Illinois Power Agency
Spring 2015 Procurement Events: Ameren and ComEd
REC RFP

Bidder Information Call
Tuesday, March 24, 2015
Agenda

- Overview
- Supplier Contracts
- The RFP Process
- Bids and Bid Forms
Overview
Regulatory Filings by the IPA

- On **September 29, 2014** the Illinois Power Agency ("IPA") filed its procurement plan.
- The Illinois Commerce Commission ("ICC") approved the IPA’s procurement plan with modifications.
- Additional procurement events in 2015:
  - Spring 2015 Procurement Events for standard block products
  - Fall 2015 Procurement Events for standard block products
  - Fall 2015 Procurement Event for capacity for Ameren
  - Fall 2015 Procurement of RECs from distributed generation
  - Supplemental PV Procurement Events in June and November 2015
- The IPA retained **NERA to serve as Procurement Administrator** for both the Ameren and ComEd portfolios.
IPA Procures RECs from Solar Photovoltaic

- **Supply period** is June 1, 2015 to May 31, 2016

- **RECs** are for solar photovoltaic resources

- **In this REC RFP**, there is **no** requirement for RECs to be delivered from new systems or from distributed generation resources
RFP Features Solar RECs ONLY

- 1 REC is equivalent to 1 MWh of solar photovoltaic energy generation

- Target:
  - 30,212 Solar RECs for Ameren / 49,770 Solar RECs for ComEd

- Preliminary Budget:
  - $3,690,935 for Ameren / $5,607,157 for ComEd

- Bidders may bid on products of one or both Companies

- For each Company, Bidders may bid one or both Products:
  - Illinois and Adjoining State Solar Photovoltaic (“IAP”)
  - Other State Solar Photovoltaic (“OSP”)

REC RFP Target and Budget

- In no event will the recommended Bids exceed the Target or the Budget

- Priority is given first to cost effectiveness and then to resource location

- Bids are subject to benchmarks established by the Procurement Administrator, the Procurement Monitor, and the IPA

- Benchmarks developed using confidential methodology approved by ICC
Proposal Submission Process is Online

- Part 1 (pre-qual): respond to qualification standards
- Part 2 (registration): make certifications; pre-bid security

Part 1 Proposal (Mar. 24 – Apr. 1)

- Online: provide information using online P1 form
- Online: upload completed Inserts
- Online: upload required supporting documents
- Send to IPA: Bid Participation Fee

Part 2 Proposal (Apr. 6 – Apr. 13)

- Online: provide information using online P2 form
- Online: upload completed Inserts
- 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 selects RECs according to the priorities of the Act.
**Bid Participation Fee**

- **Bid Participation Fee of $500** required by Bidders who have not paid this fee in 2015
  - Bidders that intend to bid on Ameren and ComEd RECs need only pay one Bid Participation Fee
  - Bidders that paid Bid Participation Fee for the Standard Products RFP do not need to submit additional payment

- Bid Participation Fee is due to the IPA on the Part 1 Date
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:
  - $1.56 per Solar REC

- **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 March 23, 2015 and Bidders bear full responsibility for reviewing and understanding the written agreements.
Renewable Master Agreement: Basics

- A separate REC 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
- Final Contracts are identical to the Draft Contracts posted on March 6 given no changes were made
  - contracts are substantially the same as those used in 2012
Based on industry standard ABA-EMA-ACORE Master REC Purchase and Sales Agreement

- Renewable Energy Credit Agreement (REC Contract)
- Exhibit A – Attestation
- Exhibit B – Form of Guaranty
- Exhibit C – Form of Letter of Credit
- Exhibit D – Minimum Delivery Schedule
- Exhibit E – ABA-EMA-ACORE Master REC Agreement

REC Contract contains:
- all modifications to the ABA-EMA-ACORE Master REC Agreement
(ComEd) Master REC Purchase & Sales Agreement

- Uses the industry standard ABA-EMA-ACORE Master REC Purchase and Sales Agreement
  - ABA-EMA-ACORE Master REC Purchase and Sales Agreement
  - Cover Sheet of the REC Master Agreement
  - 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)
  - Confirmation Sheet (Sample)

