

**ADDENDUM NO. 1  
BIOMASS FUELED GENERATION FACILITY  
Request for Proposals 2007-135**

DATE: November 29, 2007

PROPOSAL DUE DATE: December 14, 2007 @ 2:00 p.m.

NOTE: This addendum has been posted on the GRU website where the original RFP was posted. Only respondents to that posting have been notified via email. The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary.

RFP 2007-135, Biomass Fueled Generation Facility:

- Section 5.0 SUBMISSION OF PROPOSALS  
Add the following sentence:  
"Three separate CDs containing electronic pdf. files of the Proposal shall be included."
- Section 18.0 ALLOWABLE FUELS  
Add the following as the last paragraph of the Section:  
"Process additives other than coal and petroleum coke that are not biogenic may be included for consideration if it can be shown that their addition is less than ten percent (10%) by weight, needed for the process, and that the price of the additive is such that it is not being added to reduce the production cost of energy."
- Section 25.0 SUSTAINABLE FOREST RESOURCE I  
Should read, "SUSTAINABLE FOREST RESOURCE MANAGEMENT"
- Section 30.0 EVALUATION CRITERIA  
Item (l). Delete "Project Risk Profile" and substitute "Proposer's Financial Strength".  
Item (n). Delete "Ability to execute the project" and substitute "Local Economic Impact"

The following link to aerial photography, provided by the Alachua County Property Appraiser, may be used to view vegetation at the Deerhaven site

<http://acpawebmap.acpafil.org/WebMaps/ParcelView/asp.htm?Title=ArcIMS%20Parcel%20Information%20Viewer>

The Metadata for this site may be viewed at:  
<http://acpawebmap.acpafil.org/GIS/metadata.htm>

Relevant parcel numbers

[05884-001-000](#) – Current Site  
[05884-001-003](#)  
[05884-000-000](#)  
[05943-001-000](#)  
[05943-000-000](#)  
[05868-001-000](#)  
[05868-099-000](#)  
[05869-002-000](#)  
[05869-001-000](#)  
[05882-004-000](#)  
[05946-003-000](#)  
[05946-004-000](#)

[05973-001-000](#)  
[05974-000-000](#)  
[05883-000-000](#)  
[05871-002-000](#)  
[05871-003-000](#)



A.J. Sontag, C.P.M.  
Senior Buyer  
Utilities Purchasing

**ACKNOWLEDGEMENT:**

Each Proposer shall acknowledge receipt of this Addendum No. 1 by signature below, and shall attach a copy of this Addendum to its proposal.

**CERTIFICATION BY PROPOSER**

The undersigned acknowledges receipt of this Addendum No. 1 and the proposal submitted is in accordance with the information, instructions and stipulations set forth herein.

Proposer: Nacogdoches Power, LLC

By:  \_\_\_\_\_

**ADDENDUM NO. 2  
BIOMASS FUELED GENERATION FACILITY  
Request for Proposals 2007-135**

DATE: February 15, 2008

BINDING PROPOSALS DUE DATE: April 11, 2008 @ 2:00 P.M.

**DISCOVERY SESSIONS**

Discovery sessions have been scheduled (local time) as follows:

Nacogdoches Power, LLC	Thursday	2/21/08, 1:00 - 5:00
Sterling Planet, Inc.	Friday	2/22/08, 8:00 - 12:00
Covanta Energy Corp.	Friday	2/22/08, 1:00 - 5:00

The purpose of the discovery session is to afford Proposers the opportunity to ask questions about the project, including, but not limited to GRU's goal, intent and constraints to gain a better understanding of the business issues and circumstances driving this project. The questions and answers will not be documented or provided in an addendum unless GRU deems the information to be material to the specifications of the RFP. If GRU determines certain information discovered during the session to be material to the RFP, such information will be issued to all Proposers in the form of an addendum. Documented information contained in the RFP and addenda shall take precedence if any conflict arises between the RFP, addenda, and understanding a Proposer may take away from the discovery session.

**NOTE:** This addendum has been sent only to the three Proposers invited to submit binding proposals based on City Commission approval authorization on January 28, 2008. The original specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary.

**SUBMISSION OF PROPOSALS**

Ten (10) copies of the binding proposal and one (1) electronic copy shall either be mailed or delivered to Gainesville Regional Utilities, Purchasing Division, 301 S.E. 4th Avenue, Gainesville, FL 32601, and received by **2:00 P.M., local time. April 11, 2008.**

**SECTION 17.0 PUBLIC RECORDS**

*The following section is replaced in its entirety with the following:*

Responses to this Request for Proposals, upon receipt by the City, become public records subject to the provisions of Chapter 119 F.S., Florida's Public Records Law. If you believe that any portion of your response is exempt, you should clearly identify the specific documents for which confidentiality is claimed, and provide specific legal authority of the asserted exemption. It is also strongly recommended that those specific materials that you assert qualify for exemption from Chapter 119 be submitted in a separate envelope and clearly identified as "TRADE SECRETS EXCEPTION," with your

firm's name and the proposal number marked on the outside. Please also note that details of proposals, including alleged trade secrets, with the exception of a company's financial statements, may be disclosed at a public meeting.

**In the event the City determines that any materials claimed to be exempt as trade secrets do not qualify as such, the Proposer will be contacted and will have the opportunity to rescind their proposal and have all materials returned to the Proposer, or waive their claim to confidentiality. Please be aware that the designation of an item as a trade secret by you, and the refusal to disclose any materials submitted to the City, may be challenged in court by any person. By your designation of material in your proposal as a "trade secret" you agree to hold harmless the City for any award to a plaintiff for damages, costs or attorneys' fees and for costs and attorneys' fees incurred by the City by reason of any legal action challenging your claim, and the City's refusal to disclose.**

(signed)

Joann A. Dorval  
Purchasing Manager  
Utilities Purchasing

Attachments

#### ACKNOWLEDGEMENT:

Each Proposer shall acknowledge receipt of this Addendum No. 2 by signature below, and shall attach a copy of this Addendum to its proposal.

