

ADDENDUM No. 2

RFP No. 26-13

Solar PV and Battery Energy Storage Systems (BESS) Equipment

Due: February 18, 2026 by 2:00 P.M. (local time)

The information contained herein shall take precedence over the original documents and all previous addenda (if any) and is appended thereto. **This Addendum includes six (6) pages.**

The Proposer is to acknowledge receipt of previously-issued Addendum No. 1 and this Addendum No. 2, including all attachments, in its Proposal by so indicating in the proposal that both addenda have been received. Proposals submitted without acknowledgement of receipt of the addenda may be considered non-conforming.

I. QUESTIONS AND ANSWERS

The following Questions have been received by the City. Responses are being provided in accordance with the terms of the RFP. Respondents are directed to take note in its review of the documents of the following questions and City responses as they affect work or details in other areas not specifically referenced here.

Question 1: How will you treat proposals that offer bundled systems (modules + inverters + batteries) versus stand-alone components—can we submit both a bundled and unbundled option?

Answer 1: The SEU will evaluate proposals based on criteria described in the RFP. Bundled solutions may score higher than unbundled solutions (all else equal) by helping to simplify the SEU's procurement process, but are not required. Respondents may submit both bundled and unbundled Equipment proposals if they desire.

Question 2: Are there cybersecurity, data hosting (cloud vs on-prem), and data ownership requirements beyond IEEE 2030.5 and SunSpec recommendations that we must meet?

Answer 2: In general, software systems are expected to meet the following City guidelines. Variations from these standards should be described.

- a. Data encryption at rest and in transit (AES-256/TLS 1.2+ minimum).
- b. No customer data may be stored or processed outside of the United States.
- c. Vendors must maintain an incident response plan. The plan should outline investigation procedures, containment, mitigation, and post-incident review.
- d. Vendor must notify the City of any confirmed or suspected security incident involving City data
- e. All customer and operational data is the sole property of the City of Ann Arbor.
- f. Vendor must support secure data export and permanent data deletion upon contract termination.
- g. Vendor must maintain a tested disaster recovery plan with documented RTO and RPO targets not exceeding 24 and 4 hours respectively, unless otherwise approved.
- h. Backup data must be encrypted and geographically redundant.
- i. Single Sign-On (SSO) compatibility with Microsoft Entra
- j. Logical separation of tenant data in multi-tenant environments.

- Question 3: Are there any terms in the standard purchase order (e.g., limitation of liability, liquidated damages, IP, force majeure) that you anticipate being non-negotiable so we can address them in our redlines?
- Answer 3: The City's general terms and conditions are generally non-negotiable. Exceptions may be made on a contract-by-contract basis.
- Question 4: Are there any specific DERMS platforms, BMS vendors, or communications protocols you expect us to be compatible with beyond the Modbus TCP / CAN bus examples?
- Answer 4: No, the City has yet to design or procure a DERMS platform for SEU use but is actively investigating experienced alternatives. Bidder/Supplier is requested to define compatibility (or lack thereof) of its offered Equipment with industry DERMS and SCADA platforms.
- Question 5: Can you provide more detail on the typical site profiles (roof types, shading, electrical service sizes) for the 100–150 residential systems and whether you expect any non-standard sites?
- Answer 5: Each customer's residence is unique and "non-standard", although each typically possesses sloped, shingled roof decks on which attached racking will be used to support modules. The SEU also intends to install batteries outside each residence with inverter, disconnect switches, and rapid shutdown equipment/signage. The SEU will finalize details such as number/placement of modules and equipment locations with the customer and construction/installation contractor(s).
- Question 6: How will you quantify the value of FEOC and domestic content compliance in the "net unit price per system, after tax credits" scoring, and what documentation will you require to treat credits as "financially guaranteed"?
- Answer 6: The SEU desires to be able to lower its Equipment procurement through tax credits. FEOC compliance and domestic content directly affect tax credit valuation and net pricing for Equipment, and net pricing is an important evaluation criteria. The SEU expects the Bidder/Supplier to offer documentation that guarantees associated tax credits based on laws that exist at award (such documentation includes information like origin of materials and fabrication and statements relative to FEOC). Failure to offer documentation will cause the SEU to evaluate proposed Equipment pricing at gross values, relative to other offers.

Financial guarantees may come in the form of a letter of credit or a surety bond for the amount of the tax credits, and that remain in place until the tax credits are received and may be drawn on by the City if the tax credits are denied. A financial institution providing the letter of credit must be licensed to do business in Michigan and be insured by a governmental entity (e.g. the FDIC).

