

**CONNECTICUT ENERGY ADVISORY BOARD
REQUEST FOR PROPOSALS**

**SEEKING ALTERNATIVES TO THE
CONNECTICUT LIGHT AND POWER COMPANY'S
PROPOSED GREATER SPRINGFIELD
RELIABILITY PROJECT
AND
MANCHESTER TO MEEKVILLE PROJECT**



November 4, 2008

Table of Contents

- I. Introduction and Overview..... 1
- II. Summary of CL&P Application 4
- III. Request for Proposals: Projects Solicited 6
- IV. Reliability and Market Revenues 9
- V. RFP Implementation 10
- VI. RFP Schedule 11
- VII. Proposal Confidentiality and the Freedom of Information Act 16
- VIII. Proposal Requirements 17
- IX. Proposal Evaluation Process 21

- Attachment A – CEAB/CSC Timeline 24
- Attachment B - Templates for Bidders 25

CEAB Request for Proposals
For Energy Resource Alternatives
to Connecticut Light & Power Company's
Greater Springfield Reliability Project
and
Manchester to Meekville Junction Circuit Separation Project

I. Introduction and Overview

On October 20, 2008, the Connecticut Light and Power Company (“CL&P”) filed an application¹ (“CL&P Filing”) to the Connecticut Siting Council (“CSC”) for approval to construct two related projects. These projects are the Greater Springfield Reliability Project (“GSRP”) and the Manchester to Meekville Junction Circuit Separation Project (“MMP”). Collectively, the two projects are referred to by CL&P as the Connecticut Valley Electric Transmission Reliability Projects.

The GSRP is a series of new 345 kV and 115 kV transmission and substation facilities located in Connecticut and Western Massachusetts. The GSRP includes:

- The construction of a new 345 kV line along approximately 35 miles of overhead line right-of-way (ROW), 23 miles in Massachusetts and 12 miles in Connecticut;
- The construction, reconstruction, and upgrade of 115 kV lines along approximately 27 miles of existing and new overhead line ROW in Massachusetts; and
- Related substation improvements in both Massachusetts and Connecticut.

¹ CL&P's Connecticut Siting Council Application in Docket 370 for the Connecticut Valley Electric Transmission Reliability Projects, which includes the Greater Springfield Reliability Project and the Manchester to Meekville Junction Circuit Separation Project is at this link: <http://www.ct.gov/csc/cwp/view.asp?a=962&Q=425498&PM=1>

In Connecticut, the required substation improvements associated with the new 345 kV line would consist of installing a 345 kV switchyard and a 345 kV to 115 kV, 600 Megavolt Ampere (MVA) autotransformer in the North Bloomfield Substation. The GSRP is one component of a larger project called the New England East-West Solution (“NEEWS”). In addition to GSRP, the other components of NEEWS are the Rhode Island Reliability Project (“RIRP”), the Interstate Project (“IP”), and the Central Connecticut Reliability Project (“CCRP”).

Related to the GSRP, the MMP re-configures 2.2 miles of existing transmission lines. Currently, a 115 kV line and a 345 kV line are installed on the same transmission structures. The MMP would place these line sections on separate structures. These projects are described in more detail later in this RFP and in the CL&P Filing.

In this Request for Proposals (“RFP”), the Connecticut Energy Advisory Board (“CEAB”) is seeking energy resource alternatives that could address part or all of the claimed needs identified in the CL&P filing. The needs identified by CL&P, the transmission solution offered by CL&P, and any energy solutions proposed to the CEAB in response to this RFP are to be evaluated by the CEAB, reported to the CSC, and considered by the CSC in simultaneously assessing the merits of CL&P’s proposed transmission and any other proposed alternative projects.

The CEAB is required by statute² to use an RFP process to identify alternatives to energy projects filed with the CSC and not otherwise exempted by the CEAB from the RFP requirement.³ The CEAB RFP process allows the CSC to simultaneously evaluate each energy facility application against proposed alternatives. All project proposals⁴ provided in response to this RFP must be evaluated for conformance with the infrastructure criteria guidelines (“Preferential Criteria”) in Conn. Gen. Stat. Sec. 16a-7b.⁵ The Preferential Criteria are posted at the following address:

http://www.ctenergy.org/pdf/pc_12_01_04.pdf

² Conn. Gen. Stat. Sec. 16a-7c.

³ Conn. Gen. Stat. Sec. 16a-7c(b).

⁴ Please note that this RFP uses the terms “project,” “project proposal,” or similar words to refer to all types of energy demand and supply resources.

⁵ Conn. Gen. Stat. Sec. 16a-7c(f).

As will be more fully described below, this RFP seeks any projects that a) may, alone or in combination, be alternatives to the GSRP and/or MMP, or b) may defer CL&P's claimed need for the GSRP and/or MMP to a later date. In general, the RFP seeks project proposals that can add additional local supply sources or reduce loads within the targeted geographic area of the CL&P or the Western Massachusetts Electric Company ("WMECO") service territories that can be effective in addressing the needs identified by CL&P.

After the CEAB evaluates any proposals it receives, as well as the GSRP and/or MMP, it will prepare a report that summarizes its evaluation. The CEAB will forward its evaluation to the CSC, and the CEAB evaluation will become part of the CSC record.⁶ The timing of this process is depicted on **Attachment A**.