#### CERTIFICATION BY PROPOSER:

The undersigned acknowledges receipt of this Addendum No. 2 and the proposal submitted is in accordance with the information, instructions and stipulations set forth herein.

Proposer: Nacogdoches Power, LLC

By: 

**ADDENDUM NO. 2**  
**BIOMASS FUELED GENERATION FACILITY**  
**Request for Proposals 2007-135**

**GENERAL INSTRUCTIONS**

1. The following supplemental background data, information requests, and additional proposal requirements are to be addressed in the binding proposal to be submitted pursuant to Step 2 of the RFP process described in Section 31 of RFP 2007-135 ("RFP"). **The requested information is supplemental to the original RFP and all requirements in the original RFP and addenda remain in effect except unless noted.** The information requested in the original RFP and all information requested in this and all other addenda subsequent to the original RFP must be included in the binding proposals for Step 2 of the RFP process.
2. The numbering and heading of the sections and subsections in this Addendum correspond to the section contained in the original RFP. If a section or subsection is not modified herein, the original RFP requirements withstand.
3. Proposers are requested to amend their original submittals to include the additional information requested by any addenda by including the additional information with the original submittal so that the submitted binding proposal is a consolidated response which includes all the requirements of the original RFP and addenda. The submitted binding proposal will be used as the basis for negotiating a final contract.
4. If any of the requirements in the RFP or addenda create hardship or excessive costs, Proposers are requested to indicate as such in their response, providing an alternative solution in the form of an exception to the RFP for GRU's evaluation and consideration.
5. Additional information requested in this Addendum was requested by the Gainesville City Commission ("Commission"). This information includes:
  - a) The feasibility of disposing of the City of Gainesville's ("City") wastewater biosolids in the proposed facility
  - b) The tradeoffs between a 100% biomass facility and one that includes the use of municipal solid waste, tires, or construction debris ("MSW")
  - c) The advantages and disadvantages of a PPA contract structure versus City ownership and operation of the facility
  - d) Local economic impact and job creation
6. Failure to submit required information may result in the disqualification of the proposal.
7. Proposers are required to review Section 17.0 Pages 1 and 2 of this Addendum related to proprietary information. Any information considered a trade secret should not be contained in the main body of the response. Non-proprietary information will be posted on GRU's website at [www.gru.com](http://www.gru.com).
8. Note the schedule and submittal requirement changes.

*The following information is hereby added to the following sections:*

## **SECTION 1.2, THE DEERHAVEN SITE**

### **Land Use**

The Deerhaven site contains property with two different land use and zoning designations. The current site (tax parcel - [05884-001-000](#) ) has been in the City of Gainesville since 1981. The remainder of the property, shown in Attachments 1A and 1B, was annexed into the City in February 2007 and is available for use for the proposed facility. The schedule for changing the land use on these properties will be of interest to the Proposer. Provisions for buffers and avoiding wetlands should be a key consideration.

The existing site has Public Facilities Land Use and Public Service and Operations Zoning. The prevailing regulations are available at:

<http://www.municode.com/Resources/gateway.asp?pid=10819&sid=9>.

Specific Public Service and Operations District regulations can be found at:

[Sec. 30-75. Public services and operations district \(PS\).](#)

The current Future Land Use Element of the City of Gainesville Comprehensive Plan can be reviewed at:

<http://cityofgainesville.org/comdev/common/docs/compplan/futureland01.pdf>.

Page 16 of the Comprehensive Plan contains information about Public Facilities Land Use. The data and analyses supporting the Comprehensive Plan policies are at:

<http://cityofgainesville.org/comdev/common/docs/compplan/futureland02.pdf>.

The remainder of the property has not been incorporated into the City of Gainesville Comprehensive Plan and does not have City of Gainesville Land Use or Zoning designations. Currently, the parcels have Alachua County Agricultural designation. In March 2008, the City of Gainesville intends to initiate the process to request Public Facilities Land Use and Public Service and Operations Zoning, in conjunction with Conservation Land Use and Zoning in areas where wetlands exist. The process will require a Large Scale Comprehensive Plan amendment. This approval is obtained from the State of Florida Department of Community Affairs in conjunction with the Gainesville City Commission. A final land use change will not be made before December 2008.

### **Site Facilities**

GRU does not have excess landfill or water storage capacity on site. The Proposer shall be required to provide all the necessary facilities to manage and store process by-products and water. GRU's excess consumptive use allocation will be made available to the Proposer (see Subsection 1.2 of the original proposal). GRU does not have excess raw water or pond water treatment capacity for boiler water or cooling tower makeup and the Proposer will be required to provide the necessary facilities. GRU does have potable and fire protection water sources available on the site.

## **SECTION 18.0 ALLOWABLE FUELS**

The original RFP stated that proposals may include facilities fueled by 100% biomass (as defined in Section 18.0 of the original RFP) or some combination of biomass and MSW. However, the City is interested in receiving additional information to comprehend and communicate to the public the tradeoffs between a 100% biomass facility and one that includes the use of MSW. In the response to Subsection 29.3, provide a response to the following:

1. On a Btu basis, what estimated percentage of the total heat input in your proposal is anticipated to be derived from MSW? Approximately how many tons, and of what assumed heat content, does this represent?
2. GRU can only commit that portion of non-recycled MSW collected in the incorporated areas of the City of Gainesville. The fraction that is available after recycling may change substantially over time. How does your fuel acquisition strategy involving MSW ameliorate this concern?
3. The question of using MSW to generate electricity has become a topic of considerable public discussion in Gainesville. How would your proposal change in terms of power production cost and size if MSW were not employed as a fuel?

## **SECTION 21.0 FUEL AVAILABILITY & UNIT SIZE**

The original RFP stated that GRU preferred that the City's MSW continue to be routed through the Alachua County waste collection facility (the Leveda Brown Environmental Park and Transfer Station) because this facility provides valuable and important services in terms of waste inspection, sorting, tire shredding and processing, grinding of wood waste, and compaction into transfer vehicles for delivery to the final disposal site. Pursuant to this Addendum, routing of the City's MSW through the Leveda Brown facility will be a requirement for any project that proposes to use the City's MSW as a fuel source.

