

# **Illinois Power Agency**

## **September 2014 Procurement Events: Ameren and ComEd Standard Products RFP (Block Energy)**

**Bidder Information Call  
Friday, August 22, 2014**



# Agenda

---

- Overview
- Supplier Contracts
- The RFP Process
- Bids and Bid Forms

# Overview

# Regulatory Filings by the IPA

---

- On **September 30, 2013** the Illinois Power Agency (“IPA”) filed its procurement plan
- The Illinois Commerce Commission (“ICC”) approved the IPA’s procurement plan with modifications
- The procurement plan included the possibility of a second procurement in September 2014
- The second procurement was confirmed on the basis of the July 2014 load forecasts for Ameren Illinois Company (“Ameren”) and Commonwealth Edison Company (“ComEd”)
- The IPA retained **NERA to serve as Procurement Administrator** for both the Ameren and ComEd portfolios

# IPA Procures Volumes Not Already Under Contract

---

- **Supply period** is November 1, 2014 to May 31, 2015
- **Volumes under contract** for that period would include:
  - ◆ Contracts from prior energy procurements
  - ◆ Energy from Long-Term Renewables contracts
  - ◆ Energy from Rate Stability block procurement
  - ◆ Results of this procurement if approved by the ICC

# RFP Features Standard Products

---

- Each product represents:
  - ◆ either ComEd or Ameren
  - ◆ on-peak or off-peak hours (the “Segment”)
  - ◆ a given month
- The quantity of each product is divided into blocks of **25 MW**
- The quantity of some products (Segment of a month) is zero
- Suppliers can also bid on **combinations** of products

# Targets

---

|                 | <b>Ameren</b>  |                 | <b>ComEd</b>   |                 |
|-----------------|----------------|-----------------|----------------|-----------------|
| <b>Month</b>    | <b>On-Peak</b> | <b>Off-Peak</b> | <b>On-Peak</b> | <b>Off-Peak</b> |
| <b>Nov 2014</b> | 0              | 0               | 30             | 26              |
| <b>Dec 2014</b> | 6              | 3               | 34             | 29              |
| <b>Jan 2015</b> | 8              | 6               | 36             | 31              |
| <b>Feb 2015</b> | 6              | 5               | 34             | 29              |
| <b>Mar 2015</b> | 1              | 0               | 30             | 26              |
| <b>Apr 2015</b> | 0              | 0               | 27             | 23              |
| <b>May 2015</b> | 0              | 0               | 28             | 23              |

# Combinations Follow Traded Products

- **Combinations** reflect months that are typically traded together
- The number of blocks available in a Combination is the minimum number of blocks available in the months of the Combination

|                  |  | <b>Ameren</b>  |                 | <b>ComEd</b>   |                 |
|------------------|--|----------------|-----------------|----------------|-----------------|
| <b>Month</b>     |  | <b>On-Peak</b> | <b>Off-Peak</b> | <b>On-Peak</b> | <b>Off-Peak</b> |
| <b>Jan-Feb15</b> |  | 6              | 5               | 34             | 29              |
| <b>Mar-Apr15</b> |  | 0              | 0               | 27             | 23              |



# Application Process is Online

- **Part 1 (pre-qual):** respond to qualification standards
  - ♦ **Abbreviated process for previously qualified bidders**
- **Part 2 (registration):** make cert., provide pre-bid security

## Part 1 Proposal (Aug. 25 – Sept. 5)

- **Online:** provide information using P1 web form
- **Online:** upload scanned signature pages
- **Online:** upload required supporting documents
- **Send to IPA:** Bid Participation Fee (new Bidders)

## Part 2 Proposal (Sept. 10 – Sept. 16)

- **Online:** provide information using P2 web form
- **Online:** upload scanned signature pages
- **Send to applicable Company:** Pre-Bid Letter of Credit

# Bid Submission and Evaluation

---

- Bid Submission
  - ◆ Bidders enter their Bids in an **Excel spreadsheet** that will be provided to them at the time of qualification
  - ◆ Bidders will **transfer** their spreadsheet through a secure interface
  - ◆ Bidders may **encrypt** their Bid Forms for additional security
  