In the event that alternative proposals are offered in response to this RFP, the CSC will hear applications stemming from the RFP in a consolidated hearing process.⁷ When an application such as CL&P's proposed projects is heard in a consolidated hearing process with other proposed projects common to a CEAB RFP, the CSC must determine whether the proposed projects "represent the most appropriate alternative" among such applications.⁸

The balance of this document provides further detail regarding this RFP, including information about CL&P's proposed projects, the RFP process and evaluation criteria, templates for bidders to supply information needed by the CEAB (**Attachment B**), the RFP calendar, and information concerning confidentiality and proper communication protocols.

⁶ Conn. Gen. Stat. Secs. 16a-7c(f) and Conn. Gen. Stat. Sec. 16-50o(d).

⁷ Conn. Gen. Stat. Sec. 16-50m(a).

⁸ Conn. Gen. Stat. Sec. 16-50p(a)(3)(F)

II. Summary of CL&P Application

CL&P proposes two separate, but related, projects in its October 20, 2008 application to the Connecticut Siting Council. The first project is the Greater Springfield Reliability Project (“GSRP”) and the second is the Manchester to Meekville Junction Circuit Separation Project (“MMP”). The GSRP improvements are part of a larger plan for regional transmission improvements known as the New England East-West Solution (“NEEWS”).

Both projects are described below.

- **Greater Springfield Reliability Project.** The GSRP includes: the construction of a new 345 kV line along approximately 35 miles of overhead line right-of-way (ROW), 23 miles in Massachusetts and 12 miles in Connecticut; the construction, reconstruction, and upgrade of 115 kV lines along approximately 27 miles of existing and new overhead line ROW in Massachusetts; and related substation improvements in both Massachusetts and Connecticut. In Connecticut, the required substation improvements associated with the new 345 kV line would consist of installing a 345 kV switchyard and a 345 kV to 115 kV, 600 MVA autotransformer in the North Bloomfield Substation.
- **Manchester to Meekville Junction Circuit Separation Project.** The separate but related MMP includes the separation of a 345 kV circuit and a 115 kV circuit between Manchester Substation and Meekville Junction, Manchester, Connecticut over a distance of approximately 2.2 miles.

According to CL&P, the existing transmission system serving the Greater Springfield area does not meet current mandatory national and regional reliability criteria. The purpose of the GSRP is to provide safe, reliable, and economic transmission service throughout the Greater Springfield, Massachusetts geographic area and in north-central Connecticut, and to assure that these portions of the transmission grid will comply with mandatory federal and regional reliability standards. The GSRP will directly address overloading events felt under normal conditions as well as extensive overloading and voltage problems experienced during unscheduled outages of system elements.

CL&P states that NEEWS is a comprehensive long-term electric transmission construction plan that addresses multiple related electrical reliability issues in Connecticut, Massachusetts, and Rhode Island. CL&P states that the GSRP will work together with the other NEEWS projects to:

- Increase the transfer capacity between Connecticut and Massachusetts, and between Connecticut and Rhode Island, thus providing a needed reliability improvement and providing a platform for access to lower cost, low-emission, and renewable remote power sources;
- Relieve transmission bottlenecks between Massachusetts, Rhode Island, and eastern Connecticut, and the load center in southwest Connecticut;
- Increase the system's capacity to move power across Southern New England, from east to west; and
- Improve the reliability of the Rhode Island transmission system.

CL&P indicates that the objective of the separate but related Manchester to Meekville Junction Circuit Separation Project (MMP), which involves the modification of approximately 2.2 miles of existing transmission lines in Manchester, Connecticut, is to accommodate the higher power flows associated with the GSRP on the transmission system in north-central Connecticut.

CL&P currently estimates the capital cost of the GSRP to be \$714 million and the MMP to be \$14 million. The cost estimates will increase slightly if the Council accepts CL&P's recommendations for alternate line designs for MMP and small portion of GSRP. The GSRP construction is proposed to be complete in Quarter 1 of 2013 and MMP construction completion is slated for Quarter 2 of 2011.

For a detailed description of the GSRP, the MMP, and NEEWS, please refer to the CL&P Filing.

III. Request for Proposals: Projects Solicited

This RFP seeks proposals for any projects that address some or all of the needs identified in the CL&P Filing as an alternative to the transmission solutions proposed by CL&P. Such projects could include alternative transmission options, additional local supply sources, or reductions of load within the targeted geographic area of the CL&P or the WMECO service territories at the time of the summer peak. The CEAB is specifically directed by statute to solicit proposals, including distributed generation and energy efficiency, where relevant.⁹ Potential supply or load reduction options include, but are not limited to:

- Grid-based Distributed Resources¹⁰
 - Distributed generation
 - Load response resources
 - Emergency generators
 - New central station power plants

- Customer-based Distributed Resources¹¹
 - Distributed generation
 - Combined heat & power/cogeneration
 - Load response resources
 - Emergency generators
 - Energy efficiency resources/conservation.

In this RFP, the CEAB will consider only those proposals that address the electric system issues within the targeted geographic area of the CL&P or the WMECO service territories that the CL&P proposals seek to address. However, if proposed alternatives addressing the local system requirements for which the CL&P projects are proposed also provide additional benefits to the system or the electric consumers in Connecticut, the

⁹ Conn. Gen. Stat. Sec. 16a-7c(b).

¹⁰ Grid-based distributed resources are connected to the utility's distribution system; i.e., on the system side of any customer's electric meter.

