



**New Mexico Climate Investment Center**

**Request for Proposals (RFP): RFP-TPO-001**

**Third-Party Owned (TPO) Solar PV on Residential Buildings**

<b>Milestone</b>	<b>Date</b>
RFP launch date	April 4th, 2025
Questions Due	April 11th, 2025 by 11:59pm Mountain Time
Answers Emailed	April 18th, 2025
<b><u>Proposals Due</u></b>	<b><u>May 5th , 2025 by 11:59pm Mountain Time</u></b>
<u>Selection Notifications</u>	<u>May 12th, 2025</u>
Memorandum of Understanding Execution	<u>June 30th, 2025</u>

**Table of Contents**

**1. BACKGROUND..... 3**

**2. RFP DESCRIPTION ..... 3**

**3. PURPOSE ..... 3**

**4. SCOPE OF WORK ..... 3**

**5. NMCIC SOLAR LEASING REQUIREMENTS ..... 4**

**6. MINIMUM LEASE AND/OR PPA REQUIREMENTS ..... 5**

**7. PREFERRED LEASE AND/OR PPA REQUIREMENTS ..... 5**

**8. PROPOSAL REQUIREMENTS ..... 5**

<b>9. ATTACHMENTS</b> .....	8
<b>10. EVALUATION CRITERIA</b> .....	8
<b>11.SUBMISSION INSTRUCTIONS</b> .....	9
<b>12.QUESTIONS</b> .....	9
<b>13. TERMS AND CONDITIONS</b> .....	9
<b>Appendix A - Resume Template</b> .....	10
<b>Appendix B - Reference Questionnaire</b> .....	11

## 1. BACKGROUND

The New Mexico Climate Investment Center (NMCIC) is exploring third-party owned (TPO) implementation strategies to support, expand, and streamline efforts to deploy solar photovoltaic (PV) systems in New Mexico's underserved communities. NMCIC will enable low-income and disadvantaged communities in New Mexico to implement and benefit from solar energy, and will catalyze market transformation and industry development by building a sustainable and diverse solar workforce and leveraging private capital.

## 2. RFP DESCRIPTION

NMCIC seeks proposals from qualified vendors to act as solar third-party ownership ("TPO") providers to support, expand, and streamline efforts to deploy solar photovoltaic ("PV") systems in New Mexico. The TPO system should reduce the burdens of tax credit monetization, operations, and maintenance of the installed systems for participating homeowners ("Customers"). An initial sum of up to \$4 million may be deployed through TPO structures for single-family solar installations. Actual amounts deployed will depend on uptake by the market.

**To be considered, proposals must be submitted by the deadline of 11:59pm Mountain Time on May 5th, 2025. This is a strict deadline. No proposals will be accepted after this deadline.**

## 3. PURPOSE

NMCIC seeks to identify vendor(s) qualified to provide leases to eligible Customers for solar PV systems. Customers interested in TPO structures through NMCIC may only work with NMCIC-selected and approved TPO providers. This RFP seeks to select a TPO provider who will enter into a financial assistance agreement in the form of a loan provided by NMCIC. Subsequently, the TPO provider will enter into mutually beneficial leases with Customers. NMCIC is specifically interested in TPO providers offering solutions that ensure the long-term financial and operational viability of the solar projects.

## 4. SCOPE OF WORK

The selected TPO provider under NMCIC will be responsible for providing lease options to eligible single-family homes for PV systems. The selected TPO provider will provide production guarantees and be responsible for ensuring the installation, operation, maintenance, and warranty servicing of the technologies.

NMCIC expects its financial assistance to the selected TPO provider will be in the form of a loan. Terms and conditions will be determined at a later date, post award. The term of the TPO lease with the Customers should extend for the expected life of the solar installation (15 to 20 years) with a buyout option after five years. NMCIC expects that its financial assistance will cover the entire cost of the installation, net of any tax equity investment, as appropriate. The selected TPO provider may assess fees on the PV system installation and servicing, as determined by this RFP.

The TPO provider may also be the Engineering, Procurement and Construction (EPC) entity for the solar PV systems, or may enter into a three-way contractual agreement with an NMCIC-vetted and approved contractor for the EPC portion of the project. Proposals should indicate whether the TPO provider will also perform the EPC or will subcontract with one or more NMCIC-vetted contractor/s for EPC of the PV systems.