- Bid Evaluation
  - ◆ The evaluation considers only Bids that **meet or beat the benchmarks**
  - ◆ Evaluation identifies for consideration by the ICC the least cost package
  
- Benchmarks developed using confidential methodology approved by ICC

# Bid Participation Fee

---

- **Bid Participation Fee of \$500** paid only once in 2014
  - Bidders that participated in the Spring 2014 procurement events are not required to pay again
  - New Bidders that intend to bid on Ameren and ComEd blocks need only pay one Bid Participation Fee
- Bid Participation Fee is due to the IPA on the Part 1 Date
- Two methods of payment:
  - ◆ Check made payable to the “Illinois Power Agency”
  - ◆ E-Check through <https://www.illinoisepay.com>
- For a complete set of instructions, email us at:  
[\*\*Illinois-RFP@nera.com\*\*](mailto:Illinois-RFP@nera.com)

# Supplier Fees

---

- Supplier Fees paid by winning bidders only
- Supplier Fees paid by the same two methods
- Bidders pay the Supplier Fees to the IPA within seven (7) business days of ICC decision
- **Estimates of Supplier Fees** at this time:
  - **\$350** per on-peak block
  - **\$235** per off-peak block
- **Final Supplier Fees** to be announced when Part 2 Proposals are due

# Supplier Contracts

# Disclaimer

---

- Any statements herein or made on the call describing or referring to the agreements are summaries only and are qualified in their entirety by the agreements
- The governing agreements are those posted on **August 21, 2014** and Bidders bear full responsibility for reviewing and understanding the written agreements

# Final Energy Contracts Posted on Aug. 21

---

- A separate energy contract for ComEd and Ameren
- Each contract is standard and **non-negotiable**
- Bidders **must accept terms** of applicable supplier contract prior to bidding
- Bidders will execute the applicable supplier contract and related documents after the ICC decision
- Contracts are identical to those used in Spring 2014 aside from new dates

# (AIC) Confirmation Agreement

---

- **Based on industry standard** EEI Master Power Purchase & Sale Agreement
  - Confirmation Agreement
  - Exhibit A – Form of Guaranty and acceptable modifications
  - Exhibit B – Form of Letter of Credit and acceptable modifications
  - Exhibit C – EEI Master Power Purchase & Sale Agreement
  - Exhibit D – EEI Collateral Annex
  - Exhibit E – Paragraph 10 to EEI Collateral Annex
- Confirmation Agreement contains:
  - All **modifications** to the EEI Master Power Purchase and Sales Agreement
  - **Elections** to certain contract and credit terms



# AIC: Main Features (non-credit)

---

## ■ **Scheduling Requirement**

- ◆ For each delivery month, Ameren and supplier will work together to enter and approve all DART/Financial Scheduling entries within the MISO Portal no later than 10 business days prior to the start of the delivery month

## ■ **Delivery Point**

- ◆ Physical transaction scheduled to Ameren Illinois Company Load Zone (currently MISO CP Node AMIL.BGS6) for the day-ahead market in MISO

## ■ **Confidentiality**

- ◆ Included reference to the Illinois Public Utilities Act

## ■ **Confirmation**

- ◆ Pricing details for all products for which Bidder has approved Bids are indicated in Table 1 of Confirmation Agreement

# AIC: Main Credit Terms

---

- **Exposure** is based on MtM methodology
- Standard Letter of Credit and Guaranty are provided as Exhibits to Confirmation Agreement
- Acceptable modifications to Letter of Credit and Guaranty are provided as Schedules to the Exhibits to the Confirmation Agreement
- Collateral Requirement applies **only to Seller**

# (ComEd) Master Agreement

---

- **Based on industry standard** EEI Master Power Purchase & Sale Agreement
  - EEI Master Power Purchase and Sales Agreement and Cover Sheet
  - EEI Collateral Annex (including Paragraph 10)
    - Schedule 1A to Collateral Annex (Post-Bid Letter of Credit)
      - Exhibit A to Schedule 1A (Letter of Full Transfer)
    - Schedule 2 to Collateral Annex (Guaranty)
    - Schedule 3 to Collateral Annex (MtM Calculation Methodology)
  - Confirmation Sheet (Sample)
- Cover Sheet contains all **modifications** to the EEI Master Power Purchase & Sales Agreement
- **Elections** to certain contract terms are found in Cover Sheet and Paragraph 10 of Collateral Annex