¹¹ Customer-based distributed resources are located on the customer's premises and are connected on the customer side of the meter.

CEAB will consider those additional benefits in its evaluation. For example, alternative proposals that address the reliability issues identified by CL&P in its needs assessment and also provide mitigation of Federally Mandated Congestion Charges (“FMCCs”)¹² in Connecticut would be considered in this process, consistent with the Preferential Criteria. Projects offered may also address needs associated with other components of NEEWS that will be the subject of separate applications before the CSC.

The CL&P proposed projects are intended to provide enhanced reliability on the high voltage transmission system at the time of the summer peak load beginning in the summer 2013. Because the GSRP and MMP are providing summer peak capacity, the CEAB has structured this RFP so to seek alternative resources that can provide summer peak capacity or summer peak load reductions.

Unlike other projects for which the CEAB has issued RFPs, which have been for new distribution substations, the GSRP and the MMP are extremely complex projects. The alternatives assessment and the underlying needs assessment have been the subject of numerous analyses and presentations as part of ISO-NE’s public stakeholder process. Also, CL&P retained a consultant to perform a study of non-transmission alternatives (“NTAs”) to the GSRP. This study was filed as part of the CL&P application with the CSC.

The CL&P filing does not provide precise information on the locations where alternative supply or demand resources would be most effective or the size (MW) of those resources that would be needed to provide an alternative to the transmission solutions offered by CL&P. The CEAB is currently conducting a review of CL&P’s needs assessment and non-transmission alternative studies to better assess these factors. Based only on a preliminary review of the CL&P application and certain confidential information in the NTA study, summer peak load reductions and new summer peak capacity located in portions of the WMECO and CL&P service territories, it may be possible to develop alternatives to the GSRP and MMP solutions. Based upon the material received from CL&P to date, it would appear that significant amounts of NTAs, possibly in excess of 1,000 MW in each of the WMECO and CL&P service territories, would be required to address the identified reliability needs. The CEAB will seek to confirm with CL&P whether the 678 MW of peaking generation recently contracted through the DPUC’s

¹² The Energy Independence Act (PA-05-01) defined Federally Mandated Congestion Charges and established mechanisms for mitigation of those charges.

recent Final Decision in Docket No. 08-01-01, *DPUC Review of Peaking Generation Projects* dated June 25, 2008, but not included in CL&P's study will help meet the CL&P territory requirement, as well as considering other supply and demand resources planned for the project area that were not included in the CL&P needs assessment.

The CEAB and its consultants will continue to work with CL&P to better quantify magnitude, and other aspects, of the resource alternatives that would mitigate the need for the transmission project. We will keep interested Bidders apprised of any progress in that regard. However, interested bidders also have access to all public information, and should not rely on CEAB's review. Bidders' are advised to perform their own information-gathering and due diligence regarding these matters, including obtaining directly from CL&P certain confidential Critical Energy Infrastructure Information ("CEII") upon which CL&P has based its filing and its conclusions.

IV. Reliability and Market Revenues

The CEAB's evaluation of the GSRP and MMP will include an assessment of the relative costs and benefits of the alternatives to Connecticut consumers, consistent with the Preferential Criteria. Proponents of alternatives offered in response to this RFP are encouraged to provide information that would allow the CEAB to assess the cost of the alternatives relative to the cost of the transmission solutions offered by CL&P.

Alternatives to the GSRP and the MMP can consist of new, strategically located generating sources and new or incremental Demand Side Management ("DSM") measures, such as Energy Efficiency ("EE") and Demand Response ("DR"). In the absence of any reliability concerns, such new resources are eligible to participate in ISO-NE energy, capacity, and ancillary markets. These markets provide potential revenue sources to the proponents and developers of these resources.

To the extent that such resources can also address transmission reliability concerns, and displace or defer the need for investments in new transmission facilities, they may have value over and above the revenue streams from ISO-NE markets. This RFP asks Bidders to indicate whether additional revenues streams may be required, over and above any market revenues, for the summer peak capacity or summer peak load reductions that they propose to provide. This should be expressed in terms of dollars per summer kW per year (\$/kW-year) based upon firm delivery of additional generating capacity or peak load reductions. This information will enable assessment pursuant to the Preferential Criteria.

If a project proposed in response to this RFP can be financed, constructed, and operated strictly on estimated revenues from the ISO-NE energy, capacity, and ancillary services markets, a Bidder should so indicate. Projects that can provide the necessary reliability without above-market revenues will, all else equal, be favored over those projects that desire or require additional revenue streams.

It is important to note that this RFP is designed to solicit and identify alternatives to project applications submitted to the CSC, such as the GSRP and the MMP. The CEAB does not award any contracts as the result of this RFP. The CSC, not the CEAB, performs the final evaluation of all alternatives so submitted.

V. RFP Implementation

This RFP is being conducted by the CEAB in accordance with specified statutory scheduling requirements. To assure that the proposals are reviewed properly and in a timely manner, the CEAB has established an RFP Subcommittee and has retained the services of a team of consulting firms led by La Capra Associates of Boston, Massachusetts. In coordination with the CEAB's RFP Subcommittee, the La Capra Associates team will conduct the various tasks required to implement an RFP such as responding to inquiries from potential Bidders submitted to the CEAB through the Connecticut Economic Resource Center, as noted below. In addition, the La Capra Associates team will (1) conduct the technical evaluation of all proposals in accordance with the process described in this RFP, and (2) prepare a written evaluation of its results for consideration and review by the full CEAB. The evaluation ultimately adopted by the CEAB will be provided to the CSC for its use, as it deems appropriate.