The Scope of Work includes the following:

1. **Underwriting:** Underwrite the prospective customer to ensure the customer meets minimum requirements agreed upon with NMCIC.
2. **Lease or PPA:** Execute a lease or PPA with the NMCIC Customer, with oversight from NMCIC.
3. **EPC:** Implement EPC activities directly or subcontract with an NMCIC-vetted and approved EPC entity to install Eligible Technologies in New Mexico.
4. **O&M:** Operation, timely maintenance, production guarantee, and warranty servicing of the installed photovoltaic system.
5. **Customer Service:** Communication and customer support provided to the NMCIC Customer.
6. **Tax Benefit Monetization:** Monetization of the Section 48 Investment Tax Credit (ITC), including tax credit adders, where possible
7. **Lease/PPA Fiscal Management:** Manage ongoing accounting, tax, legal, reporting, and other financial aspects of the leases and/or PPAs.
8. **Regulatory Compliance:** Comply with all applicable federal regulations including, but not limited to, Build America, Buy America (BABA) and Davis-Bacon and Related Acts (DBRA), as applicable when investments are made with National Clean Investment Funds (NCIF).
9. **Production Guarantee & Monitoring:** Share PV energy production data with NMCIC on a quarterly basis to facilitate NMCIC's aggregation and monetization of Renewable Energy Certificates (RECs).
10. **Loan Repayment:** Make timely loan repayments to NMCIC.
11. **Minimum Household Savings:** ensure participating households experience the equivalent of at least 20% monthly utility bill savings compared to their average utility bill over a 12 month period, if the Customer chooses a simple solar-only lease.

NMCIC and the selected TPO provider will jointly develop a customer outreach and marketing strategy.

The Scope of Work may be altered to accommodate necessary changes agreed upon between NMCIC and the selected TPO provider during the contract negotiations phase of this RFP.

## 5. NMCIC SOLAR LEASING REQUIREMENTS

Any eligible customer benefiting from an NMCIC project must experience at least 20% energy savings compared to their prior electricity bill. The selected TPO provider will work closely with NMCIC to confirm that financial product offerings enable the Solar Leasing savings requirements. In addition, Solar Leasing funds may be subject to certain federal requirements such as Build America, Buy America (BABA) and Davis Bacon and Related Acts (DBRA). Finally, eligible customers for the first phase of this program are homeowners that qualify as low-income (LI) customers who may otherwise have difficulty in accessing rooftop solar for their homes. Under this objective, NMCIC defines the target customer as a household or individual earning less than 80%, based on HUD statewide income

tables.

## 6. MINIMUM LEASE AND/OR PPA REQUIREMENTS

All TPO options must meet the following minimum requirements:

1. TPO option must include ongoing operations and maintenance support as part of the lease/PPA contract and continue to offer maintenance support even in the case of sale of the system or the solar leases or PPA to third parties;
2. TPO option must include solar system insurance (including inverter and other components) for the whole term of the Customer contract;
3. TPO option must include robust warranty management post-installation;
4. TPO option must be made available to Customer with no money down;
5. Site evaluation must include shading analysis and other system requirements reflected in NMCIC's EPC qualification process; and
6. Allow for monetization of Renewable Energy Certificates (RECs) associated with the systems.

In addition, single-family TPO options must meet the following minimum requirements:

1. TPO option must be cash-flow positive on day one for Customer and include contracted first year customer net savings minimums of 20% for Customer;
2. TPO option must allow Customers to receive a substantial part of the financial benefits afforded by federal tax incentives to the selected TPO provider(s) and be structured to yield projected net savings of 20% to Eligible Customers during the contract term;
3. Customer contracts must include production guarantees for the whole contract term; and
4. TPO option must allow for inclusion of basic enabling upgrades to the property.

## 7. PREFERRED LEASE AND/OR PPA REQUIREMENTS

In the evaluation of proposals, preference will be given to those that:

1. Propose to include pathways to ownership for Customers, including for example early repayment clauses and purchase options in lease contracts, or purchase options following milestones in PPAs;
2. Propose to use alternative approaches to underwriting instead of, or in addition to, FICO;
3. Propose approaches that limit risk exposure from escalators to Customers; and
4. Includes choices in the contract pricing structure for consumers.