# ComEd: Main Features (non-credit)

---

## ▪ **Scheduling Requirement**

- ◆ Seller must schedule 4 weeks in advance of delivery month
- ◆ Buyer must confirm 3 weeks in advance of delivery month

## ▪ **Delivery Point**

- ◆ Physical transaction scheduled to ComEd Zone for the day-ahead PJM market

## ▪ **Confidentiality**

- ◆ Included reference to the Illinois Public Utilities Act

## ▪ **Confirmation**

- ◆ A single confirmation for all products for which Bidder has approved Bids

# ComEd: Main Credit Terms

---

- **Exposure** is based on MtM methodology
- Methodology for calculating current MtM value is given in **Schedule 3** to the Collateral Annex
- Standard Letter of Credit and Guaranty are provided as Schedules to Collateral Annex
- Acceptable modifications have been posted to the website
- Collateral Requirement applies **only to Seller**

# **The RFP Process**

# Calendar

| 18-Aug              | 19-Aug                     | 20-Aug                     | 21-Aug                                    | 22-Aug                                   |
|---------------------|----------------------------|----------------------------|---|--|
|                     |                            |                            | Supplier Contracts & RFP Documents Issued |  |
| 25-Aug              | 26-Aug                     | 27-Aug                     | 28-Aug                                    | 29-Aug                                   |
| PART 1 WINDOW OPENS |                            |                            |   |  |
| 1-Sept              | 2-Sept                     | 3-Sept                     | 4-Sept                                    | 5-Sept                                   |
|                     |                            |                            |   | Part 1 Date Bid Participation Fee is Due |
| 8-Sept              | 9-Sept                     | 10-Sept                    | 11-Sept                                   | 12-Sept                                  |
|                     | PART 1 NOTIFICATION        | PART 2 WINDOW OPENS        |   |  |
| 15-Sept             | 16-Sept                    | 17-Sept                    | 18-Sept                                   | 19-Sept                                  |
|                     | Part 2 Date Pre-Bid LC Due |                            | Bidder Training                           |  |
| 22-Sept             | 23-Sept                    | 24-Sept                    | 25-Sept                                   | 26-Sept                                  |
| Bids Due            |                            | Confidential Report to ICC |   | ICC decision                             |

# Web site is a central source of information

[www.IPA-energyrfp.com](http://www.IPA-energyrfp.com)

Home

Announcements

Standard Products  
Section

Calendar

Ask a Question

Register

FAQs

Related Links

Previous RFPs

Qualification Form



- Home
- Announcements
- Standard Products Section
- Register
- FAQs
- Related Links
- Previous RFPs
- Qualification Form



## Illinois Power Agency RFPs For Electric Supply and Renewable Energy Products



This website provides information for prospective energy suppliers to Ameren Illinois Company d/b/a Ameren Illinois ("Ameren") and Commonwealth Edison Company ("ComEd"). This website contains the official documents and announcements related to the Requests for Proposals ("RFPs") for electric supply. This website is currently managed by the Procurement Administrator retained by the Illinois Power Agency ("IPA"). The IPA has retained NERA Economic Consulting ("NERA") to act as Procurement



# NEW Bidders: Register for your Online Application Account



## Qualification Form

You must be logged in to edit your profile.

[Log In](#)

[Register to use the Qualification Form](#)

[Home](#)

[Announcements](#)

[Standard Products Section](#)

[Calendar](#)

[Ask a Question](#)

[Register](#)

[FAQs](#)

[Related Links](#)

[Previous RFPs](#)

[Qualification Form](#)

## Register for an Application Account

Alternatively, send email  
to **Illinois-RFP@nera.com**  
with:

- Company name
- full name of contact
- phone and alternate number
- email address

Previously qualified Bidders will receive login credentials and specific instructions by email from the Procurement Administrator

# From Registering to Logging In

---

Register for an Account

- Company
- Contact Name
- Contact Title
- Phone
- Mobile
- Email

Receive Instructions and Login Credentials

- Sent to primary contact
  - Username
  - Password
  - Submission Instructions
  - Deadline Information