A surety company that issues the bond shall be among those listed as acceptable sureties on federal bonds in circular 570 of the United States Department of the Treasury and must be independent, separate, and unrelated to the owner or operator.

A corporate guaranty may be relied upon in lieu of a letter of credit or a surety bond if the bidder can supply audited financial statements showing that the amount of the expected tax credits is 10% or less of liquid assets.

- Question 7: If we can partially meet domestic content thresholds (e.g., some but not all components), how will that be evaluated versus fully compliant but higher-cost options?
- Answer 7: If there is sufficient domestic content to qualify for a tax credit, that should be reflected in the net price evaluation. Domestic content that is not sufficient to qualify for a tax credit will not be given any preference.
- Question 8: Risk of loss: At what point in the delivery process does the city take ownership and risk of products being delivered?
- Answer 8: As stated in the City's general terms and conditions, the vendor bears all risk of loss, injury, or destruction of goods that occurs prior to delivery or acceptance by the City, whichever is later. The City's acceptance of goods is conditioned on the City's inspection of the goods. Damaged goods will be rejected and returned to the vendor at the vendor's cost.
- Question 9: Indemnification: What is meant by financial indemnification?
- Answer 9: The term "financial indemnification" is not used in the RFP. The City's general terms and conditions contain an indemnification provision that requires the vendor to indemnify, defend, and hold the City harmless from all suits, claims, judgments, and expenses that result from any act or omission of the vendor association with the performance of the contract.
- Question 10: Terms of pricing: Can you please explain in broad terms what is meant in your terms of pricing?
- Answer 10: Bidder/Supplier is to specify payment terms, including milestone and percent of the overall Contract Value or Price due in its proposal for SEU consideration. SEU's base terms are that a percentage of the PO value is due after PO sign-off and balance due at the point of delivery and title transfer (along with all documentation). Bidder/Supplier is to propose alternate terms if needed.
- Question 11: Termination of clause: If there are changes of more than 10% for product pricing, will there be an opportunity to renegotiate?
- Answer 11: No. As indicated in the RFP, the pricing for equipment supply and delivery to the City in a Bidder/Supplier Proposal shall be firm for one year.
- Question 12: Is Certainteed workmanship applicable?
- Answer 12: Respondents should describe what warranties they offer, including any workmanship warranty associated with the installation itself, however understanding that the City/SEU is solely responsible for the selection of installers, independent of the selection of the equipment.
- Question 13: Description of training: What documentation and in what format is documentation for training expected to be delivered?
- Answer 13: Training documents are anticipated to be the following as a minimum: (1) Equipment cut sheets and technical documents, (2) operations and maintenance manual, and (3) user interface. Supplier/Bidder to advise what is their standard training package.
- Question 14: O&M Support: What is meant by post-install O&M support?
- Answer 14: The Contractor is expected to support post-installation concerns with Equipment performance (warranty, spare parts, operability problems, data collection problems, reporting, other actions). The SEU asks that a point of contact (name, phone, email) be identified for its priority use in contacting the Contractor for resolution of issues.

- Question 15: Regarding Title Transfer of material, does the SEU want Title Transfer to occur when the delivery is made prior to full payment being completed?
- Answer 15: Yes. As indicated in the Commercial Specifications section of the RFP, title transfer shall occur at the point of successful receipt inspection. Please also see answer to Question 8.
- Question 16: Maximum continuous output in backup mode from the battery?
- Answer 16: The SEU anticipates a minimum of 4 kW continuous output to support essential residential loads. Peak demand in any resident is approximately 4 kW in any one hour, averaging nominally 25 kWh/day of consumption. Load shape for typical day needed.
- Question 17: Who is managing the VPP (ex: Energy Hub, Virtual Peaker, or someone else)
- Answer 17: The SEU will manage the VPP, initially through the BMS selected through this RFP. Separately, as the SEU grows, we may procure another DERMS / VPP management system, if needed.
- Question 18: Is it required to be able to use an EV vehicle to charge the battery?
- Answer 18: No
- Question 19: Is there any load management required in backup mode?
- Answer 19: No.
- Question 20: Are there any external transfer switches required?
- Answer 20: No, just one automatic transfer switch between grid and inverter is expected although certain customers may have other transfer switches downstream.
- Question 21: Does it have to have black start capability?
- Answer 21: No
- Question 22: Does it need to be FEOC compliant or just a nice to have?
- Answer 22: As indicated in the RFP, we invite respondents to propose FEOC compliant **or** non-compliant solutions.
- Question 23: Will the equipment selected for this pilot become the de facto standard for future SEU deployments, or does the SEU intend to prioritize a vendor-agnostic model?
- Answer 23: This has not been determined. The SEU will evaluate the experience with this pilot deployment to help inform its future deployments, including technology/equipment and otherwise.
- Question 24: Should inverters support future integration of EV chargers or V2G functionality, even if not deployed in this pilot?
- Answer 24: This is not required, but if the proposed inverters can support that future functionality, it should be described in the proposal.
- Question 25: What communication protocols are preferred/required for VPP integration (e.g., IEEE 2030.5, SunSpec Modbus, OpenADR)?
- Answer 25: The SEU prefers IEEE 2030 and SunSpec ModBus and are willing to entertain Open ADR and DNP3. Please provide a description of what you as Bidder/Supplier are offering in Proposal as well as any recommendations you may