## **SECTION 23.0 PURCHASE POWER CONTRACT STRUCTURES**

The original RFP stated that GRU's preferred contract structure is a take and pay PPA with an option to buy the facility. However, the City is interested in the consideration of other alternatives. Proposers are instructed to address this issue below in Subsection 29.2 and provide the pricing associated with alternative structures in Subsection 29.4.

## **SECTION 24.0 ENVIRONMENTAL AND TAX CREDITS**

GRU must retain title to all renewable attributes of the proposed project. Any PPA that results from this RFP must deliver to GRU the Renewable Energy Credits ("RECs") associated with the project.

## **SECTION 25.0 SUSTAINABLE FOREST RESOURCE MANAGEMENT**

GRU's objective is to promote sustainable forestry practices in conjunction with the operation of the proposed facility, including the option of providing financial incentives for fuel harvested under certified forest stewardship programs. GRU will be responsible for establishing the certification standards, setting the levels of incentives, and setting the target percentages of fuels to be obtained from certified forests.<sup>1</sup> GRU also seeks to discourage excessive nutrient removal as part of certain procurement practices and the proliferation of harmful exotic invasive species. In order to achieve these objectives, the Proposer must describe how their proposed operations comply with the following minimum requirements for fuel procurement from sources other than municipal solid waste.

1. Before being accepted, the type and source of any forest related biomass must be documented in sufficient detail to allow the location of its source to be ascertained. GRU will be responsible for establishing a quality control program to verify this information, and may choose, at its own discretion and with its own resources, to randomly sample loads and/or visit loading and harvest sites in order to monitor and verify this documentation. Suppliers engaged in fraudulent practices will be penalized, which may result in permanent disqualification from providing additional fuel to the facility.
2. Forest waste products are acceptable fuels. This includes logging residues, residuals from urban vegetation management and land clearing. Also included are materials harvested from tree stand thinning such as from natural forest restoration, reducing forest plantation overstocking to promote timber production, and fire fuel reduction. Stumps will not be permissible unless obtained from urban land clearing. The intent of these requirements is to encourage sustainable forest management and discourage (a) clear-cutting and high-grading of natural forests for biomass and (b) conversion of natural forest to plantation.
3. The Proposer must pay the stewardship premiums applicable for any fuel purchased, and will bill those premiums directly to GRU separate and apart from any other pricing elements. GRU will assume the risk of payments made to fraudulent claims unless the Proposer has not required the appropriate level of documentation.
4. GRU intends to ensure long term sustainable soil fertility by encouraging that the maximum amount of leafy matter be left at the site. Fuel derived from whole tree harvesting will not be permissible without prior approval of the harvesting plan by GRU. GRU will randomly test loads and provide guidance to the Proposer on the visual indications of excess leafy matter.

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<sup>1</sup> The Forest Stewardship Certification Program premium is an incentive program that will provide a percentage premium over biomass fuel prices paid under normal procurement (or a reduction in tipping fee). The premium levels may reflect different amounts (tiers) based on the level of stewardship associated with different certification programs, and may vary over time. GRU will provide a stable pricing environment by honoring the premiums offered at the time that the land owner committed to a certification program. GRU will be responsible for the educational and other aspects of promoting participation in the program, and will provide the Proposer with lists of program participants and the level of premium they are eligible for.



5. Wood harvested as the primary product of forest plantations may or may not be accepted pending development of GRU's Forest Stewardship program.

## **SECTION 29.0 SUBMITTAL REQUIREMENTS**

Proposers must review the requirements and guidelines contained in Section 29.0 of the original RFP to ensure conformance. (See Item 3 of the General Instructions above for instructions on submitting a consolidated proposal)

## **SECTION 29.2 Financial Structure of the Proposal**

The following supplemental information for the financial and contractual structure of the proposed transaction requested in this Subsection is essential and will be considered binding. Proposers shall provide information for all transaction structures, i.e., PPA; engineer, procure, and construct (EPC); or other proposed structure for GRU's consideration:

- a) The original RFP stated that GRU's preferred transaction structure is a take and pay PPA with an option to buy the facility. Indicate if this is the Proposer's preferred transaction structure, and, if not, provide an alternative for GRU's consideration.
- b) Indicate the Proposer's interest in providing the proposed facility on an EPC basis, with GRU retaining ownership.
- c) Describe how the proposed project will be financed, through design, construction, commissioning, and operation, including the corporate structure and key partnerships and the sources of collateral and credit.
- d) Provide the terms and conditions for an option for City purchase of the facility at ten years, and at the termination of the proposed PPA.
- e) Provide detailed requirements for a final agreement(s), including, but not limited to, land lease, insurance and bonding, Force Majeure provisions, events of termination, performance guarantees (as applicable), and dispute resolution.
- f) If available, provide a sample agreement.

*The following sections replace the information contained in the original RFP:*

## **SECTION 29.3 Technical Information**

The following supplemental technical information shall be included in this section, as applicable for the project being proposed:

- a) Description of technology and configuration  
Will there be a char re-injection system? If so, please describe.
- b) Major equipment manufacturers
  - 1) Provide a current list of proposed facility equipment and suppliers.
  - 2) What standards will be employed to ensure that the facilities constructed will be compliant with prudent utility practice and will provide full service over the life of the project (30-45 years)?

