



**ADDENDUM NO. 3
Issued October 8, 2014**

TO

**“REQUEST FOR QUALIFICATIONS
FOR
CSWS South Meadows Units 5 and 6 Power Purchase
Agreement
(RFQ Number 15-OP-001)
(RFQ Issued September 18, 2014)**

Note: Entities submitting a Statement of Qualifications are required to acknowledge this and all Addenda in Section 3 of the Statement Of Qualifications Form (Exhibit 4 to the RFQ package of documents).

This Addendum is comprised of two (2) sections:

1. MIRA initiated changes and clarifications to the RFQ package of documents;
2. MIRA responses to written questions received from RFQ participants as of Wednesday, October 8, 2014.

1. CRRA INITIATED CHANGES AND CLARIFICATIONS TO THE RFQ PACKAGE OF DOCUMENTS

Attached to this Addendum No. 3 is a **Revised Exhibit 6** (provided to only RFQ Participants who have submitted a completed Expression of Interest Form). This **Revised Exhibit 6** replaces in its entirety the Exhibit 6 originally issued September 18, 2014 as part of the RFQ package of documents. RFQ participants shall incorporate this **Revised Exhibit 6** into its Statement of Qualifications submittal.

2. MIRA RESPONSES TO WRITTEN QUESTIONS RECEIVED BY MIRA AS OF OCTOBER 8, 2014

1.	Question	CRRA is rated with Moody's whereas MIRA is not. Given that MIRA is the successor of CRRA, will MIRA be rated? What should we use?
	Answer	<p>For all intents and purposes MIRA is CRRA. Section 1 of Public Act 14-94 which created MIRA states in part:</p> <p style="text-align: center;"><i>“Section 1. (NEW) (Effective from passage) (a) There is established the Materials Innovation and Recycling Authority. The Materials Innovation and Recycling Authority shall constitute a successor authority to the Connecticut Resources Recovery Authority in accordance with the provisions of sections 4-38d, 4-38e and 4-39 of the general statutes.</i></p> <p>Further, pursuant to Section 4-38d(d) of the Connecticut General Statutes MIRA is authorized to assume control of CRRA's rights, duties and obligations and continues CRRA's ongoing business.</p> <p style="text-align: center;"><i>“Sec. 4-38d (d) Completion of unfinished business. Any contract, right of action or matter undertaken or commenced by any department, institution or agency, or any division thereof, the functions, powers or duties of which are so assigned or transferred, may be conducted and completed by its successor in the same manner and under the same terms and conditions and with the same effect as if undertaken or commenced and conducted and completed by the department, institution or agency, the functions, powers and duties of which are so assigned or transferred.”</i></p> <p>Technically MIRA, as a quasi-public agency of the State of Connecticut, is not rated, however our bonds are. MIRA currently has construction bonds outstanding for the Southeast Connecticut Regional Resource Recovery Authority (SCRRA). Moody's rates these bonds Aa3 and the Standard and Poor's rating is AA.</p>
2.	Question	The definition of Investment Grade in the PPA (attach-

