



ADDENDUM #2

Small Solicitation for 2060-23 RFP Clean Energy Program

Original Notice of RFP Issued on: April 10, 2023
Last day for questions: Thursday, April 27, 2023

Response Due Date: Thursday, May 11, 2023 @ 2:00pm

April 25, 2023

To All Prospective Bidders:

The purpose of this addendum is to provide answers to questions raised by a potential bidder(s).

Question 1:

In accordance with the Solicitation instructions for questions, we pose the following:

Question about Question 6, Phase I Asset Operations:

Energy Supply and Demand Inventory and Forecast - Develop short-, medium-, and long-term energy supply and demand forecasts for physical assets managed by the Authority and the Instrumentalities. This forecast will serve as the baseline case for pathway modeling and action prioritization. Forecasts should account for variables such as expected population growth and development trends, while providing reasonable assessments of future resource mix under business-as-usual (BAU) scenarios.

Given Question 4's task to estimate energy asset lifetimes, we are uncertain about the agency's expectations of scope or the precise value of the outcome. We have never encountered this task for an agency the size of a housing authority: it is more commonly an electric or gas utility requirement to forecast conditions that underly rate changes. We understand that the modeling task in Phase II is the appropriate insertion of the results, but we do not understand how attempting to estimate the trajectory of so many key variables affecting supply and demand of energy sources over the medium and long term (short-term is more manageable) will fundamentally alter the modeling exercise without the expenditure of \$100,000 or more, and even that level of precision will be largely conjectural over any period longer than 5-7 years.

For thirty years our team's approach has been to review the past ten years of utility rate behavior, and interview utility regulatory commission staff about projected trends and possible policy changes—such

as rate structure modifications. The results have been estimates of medium and long-term utility rate changes in the 2-5% range in the vast majority of cases (water is not infrequently in the 5% range).

Reading the wording of Task 6 implies forecasts of up to 20 years of energy costs and reliability. To do so in 2023 in the context of a rapidly changing public policy environment is a very challenging exercise. As we understand the agency's charge, we must take into account and project trends and impacts for at a minimum the following elements:

- Electric and gas utility rate increases/changes;
- Electric rate structure modifications (esp. peak pricing)
- Net metering policy and rates
- Solar installation costs, including estimates of property leasing costs and financing innovations
- State and federal climate mandates affecting natural gas availability;
- Storage technology improvements, availability and costs, esp. for batteries
- Microgrid interconnect regulations and likely changes
- Likelihood, frequency and impacts of climate emergencies from winter storms, summer heat, etc.
- Likelihood and impacts of future supply chain shortages from key metals and microchips manufactured overseas, given the potential of international conflicts, trade wars, severe virus outbreaks, climate disasters
- Emergence and cost of new technologies or major improvements to existing energy and building materials affecting energy use
- Demographic and population changes in agency portfolio and their impacts on energy behaviors and usage
- Forecasts of future changes in employment conditions, esp. the prevalence of working from home

There are perhaps other factors that are important not listed above. This is a major undertaking, and we believe the volatility of factors affecting many of these elements is significant, thereby limiting its usefulness in the modeling exercise. We seek further elaboration of the expectations the agency has for this task

ANSWER 1: Eliminate Phase 1 part 6

QUESTION 2:

Are there any resident organizations which might be appropriate for energy-related work on housing authority properties, even apartment access, if permitted, that we might contact? If not, how about Section 3 eligible individuals?

ANSWER 2: You do not need to hire or even interview any residents but allowing us to share this information at our properties would go toward your fulfillment of Section 3 obligations.

All other terms and conditions remain the same.

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SPS 2060-23 Clean Energy Program

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