- c) Fuel supply and requirements including any backup fuels
- 1) Describe the fuels to be used for startup, backup, and stabilization. Specify estimated maximum and daily average mmBtu per hour, and how these usage volumes will be priced.
  - 2) On a Btu basis, provide the planned composition of the fuel supply for the facility for each of the following elements:
    - Biomass (list specific types/categories and the percentage of the total fuel supply volume)
    - Municipal Solid Waste (describe components/characteristics and percentage of total fuel supply volume)
    - Other (describe components/characteristics and percentage of total fuel supply volume)
  - 3) For each of the above categories (i.e., Biomass, MSW, and Other) provide the planning assumptions being made including:
    - Projected annual consumption
    - Each currently identified potential source of fuel supply for annual consumption and inventory
    - Projected annual volumes available from each source
    - The mechanism for procurement of the fuel from the source (i.e., owned, term purchase agreement with non-affiliated supplier, spot market purchases)
    - Transportation mode to generating unit
    - Maximum annual and daily delivery capability
    - On-site fuel storage capacity
  - 4) For each of the above sources (i.e., Biomass, MSW, and Other), provide the planning assumptions being made including:
    - Heat content (Btu/lb)
    - Moisture (% by weight)
    - Complete trace element analysis
    - Projected procurement costs
    - Fuel cost F.O.B. load point (\$/ton)
    - Transportation cost (\$/ton)
    - Method/calculation of price adjustment(s)
  - 5) GRU can commit only the portion of MSW collected in the incorporated areas of the City of Gainesville. The fraction that is available after recycling may change substantially over time. How does your fuel acquisition strategy involving MSW accommodate this concern?
  - 6) How would your proposal change in terms of power production cost and size if MSW were not employed as a fuel?
  - 7) Describe the feasibility of disposing of the City's wastewater biosolids in your proposed facility, including any energy credits or tipping fees that would be associated with this practice. Information on the quantity and quality of the biosolids is provided in Attachment 2.
  - 8) Describe the fuel unloading and handling process and equipment, such as screening and sizing, and scales. What is the maximum sustained unloading capacity in tons per hour?
  - 9) How will fuel be transferred from the pile to the plant?

10) How much surge capacity will the boiler have at full load if a feed conveyor malfunctions?

d) Net capacity rating

No change from RFP

e) Indicative net heat rates

No change from RFP

f) Site requirements and layout

Provide preliminary layouts and proposals for the site including design drawings showing the general arrangement and the designated location.

Include:

1) Estimated acreage required for:

- Fuel delivery, preparation, and storage
- Power block, including boiler and turbine generator
- Solid waste storage
- Process or stormwater ponds
- Balance of plant

2) Estimated boiler chimney height

3) Description and depiction of:

- Access roadways and impervious surfaces
- Fencing and security systems
- Rail access requirements, new spurs, or crossings
- Communications systems and requirements
- Ammonia or urea systems and requirements
- Auxiliary steam requirements in maximum and daily average lbs. per hour (if any)
- Other systems that may require on-site integration or interface, including quantities and required resources

g) Projected permitting and construction schedule and in-service date

Provide project milestones and a proposed schedule. In particular, GRU is interested in the Proposer's requirements as to exit clauses, if any, and when and how firm pricing will be set.

h) Dispatchability of the project, including facility limitations that may constrain operation or dispatch

No change from RFP

i) Environmental characteristics and emission rates (see Subsection 1.2 and Section 27.0 in the original RFP)

- 1) To the maximum extent possible, GRU will require the Proposer to be liable and accountable for meeting the environmental requirements of the proposed facilities and operations. Identify the resources that will be performing the requisite permitting activities and describe the proposed permitting strategies and activities related to local, state, and federal requirements.

- 2) Provide a detailed description of the specific air emissions control technologies that will be employed in the proposed facility, and the materials they require, such as lime, ammonia, or urea.
  - 3) Provide maximum air emissions rates for the facility in both lb/mmBtu and lb/net MWh for each of the following:
    - Sulfur Dioxide (SO<sub>2</sub>)
    - Oxides of Nitrogen (NO<sub>x</sub>)
    - Mercury (Hg)
    - Particulate Matter (PM)
    - Carbon Monoxide (CO)
    - Volatile Organic Compounds (VOCs)
    - Lead (Pb)
    - Fluorides
  - 4) Provide a detailed greenhouse gas emissions analysis.
  - 5) Will there be any materials stored on site that will require Process Safety Management or Department of Homeland Security regulations? If so, please identify estimated types and quantities.
- j) Ash and other by-products (see section above on Environmental Considerations)
- 1) Provide a detailed description of all solid waste produced by the facility and the relevant environmental emission control systems.
  - 2) Provide estimated quantities of all solid waste products produced by the facility in total tons per year and tons per net MWh. Identify each as hazardous and/or non-hazardous solid waste.
  - 3) Provide a detailed description of the disposition of each of the types of solid waste products described above. Include:
    - Quantities
    - Landfill type
    - Recycling potential
    - Recycling value
    - Costs of disposal
  - 4) Provide maximum and daily average production in tons per day for:
    - Bed ash or bottom ash
    - Fly ash
    - Fuel preparation or processing waste
    - Waste oils, grease, or similar waste
    - Other solid waste
    - Hazardous waste
  - 5) How will bottom ash be segregated and handled to facilitate recycling (if appropriate), and will this system be wet or dry?
  - 6) Describe how fly ash will be collected and conveyed, and if this system is wet or dry.
  - 7) How many days capacity will the fly ash system accumulate or hold?

- k) Water use (see section above on Environmental Considerations)
- 1) Describe your plan for providing each of the following. Provide estimates of maximum and daily average GPM requirements.
    - Cooling tower makeup
    - Cooling tower blow down
    - Demineralized water
    - Potable water
    - Other service water and fire protection
    - Process wastewater
    - Sanitary wastewater
    - Stormwater
  - 2) Discuss the feasibility of accepting reclaimed water from the municipal wastewater system that is treated to public access reuse standards.
- l) Electrical interconnection requirements
- Provide electrical interconnection requirements including voltages and ratings of generators, step-up transformers, station service or run transformers, breakers, switchgear, and other electrical equipment. Include a preliminary schematic showing numbers, sizes, and ratings of the equipment.
- m) Readiness of the proposed technology
- No change from RFP
- n) Reliability of the proposed technology (see section above on Technology Considerations)
- Provide the following anticipated operational assumptions used to perform the required “per net MWh” calculations.
- Scheduled outage hours per year
  - Forced outage hours per year
  - Service (operating) hours per year
  - Annual availability factor (%)
  - Annual capacity factor (%)
  - Net MWh per year
- o) Performance guarantees, warranties and risk mitigation
- No change from RFP
- p) Backup systems and fuels
- No change from RFP
- q) Estimated truck traffic associated with fuel supply
- 1) Provide the estimated truck fuel delivery schedule in hours per day and trucks per day.
  - 2) Provide the estimated rail delivery schedule in deliveries per week and rail cars per delivery.
  - 3) Provide the proposed traffic routing plan for fuel procurement, employees and contractors.

