



## **Delaware Sustainable Energy Utility Request for Qualifications for Financial Advisory Services**

The Delaware Sustainable Energy Utility (“SEU”) requests that your firm submit its qualifications to serve as Financial Advisor to the SEU reporting to the Board of Directors. The SEU is implementing a financing program which will include harnessing cost-effective, end-use energy efficiency and conservation options, as well as customer-sited renewable energy applications across all sectors and fuels, including transportation.

The SEU has received authorization to issue tax-exempt bonds to support the implementation of some of its programs. The proposed financing would only be secured by SEU revenue sources and would not constitute a general obligation of the State of Delaware. The SEU sources of revenue may include, but are not limited to system benefit charges, renewable energy credits, environmental credits/benefits, RGGI auction proceeds, and energy savings.

### **I. SEU Overview**

The Sustainable Energy Utility is a non-profit entity separate from any utility, public or private, which operates in Delaware. The primary function of the SEU is to develop end-user markets for energy efficiency services and customer-sited renewable energy, and to facilitate private sector implementation of the SEU's market development plans. SEU's most important feature is that energy users can build a relationship with a single organization whose direct interest is to help residents and businesses *use less energy and generate their own energy cleanly*. Directly put, the SEU becomes the point-of-contact for efficiency and self-generation in the same way that conventional utilities are the point-of-contact for energy supply. Target areas for SEU services include: agricultural facilities, new housing/small business construction, existing housing/businesses, rental units/multifamily dwellings, low-income housing, new vehicle purchasers, state buildings, and local strategic partners.

The SEU would like to expand the conventional definition of energy efficiency services to include, but not be limited to, end-uses that consume electricity, end-uses that directly consume fossil fuels, weatherization, green architecture/green buildings, and high efficiency vehicles.

The SEU is a public/private partnership that uses public funding sources and consumer savings, combined with private sector funds and management skills, to address the shortcomings of traditional approaches. For more information regarding the SEU please visit [www.seu-de.org](http://www.seu-de.org).

## **II. RFQ Schedule**

**October 28, 2010 Request for Qualifications Issued**

**November 3, 2010 Any questions from respondents regarding RFQ are due by email**

**November 5, 2010 Answers to questions posed by respondents will be provided, if possible**

**November 12, 2010 at 5:00 PM Responses to RFQ are due by email**

**November 15, 2010 Interviews of select respondents to RFQ**

**November 30, 2010 Contract awarded (subject to change)**

## **III. Expected Scope of Services**

The SEU seeks independent financial advisory services to serve the sole interests of the SEU. The selected advisor and firm will be precluded from acting as an underwriter or agent on any financing arranged by the SEU. The selected advisor and firm will also agree that the contract may be terminated at any time with or without cause. The scope of services for Financial Advisor will include, but not be limited to, the following:

1. Assisting the Board in the development and execution of various bond financing programs. This may include providing advice on the structure, assistance in the rating of the bonds in conjunction with the underwriter, review and comment on all of the legal documents, assisting in timetable preparation, assisting in the advancement of the process (calling meetings, setting time tables for work product, etc.), and addressing concerns of potential participants related to the structure of the bond and associated agreements. The SEU Board's financial advisor will be expected to assist in the structuring of a debt portfolio with the lowest cost of capital possible within the confines of state and federal law and which robustly meets the goals of the SEU.
2. Providing routine updates to the Board regarding the overall financial markets for similarly rated credits, including advice on market timing for the issuance of bonds.
3. Analyzing finance options and proposals from banks and/or developers.
4. Advise the Board on the best practices for ensuring a favorable credit rating and provide preparatory information for rating agency visits. Prepare reports for, and participate in, presentations to the rating agencies, credit enhancement providers and bond insurers. Participate in the rating agency visits.
5. Advise and represent the Board in negotiating bond interest rates, transactions fees and expenses, and other provisions of bond purchase agreements or remarketing agreements governing the negotiated sale of notes or bonds to underwriters or the private placement of notes or bonds to institutional investors.
6. Assist in the preparation and review of closing documents including but not limited to authorizing resolutions, trust indentures, notices of sale, bond purchase agreements and

disclosure documents and generally be available to respond to inquiries on behalf of the Board regarding the structure, security features and financial integrity of such securities.

