease contemplated in the RFP?**

MnDOT will not incorporate into the lease a provision which recognizes the lease for a future owner of the land.

9/30/14

- 1. Would this RFP result in the award of a Power Purchase Agreements (PPA) for the proposed projects, or is this RFP solely for the purpose of leasing Department of Transportation land to potential solar projects? If this RFP is only for leasing Department of Transportation Land, have Xcel or any other utilities expressed interest in purchasing the power from these projects?**

The RFP is solely for leasing MnDOT held land for potential solar power projects. MnDOT will not be purchasing the power. To date, none of the major electric utilities has approached MnDOT concerning this project. Given the legislative requirement to produce 1.5% of their power from SES by 2020, increasing to 10% from RES by 2030, they will likely be interested in talking to the successful responders.

10/15/14

- 1. Please confirm that the Stage I response is four (4) pages excluding the cover letter, as noted on Page 3 of the RFP.**

The Stage I response is four (4) pages total which includes the cover page. The identification of the location section, which addresses the location criteria, may only be three (3) pages (maximum).

- 2. It is our understanding the MN DOT anticipates bidders will provide one (1) site for consideration for both the Stage I and Stage II proposal submissions. Is this the case? If so, can bidders submit multiple Stage I proposals, each with one (1) site?**

Yes, bidders may submit multiple Stage I proposals, each with one (1) site.

10/20/14

- 1. Are the sites in question within XCEL's service territory, or other electric utility service territory?**

Stage I of the response involves the responder proposing a possible site, rather than MnDOT proposing the sites. Therefore, if being located within a particular utility provider's service area is a concern, the responder should only propose sites within that area.

- 2. Is the State prepared to make the lease payment contingent upon the State Investor Owned or Municipal Electric Utilities issuing RFPs for Feed-in-Tariff projects or other State initiative which will be required to assist the State in monetizing the value of its land-holdings through a long-term lease?**

There is no contingency provision in the lease as currently proposed. However, we are willing to discuss such considerations prior to signing and before any improvements have begun on the proposed site.

- 3. Will the State consider purchasing the energy generated by the on-site power, or is this purely a lease? Would the State consider a PPA, or combination of Power Purchase Agreement (PPA) and a lease combination?**

This is strictly a lease agreement for use of State owned land and no other arrangements are being considered at this time.

- 4. Does the State have a goal as to the maximum # of MW of solar to be installed by 12/31/16, when the Federal Investment Tax Credit is reduced from 30% to 10%, which will impact the annual lease payment for projects constructed subsequent to 12/31/16.**

There is no target number of megawatts to be produced. As stated in the RFP, "The goal of this project is to lease one or more sites for the purposes of: 1) demonstrating the feasibility of using MnDOT right of way for solar power generation; and 2) developing criteria for selecting and using right of way for the purpose of installing one (1) megawatt or greater solar arrays."

- 5. Has the State pursued discussions with the local electric utilities regarding this RFP to determine the most favorable areas to install solar at the lowest interconnection costs, since this has the greatest potential impact on lease rental payments.**

No.

6. Will union (prevailing wage) requirements be needed for solar development on State property?

You will be required to comply with all applicable local government rules and requirements and any licensing requirements, as well as any conditions imposed as a consequence of your selected funding mechanism. However, as MnDOT is not funding, owning, nor sharing in the operation of the facility, there is no MnDOT imposed prevailing wage requirement.