## 8. PROPOSAL REQUIREMENTS

Proposal submissions should not exceed 20 pages, 1" margins, 12-point font, single-spaced (excluding attachments). Submissions should include the following three sections, in addition to the attachments listed further below:

### Section 1: History, Qualifications, and Experience

- **Cover Page:** Include a cover page with your organization's EIN, unique entity identifier (UEI) from SAM.gov, primary contact, and whether your company is interested in being a TPO provider for single-family residential rooftop solar and/or commercial solar.
- **Company Information:** Provide background on your company, including size, location, areas of operation, business model, years in operation, financial health, and organizational experience operating as a solar energy and/or storage TPO provider. If relevant, include your experience

- working with low-income and disadvantaged communities, including using alternative underwriting approaches. Disclose any history of regulatory violations, non-compliance, or fraud. Include as an attachment your company's last three (3) years of audited financial statements and at least three (3) references as an attachment (see Appendix B - Reference Questionnaire).
- **Personnel & Qualifications:** Provide an overview of your team, including roles, responsibilities, and relevant experience. Include one-page resumes for at least three (3) and up to five (5) key personnel (see Appendix A – Template Resume).

## Section 2: Technical Proposal

- **TPO Approach:** Describe your operational approach to third-party ownership of photovoltaic systems, including how you handle installation (e.g., directly or subcontracted), pre-installation upgrade requirements, management and reporting on PV systems, software platform(s) used (including security protocols), customer service approach, and potential risks, challenges, and mitigation approaches in the next five years. Clearly state whether you plan to be a TPO provider only, or both the TPO and EPC/installer in addition to system owner.
- **Organizational capacity plan:** Describe your plan for scaling up organizational capacity (staffing, software, establishing a New Mexico subsidiary, and other resources) to deliver on this proposed contract. Please estimate the length of time from setup to being able to sell your first lease.
- **Subcontractors:** Describe the use of contractors and your approach to communicating with, supervising, and assuring performance/compliance of subcontractors, in addition to prior experience with any specific subcontractors, particularly if operating as a TPO and not as an EPC.
- **Operations:** Describe your company's approach to energy production monitoring (devices and software used). Detail how you compile and report this production data.
- **Maintenance:** Describe how you handle maintenance scheduling, performance guarantees, warranty servicing, repairs, and eventual decommissioning of photovoltaic and energy storage systems. Describe your approach to portfolio sales and how you would ensure ongoing operations and maintenance in the event of a portfolio sale. Please share typical achieved turnaround times for maintenance of a PV system for a customer.
- **Technology:** Detail the photovoltaic, inverter, and battery storage products (manufacturers, quality standards, and models) your team or subcontractors have training and experience with, including procurement practices and warranty information for major components (e.g., inverters, transformers).
- **Lease and/or PPA Structuring:** Provide a detailed description of how you analyze, underwrite, and structure lease or PPAs with Customers. Describe how you would address the minimum and preferred requirements included in Section 6 and 7 above. Provide a detailed description of how you would handle buyout and transfer of system leases or PPAs including the process and price schedule. Provide a detailed description of proposed terms, conditions, and processes around customer defaults.
- **Tax Benefit Monetization:** Describe your proposed approach for federal tax monetization (including ITC and MACRS), and your openness and preferences for NMCIC providing a tax credit bridge loan for the portion of the tax credit.
- **Renewable Energy Certificates (RECs):** Provide details about your REC monitoring and monetization strategy. Do you already have a REC buyer you prefer to work with?
- **Federal compliance:** Describe your organization's policies, procedures, and experience in complying with key federal requirements, as applicable, including reporting, Build America Buy

America, and Davis Bacon and Related Acts.

- **Other services:** Describe any other services you can or would like to provide, such as resident income verification or marketing and outreach.