Please note that the proposals must be received at the offices of the CEAB by 4:00 P.M. on Friday, January 2, 2009, as will be more fully described below. No proposal should be sent directly to La Capra Associates.

VI. RFP Schedule

The RFP schedule is outlined below, along with details relative to certain aspects of the process, such as a Bidders' Conference and the Notice of Intent to Respond. The timeframe for the principal steps in the RFP process are set by statute and are thus not subject to change.¹³ These requirements are also depicted in **Attachment A** to this document.

Based on the size and complexity associated with the GSRP and MMP proposals, the CEAB does intend to hold a Bidders' Conference for this RFP.

A. RFP Calendar

On June 16, 2008, CL&P filed Municipal Consultation Filings for the GSRP and the MMP. On October 20, 2008, CL&P filed its formal application with the CSC.

The following table is the RFP schedule beginning with the date of the CSC filing.

¹³ Conn. Gen. Stat. Sec. 16a-7c.

RFP Schedule

• Monday, October 20, 2008:	CL&P filed application with CSC.
• Tuesday, November 4, 2008:	CEAB issues this RFP.
• Friday, November 21, 2008:	Bidders' Conference
• Tuesday, December 2, 2008:	Due date for mandatory Notice of Intent to respond to RFP. Due date for comments.
• Tuesday, December 9, 2008:	Last date on which pre-bid questions may be submitted to the CEAB. The CEAB will respond to all questions from prospective bidders pursuant to the communications protocols set forth below.
• Friday, January 2, 2009 ¹⁴ :	Due date for Proposals to the CEAB.
• Tuesday, February 17, 2009:	The CEAB issues its final report to the CSC, with the CEAB's evaluation of all proposals received, as well as CL&P's proposed GSRP and MMP.

B. Additional Details

1. Bidders' Conference

The CEAB will hold a Bidders' Conference on Friday November 21, 2008 at 9 a.m. at CERC, 805 Brook Street, Rocky Hill, CT 06067. Informal indications of attendance and any logistical questions should be sent to Gretchen Deans 860-571-7147 or gdeans@cerc.com

2. Notice of Intent to Submit Proposal

Prospective bidders to this RFP are **required** to submit a notice of their intent to submit a proposal by December 2, 2008. No project information need be filed with this notice. Submission of this notice is a mandatory requirement for bidding. The notice should be sent by email to Gretchen Deans at: gdeans@cerc.com. **The CEAB will only consider proposals from entities that provide a notice of intent by December 2, 2008. An entity submitting**

¹⁴ By statute, bids are due to the CEAB "no later than" 60 days after the RFP is issued. The last day of the 60-day period is January 3, 2009, the Saturday after the New Year's holiday. Because the statute provides that proposals must be received "no later than" 60 days after the RFP is issued, the deadline for submitting proposals is no later than Friday January 2, 2009.

a notice of intent may subsequently withdraw and decline to submit a proposal by written notice to the CEAB

The Notice of Intent should:

- (a) Identify the sender, and
- (b) State either: “I intend to submit a proposal” or “I do not intend to submit a proposal.”

3. Written Comments from Market Participants

The objective of the CEAB RFP process is to solicit specific project proposals that may serve as contemporaneous alternatives for consideration by the CSC as they consider the GSRP application. In addition to the solicitation of such proposal, as set forth in this RFP, the CEAB is also interested in any comments from market participants that may have bearing on the CEAB’s consideration of alternatives to the GSRP and its recommendations to the Connecticut Siting Council on alternatives. *To this end, the CEAB invites comments on issues that market participants may wish to call to the attention of the CEAB that are directly relevant to the CEAB’s evaluation as set forth in statute.* **The CEAB requests that any comments offered for the CEAB’s consideration in this RFP process be submitted no later than December 2, 2008.**

4. Pre-Bid Questions to the CEAB

Through the end of business on December 9, 2008, prospective bidders may ask questions of the CEAB regarding the pending RFP. All such questions shall be submitted via email to the CEAB in care of CERC, and both the question and the answer will be posted on the CEAB’s web site. The person or entity that asked the question will not be identified. The CEAB, in its sole judgment, may decline to answer any question.

The email address for the submission of pre-bid questions is: gdeans@cerc.com.

5. Post-bid Questions from the CEAB

Bid responses should be comprehensive and fully responsive to the material requested in the templates contained in **Attachment B** to this document. Bidders are encouraged to explain the ways in which their proposed project

conforms to the Preferential Criteria.¹⁵ The CEAB may, but need not, ask questions of any individual Bidder to amplify, clarify, or verify its proposal.

6. Submission of Proposals:

All proposals submitted in response to this RFP are due by Friday, January 2, 2009 by 4:00 p.m. (Eastern Standard time).

All submittals must be made by electronic email, regular mail, delivery service (e.g., FedEx), courier, or in person. Proposals submitted by electronic email **will** be accepted, provided they are delivered by the deadline. Confidential material should **not** be submitted electronically. Please refer to Section VII below with respect to filing Confidential information.