have to avoid integration challenges and may include how interoperability will be maintained as the SEU grows and may diversify its BESS and Inverter equipment portfolio. Notably, neither the SEU nor DTE have selected DERMS technologies and so the SEU does intend to strongly consider a "final" communication protocol that is expected to avoid problems faced in industry.

Question 26: What is the target usable capacity range, and should vendors propose systems optimized for grid services cycling vs. backup duration?

Answer 26: Target usable capacity range is 5% SOC to 95% SOC, although power outages may enable usage down to 0% +/- SOC. Setpoints for daily minimum SOC for peak power delivery (to preserve some battery for "unplanned" outages and ability to change setpoints for "storm days" should be provided.

Question 27: Is the SEU open to multi-year supply agreements that provide price ceilings and ensure equipment consistency across deployment phases?

Answer 27: At this time, the SEU can only commit to procure equipment to supply the pilot 100-150 deployments described in this RFP. It is possible future procurement phases will include multi-year supply arrangements.

Question 28: Would the SEU consider a preferred vendor or strategic partner designation for an equipment supplier that can also offer a turnkey DERMS ready for phased integration beyond batteries?

Answer 28: The SEU is interested in hearing about the future/expansion capabilities of proposed DERMS beyond the immediate needs identified in this RFP, however no specific 'preferred vendor' or 'strategic partner' designation is available

Question 29: What dispatch use cases are highest priority: peak shaving, demand response, wholesale market participation (MISO), or resilience/islanding?

Answer 29: Peak Shaving, Demand Response, and Resilience. Daily battery use will be prioritized to maximize self-consumption of solar production on site and optimize for time-of-use rates.

Question 30: Should the ensuing VPP platform be capable of aggregating additional DER types beyond solar + storage in the future (e.g., EV chargers, smart thermostats, water heaters)?

Answer 30: See question 24

Question 31: Does the SEU plan to participate in MISO capacity or ancillary services markets through the aggregated fleet, and if so, on what timeline?

Answer 31: Not at this time

Question 32: How does the SEU envision revenue sharing or value allocation from grid services between the SEU, participating customers, and any platform vendor?

Answer 32: The SEU does not anticipate revenue sharing with the VPP platform vendor as a base model. However, if a respondent includes this model as part of their fee proposal, we are open to learning more and considering it.

Question 33: Has DTE expressed interest in compensating the SEU's VPP for specific grid services or participating in pilot programs?

Answer 33: We are in active discussions with DTE about a VPP pilot in which they would pay for grid services provided by SEU through aggregation of these solar+storage systems.

Question 34: Are there opportunities for the SEU to provide localized services to DTE (e.g., circuit-level support, substation deferral)?

Answer 34: We are exploring these opportunities and hope to be able to offer grid support services through this aggregation.

Question 35: Does the SEU envision expanding the VPP model to partner municipalities or regional deployments beyond Ann Arbor city limits?

Answer 35: The SEU is only authorized to provide electric utility services inside the City of Ann Arbor city limits. However, other communities may choose to replicate or modify the model to offer SEU-like services in their own cities.

Question 36: How will equipment and platform selection account for future technologies such as V2G, advanced building controls, or transactive energy frameworks?

Answer 36: The SEU is interested in keeping doors open for future, innovative technologies and solutions, however we are not requiring that current equipment be able to handle these future scenarios.

Question 37: Beyond this initial pilot, what is the anticipated annual equipment procurement volume for years 2–5?

Answer 37: The SEU is still building its deployment plan. It hopes to reach a minimum of 20 MWs of scale, and thousands of individual installations annually, within the next several years.

Offerors are responsible for any conclusions that they may draw from the information contained in the Addendum.