### Section 3: Cost Proposal

- **New Mexico Setup Costs:** Please describe estimated setup costs and timeframe for establishing a New Mexico entity
- **Fees:** Provide a cost proposal that includes a detailed and comprehensive description of any fees your company proposes to assess on an installation, including any setup or subscription fees or developer fees, O&M reserve fees, inverter, microinverter, or any other related costs including non-solar enabling upgrades (e.g., roof repairs, electric panel upgrades, wiring upgrades, and energy efficiency upgrades).
- **Lease / PPA Model(s):** Respondents should submit a Microsoft Excel-based model that demonstrates the monthly lease payment or PPA rate charged to customers over a 20-year period as the output. The model can include up to three scenarios for single-family TPO, if needed. The model should be editable such that changes made to assumptions automatically flow down to the outputs of the model. Other preferred model assumptions for single family TPO are noted below in Table 1. Respondents may also submit commentary and suggestions on the assumptions noted below. Respondents should add additional assumptions as necessary so that the model is inclusive of all potential fees, costs, and revenue sources (e.g., maintenance costs, REC revenue, tax credit benefits, etc.), including a brief explanation of the basis for each assumption.
- Please provide an example in the model that is inclusive of appropriate tax credit “adders” under the IRA (energy communities, low-income or overburdened communities, etc) and one that only includes the base tax credit assumptions.
- Finally, respondents should add a section that applies a “stress test” to their assumptions. Please show an interest rate and non-payment rate stress test where interest rates are increased by 50 and 100 bps, and non-payment rates are increased by 50 and 100 bps. If desired, respondents may include scenarios where interest rates and non-payments rates decrease by the same amounts.

**Table 3. Residential TPO Assumptions**

Field	Assumption
<b>Average system size</b>	6.5 kW
<b>Avg starting utility bill</b>	\$130
<b>First yr ave electricity cost</b>	0.14 \$/kWh
<b>Annual utility bill escalation</b>	2%
<b>Avg bill after solar</b>	\$104
<b>Average capacity factor</b>	20%

<b>Loan terms (interest rate, tenor)</b>	Respondent includes a loan interest rate and tenor necessary to achieve the minimum 20% bill savings (i.e., \$312 in Year 1)
--	--

**9. ATTACHMENTS**

Please include the following attachments:

- One-page resumes for at least three (3) and up to five (5) key personnel. (See Appendix A – Template Resume).
- At least three (3) professional references from site hosts, customers, or finance institutions with whom you have completed similar projects. Include contact information and a brief description of the work performed. (See Appendix B - Reference Questionnaire. Completed Reference Questionnaires should be submitted directly to NMCIC by reference.)
- Section 3 Cost Proposal – Lease model (.xlsx).
- The last three (3) years of audited financial statements.
- Example of a lease contract from an existing project.
- Additional attachments may be included but are discouraged and should be kept to a minimum.

**10. EVALUATION CRITERIA**

Proposals will be evaluated based on the following criteria and will be consistently evaluated and scored based on the following factors and relative weights:

**A. History, Qualifications, and Experience (30%)**

- Demonstrated experience in developing and implementing TPO solutions in the photovoltaic and energy storage sectors.
- Demonstrated experience using alternative underwriting approaches and/or working with low-income and disadvantaged communities.
- Technical expertise in managing or overseeing the operation and maintenance of photovoltaic and energy storage systems.
- Ability to integrate software with lenders and third-party production monitoring
- Financial health evidenced in financial statements to sustain projects of applicable size and scope.
- Proven track record of servicing and maintaining projects on time and within budget.
- No history of regulatory violations, non-compliance, or fraud per background check.
- Proven track record of delivering predictable value through cost-savings and high quality service to customers.

**B. Technical Proposal (35%)**

- Clarity, feasibility, and reasonableness of TPO pricing, structuring, and implementation.
- Ability to meet applicable minimum and/or preferred requirements.



- Evidence of ability to comply with all relevant federal requirements, such as Davis Bacon and Related Acts (DBRA), Build America, Buy America (BABA), or explanation and citations of exemptions.
- Tax credit and REC monetization strategy maximizes overall project benefits.

**C. Cost Proposal (35%)**

- High cost-effectiveness and efficient use of federal funds.
- Maximum financial benefits provided to Customers.