If proposals are submitted electronically via email, hard copies must also be provided. All hard copy submittals must be in sealed envelopes, and must include three (3) hard copies of the entire submittal, and a CD-ROM containing the requisite electronic files that produced the hard copy. Hard copy submittals may be delivered by Monday, January 5, 2009 at 4:00 p.m., so long as an electronic email submittal has been delivered by the January 2, 2009 4:00 p.m. deadline. (For discrepancies between electronic submissions received on or before the January 2nd deadline and hard copies received on January 5th, electronic submissions will prevail.)

Bidders may submit more than one proposal. In the event that more than one proposal is submitted, each must meet all the requirements for filing and for the provision of information. Bidders may also offer a combination of projects in a single proposal.

Any proposals received in unsealed packages or envelopes will be returned.

Any proposal that arrives after 4:00 p.m. on January 2, 2009 will be rejected and will not be considered. There will be no exceptions to this requirement.

Proposals that are not substantially complete, in the sole judgment of the CEAB, may be rejected. However, the CEAB reserves the option, at its sole

¹⁵ See Conn. Gen. Stat. Sec. 16a-7c(d) and Preferential Criteria.

discretion, but with no obligation, to seek additional information from the Bidder.

Proposals must be delivered to the following address:

CEAB

Attn: Gretchen Deans

c/o CERC

805 Brook Street, Bldg. 4

Rocky Hill, CT 06067

Telephone: 860-571-7147

Email: gdeans@cerc.com

VII. Proposal Confidentiality and the Freedom of Information Act

Due regard will be given for the protection of proprietary or confidential information contained in all proposals received. However, Bidders should be aware that all materials associated with the procurement are subject to the terms of the Connecticut Freedom of Information Act (“FOIA”) and all related rules, regulations and interpretations.¹⁶

It will not be sufficient for Bidders to state generally that the proposal is proprietary or confidential in nature and not, therefore, subject to release to third parties. Those particular sentences, paragraphs, pages or sections that a Bidder believes to be exempt from disclosure under the FOIA must be specifically identified as such. A convincing explanation and rationale sufficient to justify each exemption consistent with Section 1-210(b) of the FOIA must accompany the proposal. The rationale and explanation must specify the prospective harm to the competitive position of the Bidder that would result if the identified material were to be released and the reasons why the materials are legally exempt from release pursuant to the above-cited statute. Bidders should place all material claimed to be exempt from the FOIA in a sealed envelope marked “Confidential” and submit it separately from the non-confidential material.

If a FOIA request is made for disclosure of material designated confidential by a Bidder, the CEAB will notify the Bidder within 48 hours. Any material deemed exempt under the FOIA will not be released pending a ruling by the Connecticut Freedom of Information Commission or a court.

¹⁶ See, Conn. Gen. Stat. Sec. 1-210.

VIII. Proposal Requirements

This section of the RFP discusses the information that will be required from Bidders. The next section discusses the manner in which the proposals will be evaluated. In order to provide some context, this section begins with an overview.

A. Overview

As noted earlier, the CEAB may, through an RFP process, identify alternatives to certain energy projects filed with the CSC. The types of projects that might trigger the CEAB process range in scale and scope from the very large, expensive and complex to those that are smaller and simpler. Within this range, the GSRP and the MMP are very large, complex projects, and are in the former category.

It is the CEAB's view that, to the extent possible, the nature of the project and the likely alternatives to it — particularly in terms of size, cost, likely environmental and quality of life implications — should be considerations in the specific requirements of the RFP. More specifically, in this instance the scope of the information required from Bidders, as well as the mode and depth of the review and evaluation of proposals, reflects the fact that both the proposed projects and any likely alternatives are expected to be very large scale energy projects.

CL&P has advanced the GSRP and MMP proposal to address its claimed need to improve system reliability issues associated with its 345 kV and 115 kV transmission systems. Because the GSRP and MMP have been proposed for purposes of improving regional reliability, certain things must be concluded about any proposed alternative before the CEAB can determine that it is a feasible alternative. In particular, it must be evident that the proposed alternative project is likely to either reduce peak loads on the high voltage transmission system (such as a demand response or energy efficiency resource) within the targeted geographic area or increase supply at strategic locations that can effectively remove load on the high voltage transmission system. In addition, it will need to be evident that the resource in question is highly likely to come to fruition (e.g., the Bidder is likely to be able to finance and develop the project) in the proper time-frame (i.e., before the load on the system exceeds its present capacity). In short, a threshold criterion is that the proposed project is likely to make a timely contribution to

local distribution reliability. Projects that appear to be unlikely to do so will not be considered further.

The information required from Bidders is designed to address the foregoing considerations. In addition, the scope of the information required reflects the likely size and impacts of the proposed alternatives.

B. Required Information

Bidders are required to respond fully to the topics covered in the bidders' templates provided in **Attachment B**. Please fill in and save copies of the electronic templates provided by the CEAB. These templates should then be used to produce the three hard copies and the CD required for each proposal submission.

The following list illustrates the nature of the information being sought. This is a summary only, and does not supersede the information described in the templates provided in **Attachment B**.

- A brief summary of the project, including a short description of the proposed project, its size, and the technology deployed. In addition, as may be applicable (such as for certain demand-side projects), a brief description of the marketing plan.
- Designated contact person(s), including title, mailing address, delivery address, and email address for each contact.
- Description of Bidding Entity, including the corporate form of the entity (e.g., corporation, LLC, partnership, or proprietorship, and the state of organization).
- Financial strength and qualifications of the Bidder(s).
- Summary of Bidder's experience with similar projects.
- A description of the proposed project and how it would increase supply or reduce demand at the time of the summer peak in the targeted geographic area.
- The amount of summer peak capacity or load reduction, and the amount of peak and off-peak energy being provided or displaced.