- r) Description of how fuel procurement practices are consistent with GRU's commitment to Sustainable Forest Resource Management  
Discuss standards for non-MSW fuel quality, approach toward fuel quality control, and how the non-MSW fuel procurement standards provided in Section 25.0 above will be met.

#### **SECTION 29.4 Economic Information**

Provide the following essential information for all transaction structures, i.e., PPA; engineer, procure, and construct (EPC); or other preferred structure that your organization would consider for the project being proposed. State whether or not the anticipated taxes to be paid have been included in the cost information provided pursuant to this Subsection. Items a) and b) will be considered to be binding.

- a) Provide a detailed description of all billing charges, including initial values, how they will be applied to billing elements, how they will be adjusted before and after the in-service date of the facility, and the approach and timing for setting final prices. Identify any escalation indices that will be applied.
- b) If the Proposer's response submitted in Step 1 of the RFP did not transfer title to the RECs produced by the facility to GRU, provide the requisite pricing arrangement that would allow GRU to retain title to the RECs.
- c) Provide a financial model(s), including a detailed description of pricing terms and conditions for all billing elements and RECs.
- d) Provide GRU's energy prices for calendar years 2012 through 2022 given the Proposer's current benchmark assumptions. Provide the forecasted values of the factors used to change these prices over time.
- e) Provide the estimated tangible property value.
- f) Provide the estimated ad valorem or real property value.
- g) Provide the estimated average salaries for plant employees.
- h) Provide the estimated number and salary of jobs created for fuel procurement and transportation.

#### **SECTION 29.5 Production Cost Information**

Tables 2 and 3 do not apply to Addendum No. 2.

#### **SECTION 29.6 Respondent Information**

Proposers who do not provide, at minimum, a copy of their most recent financial statements (audited preferred), will be automatically disqualified from further consideration and evaluation as a Proposer to GRU RFP 2007-135. **Proposers who wish to make such financial information exempt from the public records provisions of Chapter 119, Florida Statutes, are advised to follow the instructions in Section 17.0 of this Addendum.**

The following information shall be included in this section:

- a) Provide detailed information on the proposed project management team and operation management team including names, responsibilities, and résumé. Include architects, engineers, operations, and permitting personnel.

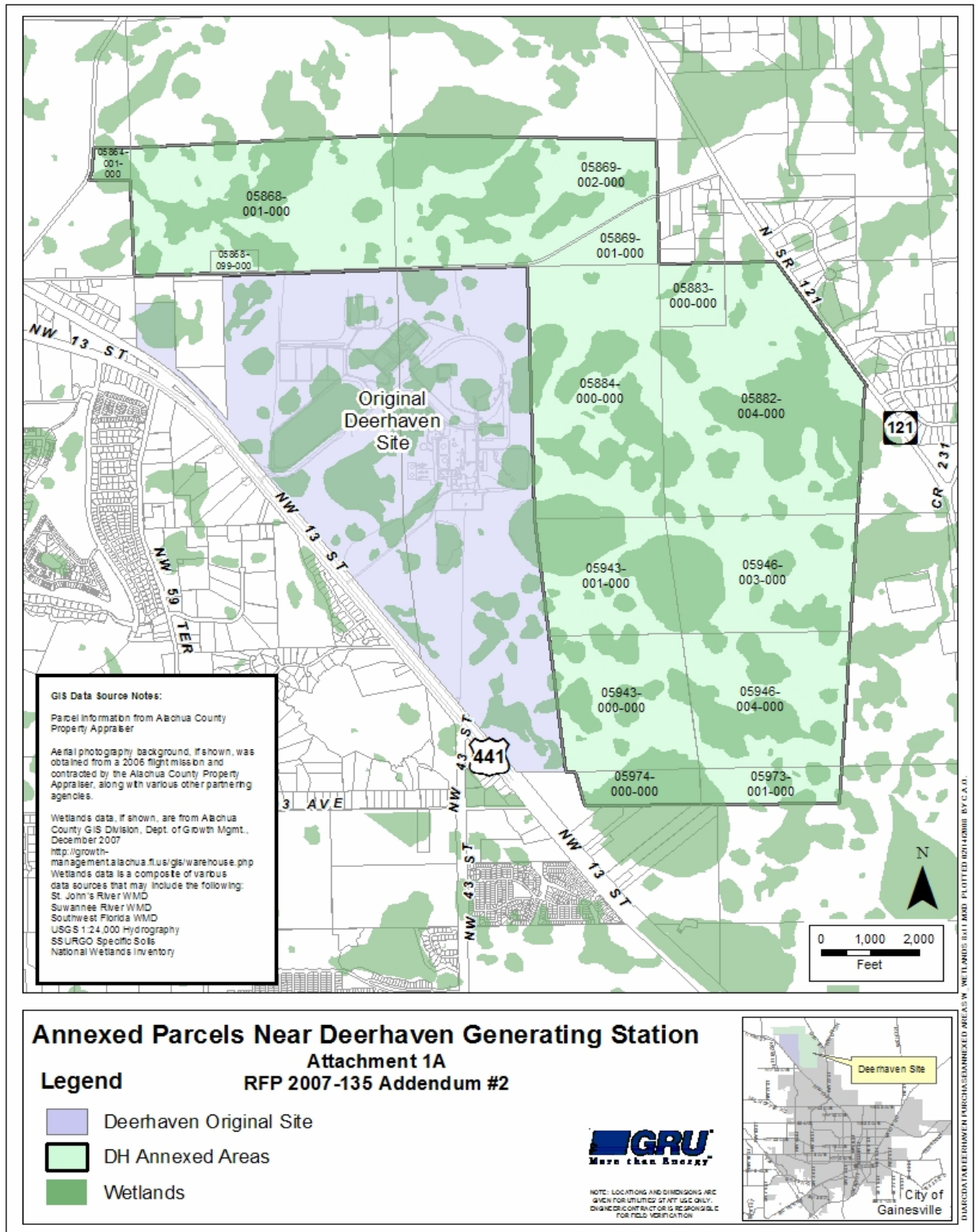
- b) Provide the corporate and financial structure of the Proposer as well as the entities that will be designing, constructing, and/or operating the facility.
- c) Provide a recent annual report for the Proposer and any other parties involved in the proposed project or a recent copy of an audited income statement and balance sheet.
- d) Provide the bond rating of the Proposer, its parent company, and/or guarantor by Moody's, Fitch, Standard & Poor's, and/or Dunn & Bradstreet.
- e) Provide financial guarantees from affiliates or others, as appropriate.