Log in to Application Website

- Log in
  - Username
  - Password
- Complete the Part 1 Form
  - supporting documents by email or upload

# The Part 1 Proposal

---

- Bidders
  - ◆ Provide basic information and make certifications
  - ◆ If relying on financial standing of guarantor, provide information regarding guarantor
  - ◆ Provide credit ratings and financial information
- Previously qualified Bidders (received a notification that they successfully completed the Part 1 Process in Spring 2014) eligible to participate in an **abbreviated Part 1 Process**
- Part 1 Proposal consists of:
  - ◆ Information submitted through the **online Part 1 Form**
  - ◆ Supporting **documents** (email or upload)
  - ◆ Inserts (email or upload)
  - ◆ Payment of **Bid Participation Fee** to the IPA for NEW Bidders

# 1. Contact Information

**1. Name and Address of the Bidder**

New

Prev Qual

Provide

Confirm

**2. Officer of the Bidder** is an individual empowered to undertake contracts and bind the Bidder

Provide

Update as nec

- ◆ Signs all representations (Part 1 and Part 2)
- ◆ Designates the Representative

**3. Representative of the Bidder** serves as contact for purposes of the RFP (**Representative Insert, #P1-1**)

Provide

Update as nec

**4. Designation of Nominees.** The Representative or the Officer may name up to three Nominees (**Nominee Insert, #P1-2**)

**BOTH Provide**

- ◆ Communications from the Procurement Administrator sent to the Representative and will also be sent to the Nominees

Inserts available on procurement website

## 2. Bid Participation Fee

- **Bid Participation Fee of \$500**  
paid by NEW participants only

|         |                |
|---------|----------------|
| New     | Prev Qual      |
| Pay Fee | Not Applicable |

- Bid Participation Fee is due to the IPA on the Part 1 Date
- Two methods of payment:
  - ♦ Check made payable to the “Illinois Power Agency”
  - ♦ E-Check through <https://www.illinoisepay.com>
- For a complete set of instructions, email us at:  
[Illinois-RFP@nera.com](mailto:Illinois-RFP@nera.com)

# 3. Financial Requirements

---

New

Prev Qual

- 1. Name of Entity on Whose Financial Standing the Bidder Relies.** Bidder chooses either to rely on its own financial standing or on the financial standing of another party (“Entity”)

Provide

Confirm

- 2. Credit Ratings for the Entity.**

Provide

Update as nec

- 3. Financial Information for the Entity.** Annual and quarterly financial information (**email or upload**)

BOTH Provide

# 4. & 5. Requirement for Bidders on Products/Combinations

New

Prev Qual

- Separately for Ameren (Section 4) and ComEd (Section 5):

- **Information to Prepare the Applicable Supplier Contract Documents.**

- Ameren Contract Insert, #P 1-4
- ComEd Contract Insert, #P1-6

Provide

Update as nec

- **Representations of the Officer of the Bidder.**

Officer of the Bidder makes a number of certifications  
– all certifications in one place

- Ameren Certifications Insert, #P 1-5
- ComEd Certifications Insert, #P 1-7

**BOTH Provide**

- ✓ Officer of the Bidder can also provide with the Part 1 Proposal the certifications required by the Part 2 Proposal (P2 Certifications Insert)
- ✓ For additional requirements for Bidders in special circumstances, see sections 6 & 7

# Contract Inserts to the Part 1 Form

---

- The applicable supplier contract documents are **prepared by the Company** for bidders with bids recommended to the ICC (between the evaluation of bids and the ICC decision)
- Bidders are asked to provide all necessary information with the Part 1 Proposal
- A Bidder that fails to do so must acknowledge that the Bidder will be required to provide all necessary information by 12 PM (noon) CPT on the day after being notified by the Procurement Administrator that it has winning Bids (**Contract Certification Insert**)



