



# Commonwealth Utilities Corporation



## REQUEST FOR PROPOSALS

CUC-RFP-25-021

Independent Power Producer-Solar Photovoltaic with Battery Energy Storage System (BESS)  
for all Islands, CNMI

### Question (RFI/C) No. 014: EPS CNMI

Date: September 26, 2025

\*\*\*\*\*

CUC provides the following responses to the Request for Information/Clarification (RFI/C):

1. Is the RFP intended to be awarded as a long-term Independent Power Producer (IPP) / Power Purchase Agreement (PPA) arrangement where the proponent finances, owns, and operates the facilities and sells power to CUC? If so, will the ability of the proponent to finance the system be heavily weighted in the Evaluation methodology during the Qualification Phase?

**CUC RESPONSE:** Yes. The RFP is primarily intended for a long-term IPP/PPA structure, wherein the proponent finances, owns, operates, and maintains the renewable energy and storage facilities while selling power to CUC under a long-term PPA. Accordingly, the proponent’s demonstrated financial capacity, project financing plan, and ability to sustain long-term operations will be significantly weighted in the evaluation and qualification process as part of the financial and organizational capability criteria.

2. Alternatively, does CUC expect or allow proposals structured as an EPC (Engineer-Procure-Construct) contract, where CUC would own the assets directly after construction? If so, how would CUC facilitate payment for the assets?

**CUC RESPONSE:** Yes. While the RFP prioritizes an IPP/PPA arrangement, CUC will also consider EPC-type proposals where the assets are transferred to CUC upon completion. In such cases, payment terms and milestones will be established under a fixed-price EPC contract, subject to funding availability and approval from CUC and the CNMI government. EPC-based submissions must clearly define scope, costs, and warranty terms to facilitate evaluation alongside IPP proposals.

3. The RFP also references a tolling-type arrangement and “any other feasible arrangement.” Could CUC please clarify whether proponents are encouraged to propose multiple structures (IPP, EPC, tolling) or if the evaluation will prioritize one model over the others?



# Commonwealth Utilities Corporation



**CUC RESPONSE:** Proponents may propose multiple feasible structures, such as IPP, EPC, or tolling, provided that each structure is submitted as a separate proposal, and provided that each proposal is clearly defined, fully priced, and technically compliant with the RFP. CUC's evaluation process will not automatically prioritize one model over another, but rather will assess each proposed structure on its technical merit, financial soundness, and long-term benefit to ratepayers and the CNMI.

4. For the Performance and Payment Bond requirement (100% of total proposal price), can CUC confirm whether this applies to the capital construction cost of the project or to the full 25-year PPA contract value?

**CUC RESPONSE:** The Performance and Payment Bond requirement applies to the total project construction cost, not the full 25-year PPA contract value. The bond must cover the EPC and commissioning scope to ensure faithful performance of contractual obligations during project implementation and completion.

5. For the Cost Proposal, are proponents being asked to quote the cost for the Engineering, Procurement, and Construction (EPC) of the system? If so, should Operation and Maintenance costs for the lifetime of the system be included as well, making the Cost Proposal a full Financial Projection of the solar project? Or is CUC merely asking for the rate (in \$/k Wh) that would be charged by the proponent under the PPA?

**CUC RESPONSE:** Proponents under an IPP/PPA model should provide a proposed tariff rate (\$/kWh) representing the levelized cost of energy (LCOE) inclusive of capital, financing, operation, and maintenance costs. For EPC-based proposals, proponents should provide a comprehensive EPC price and identify O&M cost estimates separately. CUC will evaluate cost submissions in accordance with the proposed contractual structure.

6. If the contract is **PPA** why does CUC require bid bond?

**CUC RESPONSE:** A Bid Guarantee is not required for this project. However, a Payment Bond of one hundred (100%) percent and a Performance Bond of one hundred (100%) percent of the total bid price will be required upon the execution of the contract by the selected proponent.