7. Working with the SEU Contract Administrator and SEU Bond Counsel to implement bond financing programs.
8. Perform such other duties that are reasonably required.

### **III. Request Content**

Please provide answers to the following questions with your response.

1. Describe the individuals in your firm who would work with the SEU on bond financing. Include their professional experience and their respective responsibilities for this transaction. Identify the person who will be responsible for the day-to-day management of your firm's relationship with the SEU.
2. Describe your firm's previous experience in working with innovative first-time bond issuers like the SEU. Include experience, both on a regional level (Mid-Atlantic) and within the State of Delaware within the past 24 months.
3. Describe your firm's previous experience related to alternative energy projects, including renewable and energy efficiency, renewable energy credits and other environmental credits.
4. List any specific experience individuals in your firm who will be responsible for assisting the SEU have with financing of renewable energy or energy efficiency projects in Delaware, Pennsylvania, Maryland, and/or New Jersey and how that experience relates to the skills required in this solicitation.
5. List any experience members of your firm who will be responsible for assisting the SEU have with bond financing that would relate to a re-cycled bond issue.
6. List any other experience that members of your firm who will be responsible for assisting the SEU have that specifically relates to the skill set required in the Scope of Work and provide an explanation of how this additional experience will assist you firm in providing better service and advice to the Board.
7. List any conflicts of interest, apparent conflicts of interest and also provide the following:
  - (a) Describe any client relationship your firm has with any public or private entity which could be viewed as a definite or potential conflict of interest if your firm were selected.

- (b) State whether your firm is under investigation or has been notified of an investigation by any federal or state regulatory agency in the last five years. If so, identify and describe the investigation.
  - (c) Identify and describe any litigation, mediation, arbitration, or administrative proceeding in which your firm has been involved over the last two years.
8. Please provide a comprehensive fee quote for the scope of services outlined above. The Board prefers that your response include a capped fee for your services. In addition, the Board prefers that fees for your services be invoiced on a monthly basis, but that payment of your fees be deferred and paid upon completion of a tax-exempt bond issue.
  9. Please provide three references from tax-exempt bond issuers for which you have provided financial advisory or financing services.
  10. Identify any portion of your proposal that contains confidential or proprietary information.
  11. Provide proof that you are currently authorized to do business in Delaware (i.e., a copy of valid Delaware business license) or indicate that you will provide such proof if selected to perform the contract.

#### **IV. Terms and Conditions**

1. The SEU reserves the right to reject any or all responses, the right, in its sole discretion, to accept the response that it considers most closely aligned with its interests and the right to waive any and all procedures set forth herein. The SEU also reserves the right to reject all responses and seek new responses.
2. The SEU reserves the right to request clarification of information submitted and to request additional information from one or more respondents.
3. The State will not be liable for any costs incurred in the preparation or submission of your response.
4. The SEU reserves the right to conduct oral interviews with any or all respondents prior to selection and will not be liable for costs incurred by respondents in connection with such interview.

**Responses should be clear and concise and are due, via email, at or before November 12th at 5:00 pm (EDT). The Board asks that responses be limited to 7 pages, if possible (not including appendices). Please submit your responses to the address indicated below:**

Dr. John Byrne  
278 Graham Hall  
Center for Energy and Environmental Policy  
University of Delaware  
Newark, DE 19716  
(302) 831-8405  
Email: [jbyrne@udel.edu](mailto:jbyrne@udel.edu)

Please contact Dr. John Byrne (302-831-8405) with any questions regarding this RFQ.