#### **SECTION 35.0 ANTICIPATED SCHEDULE**

The anticipated schedule for this RFP is as follows:

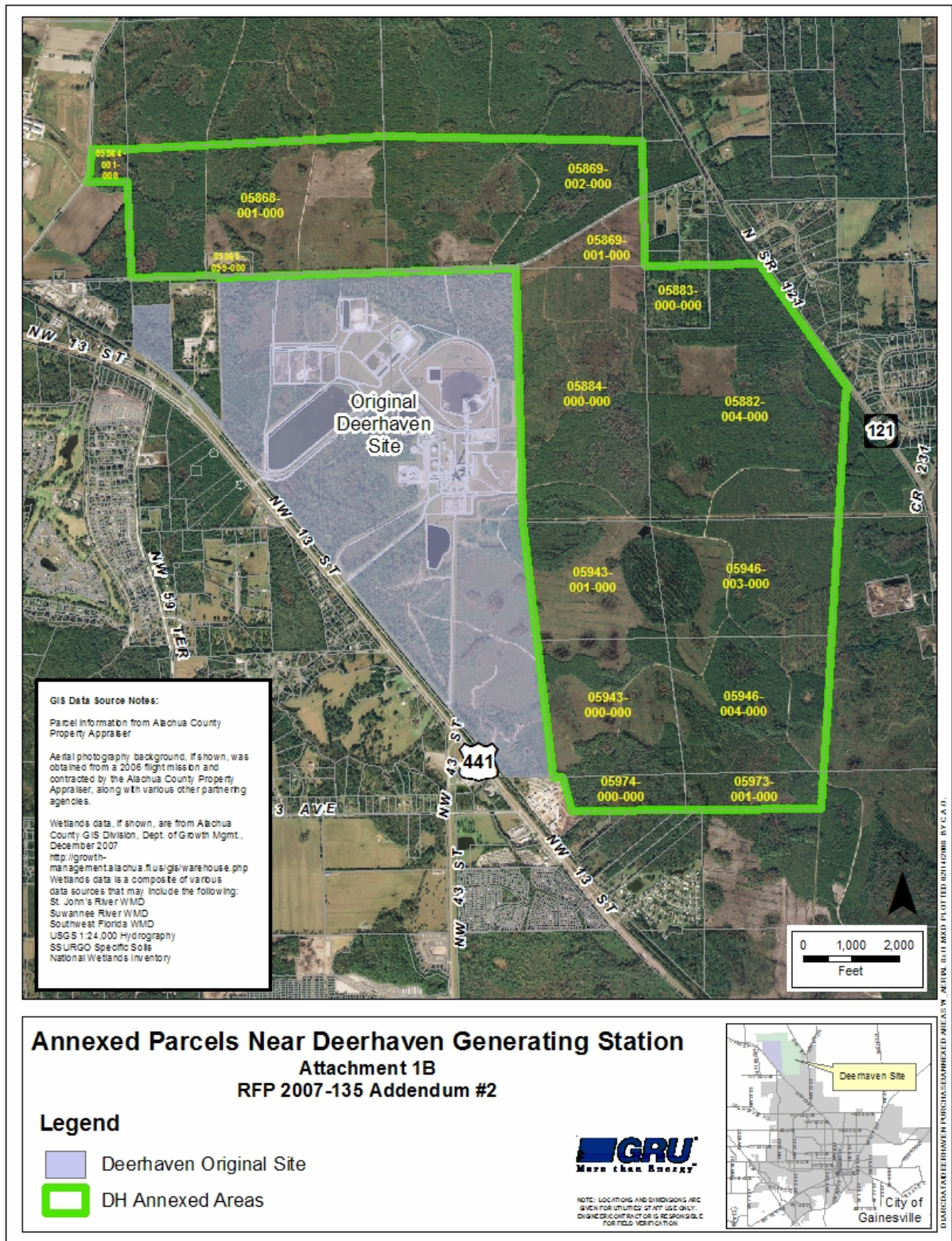
October, 2007	Issue RFP
November 9, 2007	Pre-submission Workshop and site review
December 14, 2007	Proposal due
January 28, 2008	Short list approval by City Commission
<b>April 11, 2008</b>	<b>Binding proposals due</b>
<b>April 28, 2008</b>	<b>City Commission Meeting</b>

## Attachment 1A: Properties and Wetlands





Attachment 1B: Aerial Photographs for General Information



## Attachment 2: GRU Wastewater Biosolids Characteristics

### Summary of GRU Biosolids Characteristics for Fuel

	Undigested		Digested	
	<u>Thickened</u>	<u>Dewatered</u>	<u>Thickened</u>	<u>Dewatered</u>
% Solids	5.3%	16.0%	5.3%	16.0%
FHV (BTU/lb dry solids)	8085		6411	
Ash Content (lb ash/lb dry solids)	23%		33%	
<b><u>2007 Quantities</u></b>				
Weight as dry solids (dry ton/d)	13.93		9.85	
Weight of wet material (wet tons/day)	261.5	87.1	185.0	61.6
Total Energy Content (MBTU/day)	225.3		126.4	
<b><u>2027 Quantities (Projected)</u></b>				
Weight as dry solids (dry ton/d)	18.96		13.41	
Weight of wet material (wet tons/day)	355.9	118.5	251.8	83.8
Total Energy Content (MBTU/day)	306.6		172.0	