7. **Bonds – penal sum basis for IPP.** Addendum No. 1 confirms timing (upon contract execution). For a per-k Wh IPP, what **basis** should determine the 100% penal sum (e.g., EPC cost, annual fixed revenue, or NPV of contract payments)? Please confirm.



# Commonwealth Utilities Corporation



**CUC RESPONSE:** For IPP projects, the penal sum for the Performance and Payment Bond shall be based on the EPC/construction cost portion of the project and not on total lifetime revenue or PPA contract value. The intent is to guarantee completion and commissioning of the physical project assets under the agreed construction milestones.

8. **Negotiations date.** Table 1.6 shows **Nov 20** for negotiations; the Pre-Proposal Agenda shows **Nov 26**. Which date should proponents plan for? Will a formal **Intent to Award** notice still precede CPUC review?

**CUC RESPONSE:** Proponents should plan for negotiations to commence on November 20, 2025, as indicated in Table 1.6 of the RFP. CUC will update the erroneous November 26 date referenced in the Pre-Proposal Agenda to align with the timeline in Table 1.6 of the RFP. Yes, a formal Notice of Intent to Award will be issued by CUC prior to the Commonwealth Public Utilities Commission (CPUC) review and approval.

9. **Models – required toolsets.** Section 7.11 requests **PowerFactory** models and **also PSS@E/PSCAD** models with validation. Are **both** stacks mandatory, or will either PowerFactory **or** PSS@E+PSCAD (with validation reports) satisfy the requirement?

**CUC RESPONSE:** Proponents may submit either PowerFactory or PSS@E/PSCAD models, provided that the model set is validated and accurately represents the proposed system's dynamic and steady-state performance. Validation reports are required in all cases. The use of PowerFactory is preferred for compatibility with CUC's existing planning tools but is not mandatory if equivalent validated models are provided.

10. **Minimum size vs. Rota.** Section 7.6 sets a **5 MW (ac)** minimum per proponent, while **Rota** is a **3-MW** PV build. Will CUC accept a **Rota-only** proposal below 5 MW (ac), or must Rota be combined with another island to meet the minimum?

**CUC RESPONSE:** Yes, CUC will accept a Rota-only proposal below 5 MW (ac) recognizing the smaller system demand and grid size on Rota. The 5 MW minimum applies to combined or multi-island proposals, while Rota may be bid individually at its designated capacity as reflected in the RFP.

11. **Grid-forming requirement.** Does “BESS shall operate in **grid-forming mode at all times**” mean a continuous **grid-forming** capability (including parallel/hybrid operation) and during **black-start/islanded** states, or literally 24/7 irrespective of dispatch?

**CUC RESPONSE:** The requirement means the BESS must be capable of continuous grid-forming operation, including during parallel operation with diesel generation, and must also



# Commonwealth Utilities Corporation



be able to black-start and sustain islanded operation when required. The BESS controller shall autonomously manage grid-forming functionality according to system dispatch and operational conditions but does not need to operate in that mode 24/7 when not grid-forming.

12. **Ride-through envelope.** When the custom frequency ride-through table differs from **IEEE 2800**, which governs?

**CUC RESPONSE:** In the event of a discrepancy, the custom frequency ride-through table specified in the RFP shall govern for this procurement. The IEEE 2800 standard serves as the baseline requirement, and all additional CUC-specific parameters are intended to supplement or tighten the default IEEE 2800 ride-through envelope to meet local grid conditions.

13. **Resiliency standard.** Please specify the **design code and basic wind speed** (e.g., **ASCE 7** parameters) that substantiate the **210-250 mph** requirement and confirm scope (modules/trackers, switchgear, BESS enclosures, buildings).

**CUC RESPONSE:** The design and structural requirements are based on ASCE 7-16 (Minimum Design Loads and Associated Criteria for Buildings and Other Structures) with basic wind speeds ranging from 210 to 250 mph (3-second gust) as applicable to Typhoon Zone 5 (CNMI). This wind standard applies to all project components, including PV modules, mounting systems, switchgear, BESS enclosures, and ancillary structures.