- A description of the stage of development of the project(s) included in the response to the RFP. *Examples:* for a distributed generation project, the status of engineering and permitting, and whether land access or purchase agreements have been negotiated or executed; for a demand or energy efficiency resource proposal, any local market potential studies, and whether or not specific customers have agreed to participate.
- As may be applicable to the specific project, a schedule for the development, permitting, financing, construction and/or installation, commissioning, and testing of the proposed project, including key project milestones that can be used to monitor progress.
- The anticipated performance of the proposed project and the projected hours of non-operation in the case of supply options.
- The location of the proposed project. The response should also describe, as may be applicable, how the proposed project will be connected either to the electric delivery system of CL&P or the property owner's premises.
- The expected term or life of the proposed project.
- An estimate of the Reliability Premium Value¹⁷ that each Bidder wishes to assign to its proposed project.
- A financial pro forma for the project.
- A description of any environmental impacts of the proposed project, including a forecast of expected quantities of all emissions and discharges.
- For proposed generating projects, a description of the fuel supply plan, including (where relevant) transportation of fuels to and storage on the project site.
- A summary of any impact on local traffic and roads, such as during construction, from fuel deliveries, etc.
- A discussion of how the proposed project conforms to the infrastructure criteria guidelines ("Preferential Criteria").

¹⁷ The Reliability Premium Value is defined in an earlier section of this RFP.

As noted earlier, Bidders may submit more than one project proposal. Each individual project proposal will be evaluated separately. In addition to providing the required information, Bidders are encouraged to provide their view of how their projects comport with the Preferential Criteria and to describe whether and, if so, how their projects provide other benefits to the State, such as the reduction of FMCCs.

IX. Proposal Evaluation Process

The CEAB will review and evaluate each project proposal, including CL&P's proposed GSRP and MMP, for conformance with the Preferential Criteria. The CEAB will determine whether the project proposals, taken individually or as a group, can sufficiently add local supply or reduce load in the targeted area. The CEAB will also summarize the impacts of the various proposals on the environment and on the quality of life, as articulated in the Preferential Criteria. The CEAB will also perform a preliminary economic screening evaluation of each project proposed in response to this RFP versus the transmission solutions. As noted earlier, the CEAB will summarize its evaluation in a report that will be forwarded to the CSC and made part of the CSC record.

A. Review of proposal completeness

Upon receipt of the proposals, a review of each will be undertaken to determine whether all information requested has been provided. Proposals that, in the sole judgment of the CEAB, are not substantially complete may be rejected. However, as noted earlier, the CEAB reserves the right, but does not have the obligation, to seek additional information or the clarification or verification of representations that may have been made.

B. Meeting the Threshold Criterion

As a threshold criterion, each project will have to demonstrate that it can reduce effective demands on the CL&P or WMECO transmission system in a timely manner. In general, this means, among other things, that the project will:

- Reduce peak loads on the transmission system by either reducing demand at customer sites or providing new on-peak generating capacity at strategic locations;
- Utilize technologies that are known to be reliable; and
- Be financeable and otherwise developed and in service in a timely manner, which means, described generally, that the bidder has the demonstrated ability to put the project in place before the load on the distribution system exceeds its capacity.

Projects that may have an incidental impact upon transmission system peak loads will not be considered to be resources for purposes of this RFP unless the bidder can reasonably quantify the peak impact. For example, a demand-side management program that consists primarily of measures to reduce electricity use throughout the year may, but need not, have some summer peak impact. Those projects that satisfy the foregoing threshold criterion will be reviewed further as described briefly below. The projects that do not meet the threshold will be so described in the CEAB's final evaluation.

C. Further review and evaluation

The CEAB will continue to review and evaluate the CL&P proposal and projects that meet the thresholds of this RFP. The major components of the CEAB's evaluation are directed by the Preferential Criteria which support and balance energy reliability, environmental and natural resource protection, cost effectiveness, and quality of life goals.¹⁸

The CEAB will provide a mix of quantitative information and qualitative assessments in its report to the CSC regarding the conformance of each proposal with the Preferential Criteria, including:

1. System Reliability Issues

Determining whether projects that satisfy the threshold can, individually or in some combination, address the system reliability issues identified in the needs assessment for the GSRP and the MMP.

2. Costs and Benefits

Assessing the costs and benefits to Connecticut electricity customers of the various proposals, including any additional benefits, such as reduction of FMCCs, that any proposed project may bring.