<b>Chemical Analysis (Dry Weight Basis)<sup>1</sup></b>	<b>Undigested (estimated)</b>	<b>Digested (actual 2006)</b>
TOTAL N (% DRY WEIGHT)	5.1%	7.2%
TOTAL P (% DRY WEIGHT)	3.3%	4.6%
TOTAL K (% DRY WEIGHT)	0.6%	0.9%
ARSENIC mg/KG	3.9	5.6
CADMIUM mg/KG	1.2	1.7
CHROMIUM mg/KG	11.1	15.7
COPPER mg/KG	219	309
MERCURY mg/KG	0.7	1.1
MOLYBDENUM mg/KG	8.9	12.6
NICKEL mg/KG	9.9	14.0
LEAD mg/KG	21.8	30.8
SELENIUM mg/KG	6.8	9.7
ZINC mg/KG	528.4	747.0
PH	~6.0 - 8.0	5.6

<sup>1</sup>Concentrations expressed as mg/kg of dry solids.

“MBTU” = Million Btu

**ADDENDUM NO. 3**  
**BIOMASS FUELED GENERATION FACILITY**  
**Request for Proposals 2007-135**

DATE: March 4, 2008

BINDING PROPOSALS DUE DATE: April 11, 2008 @ 2:00 P.M.

NOTE: This addendum has been sent only to the three proposers invited to submit binding proposals. The original specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary.

Discovery sessions between GRU staff and the three proposers invited to submit binding proposals were held on February 21 and 22, 2008. As a result of these discovery sessions, GRU is providing additional information to assist proposers in developing their proposals.

Much of the information identified in this addendum is in electronic data format due to the nature and size of the document and is therefore provided on CD-ROM. This information will be identified where relevant.

**SUPPLEMENTAL INFORMATION FOR GRU RFP 2007-135**

1. Ground water quality from Deerhaven production wells

See the following file on the CD-ROM:

- Ground Water Monitoring Report\_2007-08.pdf

2. Reclaimed water quality and potential volumes

GRU's Kanapaha Water Reclamation Facility ("KWRF") can provide up to 9.0 MGD of flow (annual average day). At this time there is a planned project, Payne's Prairie Sheetflow Restoration, which would utilize almost all of the reclaimed water flow from GRU's Main Street Water Reclamation Facility ("MSWRF") for environmental restoration. If this project proceeds, no reclaimed water would be available from MSWRF; however, if the project does not proceed, an additional 5.5 MGD of reclaimed water would be available from MSWRF.

See the following file on the CD-ROM for KWRF reclaimed water quality and other information:

- 070927 KWRF PERMIT APP FORM 2A.pdf

3. Deerhaven substation one-line electrical diagram

See the following files on the CD-ROM:

- Excerpt from GRU '06 TYSP\_transmission (MS Word)

- DEERHAVEN\_one-line\_11x17.DWG
- Deerhaven Site Transformer Data (MS Excel)

4. Base drawings of site layouts

See the following files on the CD-ROM:

- Deerhaven\_exhibit 1\_Retrofit Constr Area.DWG
- Deerhaven\_exhibit 2.DWG
- Deerhaven\_exhibit 3.DWG
- Deerhaven\_exhibit 1\_Retrofit Constr Area.pdf
- Deerhaven\_exhibit 2.pdf
- Deerhaven\_exhibit 3.pdf

5. Indicative foundation data from the Deerhaven retrofit project

See the following files on the CD-ROM:

- GRU Pile Load Test Report - Deerhaven AQCS.pdf
- Final Soil Boring Report - Deerhaven AQCS.pdf

6. Clarification of land use issues

Details on the Deerhaven site were provided in Addendum 2. To clarify the responsibilities of the GRU staff and the Proposer, the following additional information is offered:

GRU, in conjunction with City of Gainesville Community Development staff, will be responsible for the proposing Public Facilities land use and Public Service and Operations zoning, in conjunction with Conservation land use and zoning in areas where wetlands exist. The process will require a Large Scale Comprehensive Plan amendment. This approval is obtained from the State of Florida Department of Community Affairs in conjunction with the Gainesville City Commission. A final decision will not be made before December 2008.

Beyond the establishment of zoning and land use, all site plan requirements, concurrency management studies, and other development related concerns will be the responsibility of the Proposer.

7. Auxiliary Power rates

GRU does not currently have a standby power tariff for backup, maintenance, or supplemental service. GRU would implement such a tariff prior to the operation of the proposed facility. For informational purposes, the unbundled components of GRU's Large Power tariff are presented below. Proposers may use this tariff as a guide for the maximum charges that GRU would apply to standby power at the current time. However, the actual charges for auxiliary power would depend on GRU's costs at the time the standby tariff is developed and implemented.