14. **Grid Code.** Will CUC issue a **Grid Code/Protocol** for interconnection and operations (setpoints, droop curves, AGC participation, fault ride-through tests), or should proponents assume **IEEE 280 plus the RFP's added requirements**?

**CUC RESPONSE:** CUC is in the process of developing a formal Grid Code to standardize operational and interconnection parameters across its service territory. Until the Grid Code is finalized, proponents should assume IEEE 2800 compliance along with the specific performance and control requirements stated in the RFP. Any updated Grid Code provisions, once approved, will be incorporated into the final project agreement.

15. **Site Control.** For the recommended sites (Naftan, Kalabera, Tinian, Rota), will CUC/DPL **hold the land interest** and sub-license to the IPP, or should the IPP **directly secure** leases/licenses, with CUC support?

**CUC RESPONSE:** CUC has initiated the public lands designation requests with the CNMI Department of Public Lands (DPL) for the properties listed in the RFP. Refer to page 23 of 31 of the Scope of Work. DPL has already issued CUC a grant of public domain for public lands



# Commonwealth Utilities Corporation



located in the Kalabera area. In addition, DPL is reviewing CUC's requests for designation of public lands in the other identified areas, including the Naftan area. Designation of public lands in the other identified areas, including the Naftan area, is expected by October 31, 2025. Other public lands may also be available for designation to CUC, although DPL will consider any competing requests for use of the land, including requests for leases of those public lands directly to proponents or to other potential lessees for purposes unrelated to this project.

Proponents may choose whether to submit cost proposals for public lands designated to CUC, public lands the proponent will directly lease from DPL, or leased private lands.

For projects on public lands designated to CUC, DPL will not charge base rent for a lease or otherwise collect rental payments from CUC or CUC's contractor selected for this project. In addition, DPL will not charge CUC or CUC's contractor any percentage of any revenue or business gross receipts from this project. As a result, for projects on public lands designated to CUC, there should be no pass-through costs to CUC.<sup>1</sup> The only right DPL retains after designating public land(s) to CUC is the right to cancel the designation if CUC is not using the public land(s) for its designated purpose. Grounds for cancellation of the designation include private commercial use of the designated land by the contractor, including the contractor's direct sales of electricity to consumers (bypassing CUC). In addition, after the contract term for this project has ended, ownership and control of the project must revert to CUC.

For projects on public lands not designated to CUC, other uses of the public land, including the contractor's direct sales of electricity to consumers (bypassing CUC), are permitted as agreed by DPL. Public land leases entered directly between the contractor and DPL are subject to all DPL regulations governing the temporary occupancy of public lands, including the fee structure base rent and additional rent for new leases. Any land lease costs associated with public lands the proponent plans to directly lease from DPL, or associated with leased private lands, should be included in the proponent's cost proposal as a pass-through cost. All inquiries regarding public land acquisition should be directed to the CNMI Department of Public Lands Secretary, Mr. Sixto Igisomar.

16. **Contract Form.** The **Form Contract** reads like a performance/rental agreement with weekly off-take guarantees and CUC indemnities. Will CUC issue a **PPA-style form** for IPP projects, or should bidders assume material **modifications** to Appendix E during negotiation?

---

<sup>1</sup> Please note that DPL's intent in designating public lands to CUC is to facilitate lower cost proposals, with the expected result of an associated reduction in utility costs for CUC's consumers, which include persons of Northern Marianas Descent. All proposals for projects on lands designated to CUC should reflect these savings



# Commonwealth Utilities Corporation



**CUC RESPONSE:** CUC intends to issue a PPA-style contract for IPP projects. The current Form Contract in Appendix E serves as a template and will be modified during contract negotiations to align with the selected project structure (IPP, EPC, or tolling). Proponents should expect material updates to Appendix E reflecting the final PPA framework, performance standards, and payment terms prior to contract execution.

A handwritten signature in blue ink that reads "Kevin O. Watson".

**KEVIN O. WATSON, MPA**

Executive Director

Commonwealth Utilities Corporation

**\*\*\*END OF RFI/C Response No. 014\*\*\***