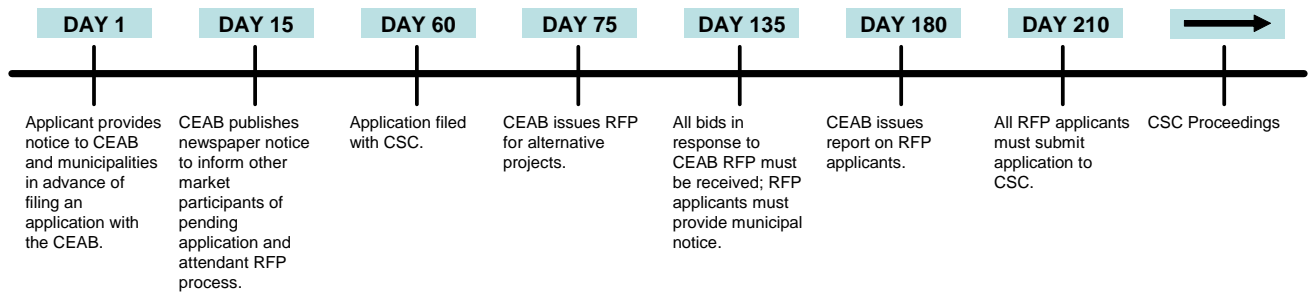
¹⁸ Conn. Gen. Stat. Sec. 16a-7b.

3. Environmental and Quality of Life Impacts

Evaluating the environmental and quality of life impacts of each proposal.

The CEAB's evaluation will be provided to the CSC. Bidders may find it helpful to review statutes regarding the CSC for information about its process in the case of a consolidated hearing. Once again, the timelines for the overall process are summarized in **Attachment A**.

Attachment A – CEAB/CSC Timeline



Attachment B - Templates for Bidders

**TEMPLATES FOR PROPOSALS
IN RESPONSE TO THE
GSRP AND MMP RFP**

November 4, 2008

CEAB RFP TEMPLATES

In order to produce its evaluation to the CSC concerning CL&P's proposal to implement the GSRP and MMP in Western Massachusetts and Connecticut, the CEAB requests that each Bidder provide certain information about its project so that the proposal can be evaluated against the needs as identified by CL&P and the relevant Preferential Criteria.

The CEAB has established 28 criteria for evaluating proposals submitted in response to RFPs. Eleven criteria evaluate the proposed projects' detailed attributes, including, but not limited to, economic benefits, stage of development, bidder financial qualifications and the status of obtaining funding sources for the proposed project, and progress milestones proposed. Seventeen of these criteria are based upon the Preferential Criteria established by the CEAB on December 1, 2004. The Preferential Criteria are posted at: http://www.ctenergy.org/pdf/pc_12_01_04.pdf

For this particular RFP, the CEAB has selected the criteria that are pertinent to the GSRP and MMP proposals under consideration. For this RFP, Bidders are required to complete the templates provided herein to the extent that they are relevant to the Bidder's proposal. The templates are designed to cover a wide variety of potential resources, and certain templates, or portions thereof, may not be relevant for each proposal. In addition, each Bidder has the option of providing additional information if the Bidder feels that its proposal advances the Preferential Criteria in any way not captured in the balance of the RFP response.

In order to facilitate the receipt and review of all such responses, the CEAB has established electronic templates for the submission of required information (via hard copy and CD). An electronic file containing these templates can be downloaded from the CEAB website at <http://www.ctenergy.org/requests.html>.

..... Prior to submitting these templates, please review Section VI of the RFP concerning Connecticut's Freedom of Information Act and confidential information.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

[Please insert project name on each page.]

Template 1

Technology Description: Please provide a brief description of the proposed project. Include: a) Technology; b) Size (MW); c) Geographic location; and d) Expected life or contract term. Confirm that, and the extent to which, the technology has been in commercial operation. Indicate whether, and the length of time, the project's specific engineering and design applications have been deployed in other commercial applications.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 2

Contact Information: Please provide Bidder's designated contact information including name, title, mailing address, delivery address, and email address for each contact person specified.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 3

Bidding Entity Information: Please provide a description of the Bidding Entity. Include a detailed description of all partners and/or affiliates that will participate in the proposed project. Provide the corporate form of the Bidding Entity (e.g., Corporation, LLC, Partnership, or proprietorship), and the state of organization.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 4

Site Control: For each parcel of land required for the proposed project, including but not limited to, any easement needed for site access and energy delivery to and from the site provide: (1) The status of site access, ownership, or control by the project sponsor including the status of any contract negotiations; (2) A list of any deed, easement or zoning restriction; and, (3) Any other contingency relative to site control whether within the bidder's control or not.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 5

Experience on Similar Projects: Please detail the experience of the Bidder, its affiliates and project team members in the development of projects the nature and scope of which are comparable to the proposed project. Identify past projects relevant to the proposal and, for each, state the other date that the project went into service. Please identify the specific individuals who have lead roles in the proposed project and their roles in the projects identified in response to this template.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 6

Bidder's Financial Qualifications: Please describe the Bidder's financial qualifications and specifically, the financial capability of the bidder to develop the project as proposed. Provide information about the Bidder's past experience securing financing. Please provide information (such as corporate financial statements) that demonstrates the Bidder's financial capacity.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 6a

Incremental Revenues: Please provide indicative estimate of any incremental revenue streams, over and above market or other revenues, expressed in terms of \$ per summer kW per year, that the bidder wishes to assign to its capacity for over the life of the project. These annual revenue streams may be fixed, or escalate at a common index (such as CPI, etc.). *{This information should be provided electronically in an MS Excel spreadsheet.}*

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 7

Project Finance: Please describe the project's financeability including the financial plan and the project's cash flow forecasts. With a focus on the financial capability of the proposed project, please provide a complete financial plan that addresses the following issues with well-detailed and documented information concerning: a) project ownership; b) capital cost (including contingencies and interconnection costs, known or reasonably foreseeable); c) structure, operating revenues and costs including all taxes. Please attach financing commitments and/or expressions of interest by financial institutions.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 7a