# Part 1 Proposal: Process

---

- Part 1 Proposal evaluated promptly when the Bidder clicks **SUBMIT**
- While the Procurement Administrator evaluates the Part 1 Proposal, the Bidder will be temporarily **locked out** of its account
- If **deficiencies** are noted, Bidders are advised
  - ◆ On the same day if materials received before noon
  - ◆ Next business day otherwise
- Bidders generally have until the Part 1 Date or **one (1) business day** to respond to any request for additional information
- Bidders are **notified by email**
- Documents delivered via **secure electronic file transfer**

|                            |                                       |
|----------------------------|---------------------------------------|
| <b>Part 1 Date</b>         | <b>12 PM CPT on September 5, 2014</b> |
| <b>Part 1 Notification</b> | <b>6 PM CPT on September 9, 2014</b>  |

# Part 1 Notification

---

- With the Part 1 Notification the Procurement Administrator provides the following **documents for submission of the Part 2 Proposal**:
  - ◆ Bid Form
  - ◆ Instructions for completing, encrypting, and submitting the Bid Form
  - ◆ Invitation to training session on bid submission procedure
  - ◆ Username, password, security codes used for bid submission
- Materials provided to Bidders by **secure electronic file transfer**
- Bidders are required to acknowledge receipt of confidential information required to bid in the Part 2 Form

# Part 2 Proposal is Due in Two Packages

---

- Bidders
  - ◆ Provide any update to their contact information
  - ◆ Make certifications (**P2 Certifications Insert**)
  - ◆ Calculate required amount for the Pre-Bid Letter(s) of Credit
- Part 2 Proposal consists of:
  - ◆ Information submitted through the **online Part 2 Form**
  - ◆ Signed certifications (email or upload)
  - ◆ Submission of executed **Pre-Bid Letter of Credit** to each Company for which Bidder intends to bid
  - ◆ Bids
- Additional requirements for Bidders in special circumstances

*Part 2 Proposal Excluding Bids Must be Received by*

**Part 2 Date**

**12 PM (noon) CPT on September 16, 2014**

# Pre-Bid Letters of Credit Must be Sufficient to Support Bids

---

## Separately for each of Ameren and ComEd:

- The Pre-Bid Letter of Credit must be in the standard form or incorporate only modifications accepted and posted on [www.ipa-energyrfp.com](http://www.ipa-energyrfp.com)
- Each Pre-Bid LC is sent to the Company directly
- Pre-Bid Letter of Credit in an amount of **\$5,000/block** of a Bidder's Indicative Quantity subject to a **\$125,000 minimum**
- **Indicative Quantity** is the most blocks that a Bidder intends to bid across all Segments and all months for a Company
- Pre-Bid Letter of Credit expires no earlier than October 15, 2014; Bidders may provide special instructions for the return of the Pre-Bid LC

# Instructions for Bid Submission

---

- The **Bid Form** is the exclusive method for the submission of Bids
  - ◆ Bid Forms incompletely or inconsistently filled out will not be evaluated
  - ◆ Each tab represents a Company, a year, and a Segment
- Bid Forms duly filled out must be submitted to the Procurement Administrator via **secure electronic file transfer**
  - ◆ The Procurement Administrator confirms receipt of the Bid Form with each Bidder by phone
  - ◆ Procurement Administrator uses name on Bid Form
- **Step-by-step guide** provided with the Part 1 Notification
- Bidders will have opportunity to practice and will have a **backup method** for bid submission

## Bids Must Be Received

**Bid Date**

**Between 10 AM and 12 PM (noon) CPT on Sept. 22, 2014**

# Post-Bid Process: ICC Decision

---

- September 22: Procurement Administrator expects to notify Bidders by 6PM **on the Bid Date** whether their Bids are identified as winning Bids to the ICC (earlier if practicable, later as circumstances warrant)
- If not already done, Bidders with winning Bids must provide the Contract Insert(s) for preparation of the applicable supplier contract documents **by 12PM CPT on the day after being notified**
- September 24: Procurement Administrator and the Procurement Monitor each submits a confidential report to ICC
- **September 26:** The ICC will decide whether to accept or reject the results of each procurement event