GRU Electric Unbundled Rate Components - FY 2008					
Large Power	Taxable Fuel	Generation	Transmission	Distribution	Total
Customer Demand		\$ 3.95	\$ 0.66	\$ 4.39	\$ 265.00
Energy	\$ 0.0065	\$ 0.0053	\$ 0.0020	\$ 0.0132	\$ 9.00
					\$ 0.0270

8. FRCC interconnections/under-frequency standards and GRU substation construction standards

See the following files on the CD-ROM:

- FRCC Generator Coordination\_Standard5.pdf
- GRU Facility Connection Requirements\_020408 (MS Word)
- DeerhavenOption1\_NewGenerationTiedToBuses.pdf
- DeerhavenOption2\_NewGenerationTiedToLine.pdf

9. Interlocal Agreements for Solid Waste Disposal

See the following files on the CD-ROM:

- OriginalAgreement\_SolidWaste\_AlachuaGainesville.pdf
- FirstAmendment\_SolidWaste\_AlachuaGainesville.pdf
- SecondAmendment\_SolidWaste\_AlachuaGainesville.pdf
- InterlocalAgreement\_SolidWaste\_AlachuaNewRiver.pdf

10. Current cost of biosolids

See the following file on the CD-ROM:

- GRU Biosolids Management Plan.pdf

11. Stormwater Pollution Prevention Plan

See the following file on the CD-ROM:

- Deerhaven Stormwater Pollution Prevention Plan.pdf

12. Deerhaven groundwater well site location map

See the following file on the CD-ROM:

- Deerhaven Site Map of Wells.pdf

13. Deerhaven site use restrictions

Deerhaven\_SiteUseRestrictions.pdf

Note: Existing railway system must not be encumbered so as to prevent deliveries.

14. Natural gas price forecasts including commodity and transportation

Below is GRU's Budget Year 2008 Base Case forecast for the delivered cost of natural gas, including transportation. Please note that GRU is in the process of updating this forecast.

<b>Budget Year 2008 Delivered Cost of Natural Gas 100% Load Factor</b>	
<b>Year</b>	<b>\$/MMBtu</b>
2007	7.79
2008	7.76
2009	8.20
2010	8.06
2011	8.13
2012	8.21
2013	8.47
2014	8.88
2015	9.21
2016	9.62
2017	0.03
2018	10.45
2019	10.86
2020	11.14
2021	11.30
2022	11.76
2023	12.23
2024	12.73
2025	12.97
2026	13.27
2027	13.71
2028	14.23
2029	14.66
2030	15.00

15. Contacts for Alachua County and City of Gainesville MSW representatives

**Karen Deeter**

Assistant Director of Public Works, Alachua County  
5620 NW 120<sup>th</sup> Lane  
Gainesville, FL 32602-1188  
(352) 374-5245, ext. 278  
KJD@alachuacounty.us

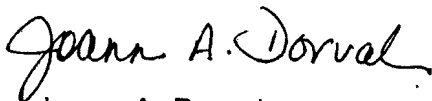
**Teresa Scott**

Public Works Director, City of Gainesville  
P.O. Box 490, Station 58  
Gainesville, FL 32606-0490  
(352) 334-5070, ext. 5801  
SCOTTTA@cityofgainesville.org

16. Air quality modeling

See the following file on the CD-ROM:

- Final Air Quality Impact Study\_Jan2004.pdf



Joann A. Dorval  
Purchasing Manager  
Utilities Purchasing

ACKNOWLEDGEMENT:

Each Proposer shall acknowledge receipt of this Addendum No. 3 by signature below, and shall attach a copy of this Addendum to its proposal.

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 3 and the proposal submitted is in accordance with the information, instructions and stipulations set forth herein.

Proposer: Nacogdoches Power, LLC

By: 



**ADDENDUM NO. 4**  
**BIOMASS FUELED GENERATION FACILITY**  
**Request for Proposals 2007-135**

DATE: March 17, 2008

BINDING PROPOSALS DUE DATE: April 11, 2008 @ 2:00 P.M.

NOTE: This addendum has been sent only to the three proposers invited to submit binding proposals. The original specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary.

1. The following questions have been received. The questions and GRU's answers follow:

A. Question: "Item 14 (of Addendum No. 3) is the current budget year natural gas forecast for GRU. Can you tell me if these numbers are nominal or real and if they are real, what base year dollars are they indexed to. In other words, is this forecast in 2006, 2007 or 2008 dollar values?"

Answer: These gas prices are in "nominal" dollars. (The adjusting for inflation has been undone – they are **not** in constant year "real" dollars.)

B. Question: "At what condition (% Solids) is GRU currently operating and disposing of their Biosolids?"

Answer: 5.3%

C. Question: "What is the maximum condition (% Solids) that GRU capable of and willing to deliver their Biosolids to the GRU Deerhaven Site for processing in the Biomass Electrical Power Generation Facility we are proposing?"

Answer: "5.3% currently. With the addition of mechanical dewatering equipment, GRU could achieve a minimum of 16% solids.

2. In order for GRU to have sufficient time to research and answer further questions, Proposers are requested to submit questions by 5:00 pm, Friday, March 28, 2008. Questions received after that time may not be answered.

Joann A. Dorval  
Purchasing Manager  
Utilities Purchasing




ACKNOWLEDGEMENT:

Each Proposer shall acknowledge receipt of this Addendum No. 4 by signature below, and shall attach a copy of this Addendum to its proposal.

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 4 and the proposal submitted is in accordance with the information, instructions and stipulations set forth herein.

Proposer: Nacogdoches Power, LLC

By: 

**ADDENDUM NO. 5  
BIOMASS FUELED GENERATION FACILITY  
Request for Proposals 2007-135**

DATE: March 25, 2008

BINDING PROPOSALS DUE DATE: April 11, 2008 @ 2:00 P.M.

NOTE: This addendum has been sent only to the three proposers invited to submit binding proposals. The original specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary.

At the City Commission regular scheduled meeting on Monday, March 24, 2008, the Commission approved the attached Evaluation Criteria and relative weights.

The Commission also instructed GRU to provide each respondent the option of submitting more than one proposal for evaluation:

- a. With or without the use of MSW and/or
- b. As either Purchase Power Agreement or Engineer, Procure, Construct

(Signed)

Joann A. Dorval  
Purchasing Manager  
Utilities Purchasing

**ACKNOWLEDGEMENT:**

Each Proposer shall acknowledge receipt of this Addendum No. 5 by signature below, and shall attach a copy of this Addendum to its proposal.

**CERTIFICATION BY PROPOSER**

The undersigned acknowledges receipt of this Addendum No. 5 and the proposal submitted is in accordance with the information, instructions and stipulations set forth herein.

Proposer: Nacogdoches Power, LLC

By: 