Project Pro Formas: Please submit financial pro formas demonstrating that the project can be successfully financed. These pro formas should include as assumed revenue streams any estimates of the Reliability Premium Value provided in template 6a. *{This information should be provided electronically in an MS Excel spreadsheet.}*

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 8

Permits: Please identify all permits, licenses and variances (collectively "permits") required for the proposed project from any government entity. Indicate which permits have been obtained and provide copies. For any required permit not obtained as of the date of bid response, describe the project's status in the permit process, including an expected timeline to secure the permit. Characterize to the extent possible the Bidder's degree of certainty that required permits will be secured. Identify any known or foreseeable impediments to any permit. Summarize the status of any community outreach efforts and provide all relevant news reports.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 9

Milestones: Please provide milestones for key project development steps and explain the basis for the expected timing of each milestone. The milestones should include but not necessarily be limited to: a) site control; 2) engineering; 3) permitting; 4) local market studies for demand and energy efficiency proposals; 5) concluding agreements for the project's output; 6) financing; 7) construction/installation; 8) commissioning and testing. State the current approximate percentage complete for each milestone. In addition, please identify any potential material impediment to project development and the plan to address the impediment.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 10

Fuel Supply Plan: Please describe the project's fuel supply plan, including how fuel will be transported to and stored on site. To the extent possible, clearly demonstrate a direct linkage between the availability of the required fuel or resource input and proposed output. Please provide a copy of any applicable resource analysis and explain how this analysis supports the project's operational and financial projections.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 11

Operation and Maintenance Plan: Please describe the project's O&M Plan. Please identify the status of any agreements with an O&M provider, the basis of the O&M funding levels and mechanism, and the expected staffing levels.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 12

Verification Plan: Please describe the project's measurement and verification plan, or the proposed project's ability to prove that expected supply or reduction in energy consumption has actually been delivered.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 13

Interconnection: Please state: a) whether the project has initiated the interconnection process; b) which step in the interconnection process the project process is in currently; c) whether the distribution company has identified verbally or in writing any potential impediment to or potential for delay of interconnection; and d) if there is any outstanding information the project owes to the distribution company to enable continued progress on its interconnection application.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 14

Reliability: Please describe in detail how the proposed project will provide enhanced reliability in the targeted geographic area during summer peak periods. In particular, state how the proposed project will increase supply or reduce demand. State the amount of annual on-peak and off-peak energy that the project will provide or displace. Please provide documentation supporting the expected annual amount of scheduled and unscheduled outages. For scheduled outages, please state how and when they will be scheduled and the expected duration.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 15

Physical Risk Management: If applicable, please describe how the project will be protected from direct physical risk, accidental or intentional, natural or manmade.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 16

Electric Costs: Please describe how the project might lower or minimize Connecticut consumers' electric costs. Bidders are encouraged to explain how, in their view, the project may be economically advantageous to Connecticut ratepayers. Also, please submit an Excel spreadsheet providing a detailed annual forecast of the expected increased supply or reduced demand for peak and off-peak periods, including all assumptions and supporting calculations.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 17

Government Revenues: Please identify the project's expected local property taxes and state income taxes over the life of the project. Identify and to the extent possible quantify the project's employment effects. Reference the information provided in response to this answer to the project spreadsheet provided as part of your response to Template 7.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 18

Quality of Life/Environment: Identify whether, and if so, how, the proposed project might: a) create a local health issue; b) adversely impact property values; c) adversely influence the operation of electronic devices; d) adversely affect economically disadvantaged populations; e) adversely impact traffic or transportation systems (during construction, fuel deliveries); f) create any aesthetic or visual concerns for the local population; g) adversely affect sensitive public facilities (i.e., schools, day cares); h) run counter to local land use standards; i) increase ambient noise or light trespass; j) impact any wetlands; or k) impact any historic or culturally significant facilities or locations. For any of the items a) through k) answered affirmatively, please explain the impact and the Bidder's actions to avoid or mitigate the adverse impacts.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 19

Existing Infrastructure: Please identify the extent to which the proposed project makes use of existing infrastructure and whether any additions to existing infrastructure are required for the project to be completed and to begin operation. If additions are necessary, please identify associated costs.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 20

Generation Profile: For generation projects, please state: a) whether the technology is capable of operating on dual fuels; b) whether the resource is Class I or Class II renewable as defined in Connecticut General Statute Section 16-245a; and c) whether the technology is capable of operating in combined heat and power mode. Also explain how this project is fully dispatchable at the time of the annual summer peak.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 21

Demand Response: For demand response projects: a) describe or provide the marketing plan; b) provide local market potential studies, if any; c) indicate whether and if so how many customers have agreed to participate; and d) quantify the expected peak impact. Also explain how this project is fully dispatchable at the time of the annual summer peak.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Template 22

Environment: Please identify anticipated water consumption and the proposed sources of water for the project. Provide an annual forecast of all air and water emissions and discharges associated with the project for the term or life of this project. Describe any air or water emission control equipment that you propose to install as part of the project. Please identify any hazardous wastes or hazardous materials that will be stored on site and your associated risk management plans.

Connecticut Energy Advisory Board RFP
Template for Required Information

Project: _____

Optional Template

Please provide any additional information you wish to submit to demonstrate how your project satisfies the CEAB's Preferential Criteria.