# Post-Bid Process: Contract Execution

---

- **September 29** (12PM CPT): Company sends electronically to Bidder partially executed contract documents
  - ◆ ComEd prepares the guaranty for the winning Bidder's guarantor as well
  - ◆ For Ameren, bidder prepares own guaranty and submit original executed guaranty for receipt by Ameren on September 30 (4PM CPT)
- **September 30** (4PM CPT): Bidder countersigns, sends back electronically contract documents and fulfills creditworthiness requirements
- Bidder executes two hardcopy originals and overnights the originals to the Company; Company executes hardcopy originals, retains one and sends one original back to Bidder
- October 7: **Payment of the Supplier Fee** to the IPA is due
- Pre-Bid Letter of Credit may be drawn upon if Supplier Fees not paid by the deadline

# **Bids and Bid Forms**



# Bidders Bid on Products and Combinations

---

For both **ComEd** and **Ameren**:

- All on-peak hours in a given month constitute the on-peak **Segment** for that month and all off-peak hours constitute the off-peak **Segment** for that month
  
- A **product** is a constant quantity of energy to the appropriate delivery point for each Company in either the on-peak Segment or the off-peak Segment of a specific month
  
- A **combination** is a grouping of products (either on-peak or off-peak). For example:
  - ◆ January and February 2015 on-peak
  - ◆ April and March 2015 off-peak

# Bids in the RFP

- A **Bid** is a price in \$/MWh for a block of a product or for a block of a combination

| ComEd<br>On-peak<br>blocks | Dec<br>2014 | Jan<br>2015 | Feb<br>2015 | Jan &<br>Feb |
|----------------------------|-------------|-------------|-------------|--------------|
| 1                          | 50.00       |             | 50.00       | 60.00        |
| 2                          |             |             | 52.00       |              |

- A Bidder may bid on **any number of products** and may bid on all products
- A Bidder may bid on **any number of combinations** and may bid on all combinations
- A Bidder may bid **both** on a product and on a combination that includes this product

# Maximum Willingness to Supply

---

- The **maximum willingness to supply** is a maximum number of blocks that a Bidder wants to win for a particular Segment and month
- It will be assumed that the Bidder is willing to supply up to:
  - ◆ The target for the Segment and month
  - ◆ The number of blocks bid across all Products and Combinations that include that Segment and monthwhichever is smaller
- The Bidder may, **but is not required to**, specify a **maximum willingness to supply** for a Segment of a month to override this default
  - ◆ A Bidder would do this to specify a willingness to supply smaller than the target and smaller than the total number of blocks bid for a Segment and month

# Bid Form

- The General Information tab has information about the products – and contact information that the RFP Bidder fills out

**Appendix 5**  
**Illinois Power Agency September 2014 Procurement Events**  
**Bid Form - General Information**  
**Monday, September 22, 2014**

**General Information:**

In addition to this 'General Information' sheet, this Bid Form contains the following four (4) sheets:

- 1) Ameren On-Peak Bids 2014-2015
- 2) Ameren Off-Peak Bids 2014-2015
- 3) ComEd On-Peak Bids 2014-2015
- 4) ComEd Off-Peak Bids 2014-2015

Each sheet contains two sections. Section 1 is for entering Bids. Section 2 is for entering a Maximum Willingness to Supply for each month and Segment. Section 2 is optional.

**Bidder Information:**

Company Name  
Contact Name  
Phone Number  
Email

|  |
|--|
|  |
|  |
|  |
|  |

**Bidder information is incomplete. All fields are mandatory.**

**Bidder  
Information**

# Four Tabs for Bid Entry

- Nov 2014 – May 2015: On-Peak and Off-Peak (both)

| Nov-14        | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 |
|---------------|--------|--------|--------|--------|--------|--------|
| Jan-Feb 2015  |        |        |        |        |        |        |
| [Green Bar]   |        |        |        |        |        |        |
| [Orange Grid] |        |        |        |        |        |        |
| [Yellow Bar]  |        |        |        |        |        |        |
| [Red Grid]    |        |        |        |        |        |        |

**Bid Entry for Products**

**Bid Entry for Combinations**

# Two Steps to Bid Evaluation

---

- 1. First Step:** Bids that fail to meet the benchmarks are eliminated
- 2. Second Step:** Selection of package that yields the lowest average cost per MWh



# **Questions?**

**Contact: [Illinois-RFP@nera.com](mailto:Illinois-RFP@nera.com)**