		ment_1_rfq_form_of_ppa_10_10_3_14.doc) is different than the RFQ. Please clarify.
	Answer	The PPA definition of <u>Investment Grade</u> prevails. Also see the Revised Exhibit 6 attached hereto and made a part of the RFQ package of documents.
3.	Question	In the event that a parent company has Investment Grade status but below the Baa1/BBB+, will it be required to provide both an Enhanced LOC and a Guaranty or just an LOC.
	Answer	<p>The investment grade cited above in Question 3 has been revised. Pursuant to the PPA <u>Investment Grade</u> shall mean a senior, unsecured long-term debt credit rating or corporate credit rating of “A3” or better, with a stable outlook or better by Moody’s Investors Service, or “A-“ or better, with a stable outlook or better, by Standard & Poor’s Rating Services or Fitch Ratings. If the aforesaid ratings are not equivalent, then the lower rating shall apply.</p> <p>Generally, Purchaser with a senior, unsecured long-term debt credit rating at or above Investment Grade would provide Seller with a Standard Letter of Credit from an Approved Bank as defined in the PPA. Conversely, Purchaser with a senior, unsecured long-term debt credit rating below Investment Grade would provide Seller with an Enhanced Letter of Credit from an Approved Bank as defined in the PPA. See Section 10 of the PPA for specific language governing creditworthiness and security matters.</p>
4.	Question	MIRA indicates the use of Exhibit 2 as the LOC form. Can RFQ participants propose changes to the form of LOC?
	Answer	<p>Yes. RFQ participants are provided the opportunity to comment on the PPA with the exceptions noted in the following paragraph. Comments may be submitted using the Business Exceptions Form contained in the RFQ package of documents and/or MIRA will accept redline comments made to the Word version of the PPA provided as part of Addendum No. 2. If a participant chooses to submit a redline make certain to include in your SOQ submittal the Business Exception Form indicating on the form that Purchaser is (or has) submitting a redline via email. The Business Exception form should be part of your SOQ submittal package and, if submitting a redline copy of the PPA it should be emailed to vraymond@ctmira.org.</p> <p>As a quasi-public entity of the State of Connecticut, MIRA must comply with a number of State of Connecticut procurement statutes and regulations that require the inclusion of certain exhibits in all of MIRA’s contracts. Specifically, PPA Exhibits 4, 5, 6, 7, and 8 are required by law or regulation and therefore may not be modified or waived.</p> <p>MIRA reserves the right to accept only those changes proposed by RFQ participants that MIRA in its sole discretion determines to be in MIRA’s best business interest.</p>

5.	Question	In the event a Bidder is awarded a PPA for all three Contract Years, will Purchaser have to post three (3) Letters of Credit with different effective dates or can Purchaser use the same LOC and amend the date and amount?
	Answer	MIRA will accept one Letter of Credit for the duration of the PPA Term awarded provided it is amended prior to the commencement of the new Contract Year.
6.	Question	Are you able to tell us the amount of Enhanced Letter of Credit required for each term assuming the purchase of 50% of Net Energy and 100% of Net Energy?
	Answer	Yes. Please see the attached Excel worksheet (provided to only RFQ participants who have submitted a completed Expression of Interest Form).
7.	Question	Does MIRA have a schedule of outages post-June 30, 2015?
	Answer	No. The FY 2016 outage calendar will not be available until next Spring. That stated, generally the time frame for the outages from year-to-year don't vary much i.e., the major boiler outages are performed during the shoulder months of the year with one major 13-day boiler outage performed in October and the remaining two (2) major boiler outages performed in April. MIRA is, as of this writing, planning to perform a 72-hour long "cold steel" outage in April, 2016. All three boiler units share a common stack. In order to perform maintenance on the stack all three boilers must be removed from service which, of course, means both turbine units will also be out of service. Therefore, for the duration of the 72-hour cold steel outage MIRA will not produce electricity. MIRA performs a cold-iron outage every three years unless circumstances dictate otherwise.
8.	Question	Pursuant to MIRA's financial statements there are four (4) CRRA bonds rated. Are the South Meadows Units 5 and 6 supported by any of the bonds indicated in the financials?
	Answer	No. The project and construction bonds supporting the South Meadows Resource Recovery Facility were retired on November 12, 2012. MIRA currently has only the 2010 Series A – Southeast Project Refunding bonds outstanding. The Southeast bonds have a SCRF (Special Capital Reserve Fund) designation from the State of Connecticut. This a security feature whereby if there are insufficient funds to cover a debt service payment on the bonds then the State of Connecticut will make up the debt service payment difference. MIRA (formerly CRRA) has never made a draw under SCRF for any of its bonds.

- END OF ADDENDUM NO. 3 -

**EXHIBIT 6
REVISED OCTOBER 8, 2014**



In the spaces provided below:

**BACKGROUND,
EXPERIENCE AND
FINANCIAL
INFORMATION FORM**

1. Summarize Submitter's organization in a manner that will enable MIRA to evaluate the experience and professional capabilities of the Submitting entity.