**11. SUBMISSION INSTRUCTIONS**

Submit your proposal electronically to [info@nmcic.org](mailto:info@nmcic.org) with the subject line “TPO RFP” no later than May 5th, 2025 by 11:59pm Mountain Time. Responses must be provided as attachments to an email. It is recommended that attachments with file sizes exceeding 25MB be compressed (i.e., zipped) to ensure message delivery. Late submissions will not be considered. Only electronic responses will be accepted.

NMCIC will not respond to individual submissions or publish publicly a compendium of responses. A response to this RFP will not be viewed as a binding commitment to develop or pursue the project or ideas discussed.

**12. QUESTIONS**

All questions regarding this solicitation shall be submitted to [info@nmcic.org](mailto:info@nmcic.org) with the subject line “TPO RFP Question” by April 11th, 2025 by 11:59pm Mountain Time. NMCIC targets posting answers on its website on April 18th, 2025

**13. TERMS AND CONDITIONS**

NMCIC reserves the right to accept or reject any or all proposals, and to negotiate with any respondent. All materials submitted as part of the proposal become the property of NMCIC and may be used as deemed necessary. The selected vendor(s) will be required to enter into a formal contract with NMCIC.

**Appendix A – Resume Template**

Name of RFP Respondent (Firm):			
Individual’s Name:			
Individual’s Title:			
Years in Classification:		Years with Firm:	
<b>BRIEF SUMMARY OF PROFESSIONAL EXPERIENCE</b>			
Include a summary of the proposed individual’s professional experience.			

<p><b>RELEVANT EXPERIENCE</b>          Include timeframe, company name, company location, position title held during the term of the contract/project and details of the contract/project.</p>
<p><b>EDUCATION</b>          Include institution name, city, state, degree, and/or achievement and date completed/received.</p>
<p><b>CERTIFICATIONS</b>          Include type of certification and date completed/received</p>

**Appendix B – Reference Questionnaire**

**1. BUSINESS REFERENCE INSTRUCTIONS**

The NM Climate Investment Center (NMCIC) requires business references for each RFP response.

- RFP respondents should provide Appendix B to every organization providing a business reference.
- Completed questionnaires should be submitted to [info@nmcic.org](mailto:info@nmcic.org) with “TPO RFP Reference” in the subject line.
  - **Do not return the Reference Questionnaire to the Proposing Vendor.** References must be submitted to NMCIC by the entity writing the reference.
- The completed Reference Questionnaire must be received no later than the due date in *Section 2*.
- In addition to collecting the Reference Questionnaire, NMCIC may contact references by phone.
- NMCIC requests all questions be answered.
- If an answer is not known, please answer as ‘U/K’.
- If the question is not applicable, please answer as ‘N/A’.
- If additional space is needed to answer a question or provide a comment, please attach additional pages.
- If attaching additional pages, please place your company/organization name on each page and reference the appropriate RFP number.
- NMCIC will treat completed Reference Questionnaires as confidential. NMCIC will not disclose submitted references but will confirm if a reference has been received.

**2. REFERENCE INFORMATION**

Company Providing Reference:	
Contact Name:	
Contact Title:	
Contact Phone:	
Contact Email Address:	

**3. REFERENCE QUESTIONS**

Provide a numerical rating corresponding to the below rating methodology.

Category	Rating
Poor or Inadequate Performance	0
Below Average Performance	1-3
Average Performance	4-6
Above Average Performance	7-9
Excellent Performance	10

QUESTION	COMMENT	RATING
----------	---------	--------

In what capacity have you worked with this vendor in the past?		
Rate the vendor's knowledge and expertise.		
Rate the vendor's flexibility relative to changes in the project scope and timelines.		

<p>Rate your level of satisfaction with soft and/or hard copy materials produced by the vendor.</p>		
<p>Rate the dynamics/interaction between the vendor and your staff.</p>		
<p>Rate your satisfaction with the products developed by the vendor.</p>		
<p>Rate how well the agreed upon, scope of work and planned schedule was consistently met and deliverables provided on time and per specifications.</p>		
<p>Rate the overall customer service and timeliness in responding to customer service inquiries, issues, and resolutions.</p>		
<p>Rate the knowledge of the vendor's assigned staff and their ability to accomplish duties as contracted.</p>		