

The OREGON DEPARTMENT of TRANSPORTATION (ODOT) has received the following questions regarding the ODOT Solar Highway Demonstration Project(s) Request for Information (RFI) and offers the following responses.

1. Would it be possible to extend the response deadline to September 28, 2007?

ODOT would like to clarify that the response deadline is 4:00 p.m. Friday, September 14, 2007, rather than 4:00 p.m. September 15, 2007 as stated in the RFI. ODOT would further like to remind respondents that while this is the preferred submittal deadline, information received after this deadline will be accepted.

Because the RFI is the first step of the project definition process, ODOT would prefer to retain this response date so that the process can move forward expeditiously. However, if the response date would create undue hardship and preclude responses from interested parties, ODOT would reconsider formally extending the date if requested to do so by parties intending to respond.

2. Could you please share specific questions you would like addressed in the response?

The RFI outlines the information sought by ODOT, but as added clarification, the following specific questions are offered:

Experience

What specific experience have you had in third-party financing of solar photovoltaic projects completed or underway on publicly-owned property? Please provide contact information for the public agencies for which these projects were completed.

What factors if any would make such projects more or less likely in Oregon?

Project Scope

What types of solar photovoltaic project(s) as defined by size, site, or other relevant threshold project characteristics offer the greatest opportunity for replication in Oregon and why?

Financing

1. Is a solar photovoltaic installation and operation possible without subsidy, and if not, what specific subsidies would be required and from whom?

a. Do you anticipate other public or utility (other than adopted tariffs) funding or incentives being available and if so, from which sources, including but not limited to state or federal tax credits, public purpose funding or grants?

b. If these sources include Oregon's Business Energy Tax Credit (BETC), would you be more likely to apply the tax credit directly or seek a pass-through partner? As the net present value of the upfront cash payment required of a pass-through partner has not yet been determined, if you would seek a pass-through partner, what range of net present values would be acceptable to you and your pass-through partner?

c. If your financing sources might include use of BETC, do you anticipate use of BETC for both local manufacturing of the solar photovoltaics and installation or just installation? If BETC will also be sought for local manufacturing, which manufacturer do you believe would most likely have a local manufacturing process that might qualify for BETC and why?

2. In your opinion/experience, would a third-party financing proposal include:

a. Minimum or maximum project size requirements expressed in terms of capacity and cost, and if so what would those limits be?

b. ODOT entering into a power purchase agreement (PPA) and at what approximate rate per kilowatt hour?

c. A utility entering into a PPA and if so under which adopted net metering or small power production tariffs? If a yet to be adopted tariff would be required, what would be the characteristics of that rate schedule and what is the likelihood of adoption? If you would propose a utility PPA, which specific utilities are the most promising power purchase partners and under which specific tariffs?

d. ODOT or other party acquisition of the resource and if so which party, when and under what terms and conditions?

e. ODOT ownership of green tags and carbon credits derived from a solar photovoltaic project on ODOT-owned property and what market value if any would the green tags and carbon credits offer to ODOT? If your third party financing proposal would be contingent upon another party owning the green tags and carbon credits, who would that party be and why?

3. In a summary outline in order of relative importance, what threshold financial arrangements would be necessary or other critical factors resolved to complete the solar photovoltaic project(s) and achieve replication?

Other Issues

1. Do you foresee transmission issues and if so what are those issues and how might they be resolved?

2. Is vandalism an issue of significant concern at solar photovoltaic sites that you might propose? If not, why not? If so, what specific actions would or should be taken to address that issue?

Schedule

If your project(s) were selected, what major steps are needed from Notice of Award to full operation and what are the approximate elapsed times associated with those steps? What are the key decision points in the process (including go/no go decisions) and why?

Request for Proposal

Could you please provide a summary outline of key elements of a Request for Proposal for solar photovoltaic projects that would facilitate responsive proposals? It would be helpful if you could provide illustrations of or references to Requests for Proposals that have effectively elicited innovative proposals for third-party financing of solar photovoltaic projects on publicly-owned property and resulted in successfully completed projects.

Although full and complete responses to the RFI and these specific questions would be insightful, ODOT welcomes responses that will address any or all of these questions. Respondents are cautioned that responses will be public record and are advised not to share specific information that is proprietary or a trade secret. Respondents are encouraged to offer information that will facilitate public consideration of the merits of innovative financing of solar photovoltaic project(s) and of issuing a Request for Proposal, if

appropriate, for such projects. ODOT shall not be liable for disclosure or release of any information provided in response to the RFI and shall be immune from liability for disclosure.

Interested parties are invited to submit any additional questions in writing by mail or email on or before August 31, 2007 to:

Allison Hamilton, Project Director
Oregon Innovative Partnerships Program
Oregon Department of Transportation
355 Capitol St NE, Room 115
Salem, OR 97301-3871
Email: Allison.M.HAMILTON@odot.state.or.us