2. Describe Submitter's general management plan. If Submitter has multiple offices, which offices and who within those offices would have direct responsibility for overseeing and managing the Agreement if awarded the Agreement. Please review the relevant experience of the team.

3. If Submitter or any member of Submitter's team to be involved in the purchase of Net Energy contemplated by this RFQ is a partnership or joint venture, Submitter shall provide full and complete information concerning the nature and structure of the partnership or joint venture, including:
 - Date of formation of the joint venture or partnership together with copies of joint venture or partnership agreements plus all amendments; and
 - A description of the obligations of the partners to MIRA, specifically addressing if the agreement between members comprising the partnership or joint venture make each jointly and severally liable for contractual obligations related to the purchase of the Net Energy contemplated by this RFQ.

4. Provide a general overview of Submitter's relevant experience as a wholesale buyer and seller of electricity, including participation in NEPOOL and in the ISO-NE market:

5. Submitter must indicate that if awarded an Agreement, it will maintain for the duration of the Term of Agreement a Market Participant Service Agreement and be subject to the ISO-New England Billing Policy.

EXHIBIT 6
REVISED OCTOBER 8, 2014

6. Describe any material changes in the mode of conducting business, bankruptcy proceedings and mergers or acquisitions within the past three (3) years, including comparable information for related companies and actual and pending litigation in which Submitter is involved.

7. Describe in detail any circumstance in which Submitter was deemed to be in default or noncompliance with respect to a wholesale contract obligation for the purchase or sale of capacity, energy or full requirements service within the past five years. If Submitter has not so defaulted on any such contract obligations in the last five years, please so indicate.

8. Submitter must be able to satisfy the security requirements of the Agreement. If selected to execute an Agreement and on the Effective Date thereof, Submitter possesses a senior unsecured long-term debt credit rating or corporate credit rating of: (i) "A3" or better, with a stable outlook or better by Moody's Investors Service; or (ii) "A-" or better, with a stable outlook or better, by Standard & Poor's Rating Services or Fitch Ratings (if (i) and (ii) are not equivalent, then the lower rating shall apply); then Submitter will be deemed "Investment Grade." If so deemed, Submitter must provide a Standard Letter of Credit (as defined in the Agreement) in the amount of \$1,250,000 and (assuming the Provider satisfies the Investment Grade requirements throughout the Term of the Agreement) maintain such Standard of Letter of Credit during the term. Alternatively, if: (i) on the Effective Date of the Agreement Submitter does not meet the above Investment Grade requirements; or (ii) Submitter meets the Investment Grade requirements as of the Effective Date but during the Term of the Agreement no longer meets such requirements; then in either event Submitter must provide an Enhanced Letter of Credit as defined in the Agreement, in an amount calculated pursuant to the formula in the Agreement with respect thereto.

Indicate below whether or not Submitter currently satisfies the above Investment Grade requirements.

9. If Submitter has indicated that it does not currently satisfy the Investment Grade requirements and/or does not believe it will so satisfy such requirements as of the Effective Date of the Agreement, indicate below whether Submitter (if awarded an Agreement) anticipates that it can provide the required Enhanced Letter of Credit.

Comment [APC1]: I looked through the RFQ instructions but did not see the table containing examples of this calculation that we discussed. If that table is included, we should reference it here.

EXHIBIT 6
REVISED OCTOBER 8, 2014

10. Forms 10-K and 10-Q for Submitter or its parent, submitted to the United States Securities and Exchange Commission for the two previous fiscal years, if applicable (if these material are available on line, please provide in the space below the web site address at which the financial statements can be reviewed and downloaded).

If not a publically traded firm, enclose with your SOQ submittal certified financial statements, including balance sheet and statements of income and cash flow for the two previous fiscal years and the most recent quarterly interim periods.