



# PIDC

Driving growth to every corner of Philadelphia

## **Addendum 1 – Q&A**

### **THE NAVY YARD ELECTRIC UTILITY FINANCIAL ADVISORY SERVICES**

**September 15, 2023**

#### **Proposals Due**

Friday September 29, 4:00 PM

Submitted electronically to [asantiago@pidcphila.com](mailto:asantiago@pidcphila.com)

Request delivery receipt to ensure delivery.

1. The RFP says, "The Navy Yard utility is a private non-regulated medium voltage (MV) electric distribution system service for a commercial and governmental business campus. It is a stand-alone profit and loss center within PAID. Operations presently include the bulk purchase of power from a wholesale energy commodity marketer."

If not confidential, who is the marketer, what is the purchase price and what has been the trend of the cost of the purchases over the past 10 years?

***Constellation New Energy (CNE or Constellation) is the marketer. Purchase price and cost trends will be shared with the selected team.***

2. The RFP says, "PIDC internally defines net revenues as all revenue from electric power resale to customers, less the sum of the cost of purchased power, operations, maintenance, repairs, and related administrative services as Earnings before Interest and Depreciation and Amortization (EBITDA). Annual EBITDA has averaged \$3.2 million from 2018 - 2021."

What has EBITDA been for the 6 years preceding 2018?

***2012: \$950k***

***2013: 1.7M***

***2014: 1.3M***

***2015: 1.9M***

***2016: 2.8M***

***2017: 3.0M***

What has the cost of repairs and maintenance been for the last 10 years?

***\$2.5 to \$4.4M per year for O&M. \$4M in significant repair/replacements over period.***

3. The RFP says, "PIDC anticipates a need for external financing of \$30 million, net of fees, to fund the required capital expenditures related to grid expansion, which is expected to take place from now until 2030."

Can you please describe the equipment to be acquired or the expected life of each of the assets to be ascertained?

Can you please describe the capital improvements anticipated by project type?

***PIDC has prepared an independent technical and financial analysis of the utility expansion plan. The plan will be shared with the selected team.***

4. The RFP says, "Excess cash flows from utility operations are reinvested into the system for major repairs, reliability improvements and more recently, capacity upgrades to the electric distribution infrastructure within the Navy Yard."

Please list the major repairs and costs and when completed.

Please describe to the extent possible the upgrades to the electricity distribution system and the cost and when completed.

***PIDC has prepared an independent technical and financial analysis of the utility expansion plan. The plan will be shared with the selected team.***

5. Please confirm if the financial advisor you are procuring is required to be a registered municipal financial advisor to assist PIDC in your financial evaluation (Phase 1) and potential transaction (Phase 2).

***The Financial Advisor does not have to be a registered municipal financial advisor to assist PIDC in this project.***