- Cover Sheet contains all modifications to the REC Master Agreement

- Elections to certain contract terms are found in Cover Sheet and Paragraph 10 of Collateral Annex
Non-Credit Main Features (Both Agreements)

- **Standard REC**
  - Includes all Environmental Attributes from generation

- **Vintage**
  - RECs generated from January 1, 2015 through May 31, 2016

- **Tracking System**
  - PJM-EIS GATS, or M-RETS, or NARR
  - **ComEd**: transfer of RECS to Buyer’s account required
  - **AIC**: RECs to be retired by Seller

- **Transaction Details**
  - **ComEd**: Quantity and Pricing details provided in Confirmation
  - **AIC**: Quantity and Pricing details provided in Table 1 of Contract
# Quarterly Delivery, Invoicing and Payment

<table>
<thead>
<tr>
<th>Delivery Season</th>
<th>Minimum Delivery: Aggregate Value</th>
<th>Delivery Due</th>
<th>Invoice Due (one invoice per season)</th>
<th>Payment Due</th>
<th>Maximum Payment: Aggregate Value**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-Aug</td>
<td>10%</td>
<td>Aug 31</td>
<td>Sep 10</td>
<td>Sep 30</td>
<td>25%</td>
</tr>
<tr>
<td>Sep-Nov</td>
<td>30%</td>
<td>Nov 30</td>
<td>Dec 10</td>
<td>Dec 31</td>
<td>50%</td>
</tr>
<tr>
<td>Dec-Feb</td>
<td>60%</td>
<td>Feb 29</td>
<td>Mar 10</td>
<td>Mar 31</td>
<td>75%</td>
</tr>
<tr>
<td>ComEd: Mar-Jul 10</td>
<td>100%</td>
<td>Jul 10</td>
<td>Jul 10</td>
<td>Jul 31</td>
<td>100%</td>
</tr>
<tr>
<td>AIC: Mar-Jul 15</td>
<td>100%</td>
<td>Jul 15</td>
<td>Jul 20</td>
<td>Aug 31</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Payments are subject to maximum amount if contract value exceeds $100,000. Otherwise, payment will be made for full invoice amount.

- **(AIC Only)** With each invoice, Seller provides:
  - Attestation (Exhibit A)
  - Screen Print of Tracking System (See Para 9c of REC Contract)
Main Credit Terms (Both Agreements)

- Collateral requirement is **10%** of value of undelivered RECs remaining

- Suppliers may be granted unsecured credit and may rely on financial standing of a Guarantor

- Collateral requirement reduces over term of the Agreements as RECs are delivered
The RFP Process
<table>
<thead>
<tr>
<th>Date</th>
<th>23-Mar</th>
<th>24-Mar</th>
<th>25-Mar</th>
<th>26-Mar</th>
<th>27-Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Supplier Contracts &amp; RFP Documents Issued</td>
<td>PART 1 WINDOW OPENS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-Mar</td>
<td>31-Mar</td>
<td></td>
<td>1-Apr</td>
<td>2-Apr</td>
<td>3-Apr</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-Apr</td>
<td>7-Apr</td>
<td>8-Apr</td>
<td>9-Apr</td>
<td>10-Apr</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13-Apr</td>
<td>14-Apr</td>
<td>15-Apr</td>
<td>16-Apr</td>
<td>17-Apr</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-Apr</td>
<td>21-Apr</td>
<td>22-Apr</td>
<td>23-Apr</td>
<td>24-Apr</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Confidential Report to ICC</td>
<td></td>
<td>ICC decision</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Website is a central source of information

www.IPA-energyrfp.com

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 and renewable energy products. This website also provides information related to the supplemental procurement of renewable energy credits from photovoltaics. This website is currently managed by the Procurement Administrator retained by the Illinois Power Agency ("IPA"). The IPA has retained NERA Economic Consulting...
Bidders Must Register for An Account

Register for an Account

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

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

A Form specific to each RFP
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

- **Part 1 Proposal consists of:**
  - Information submitted through the [Online Part 1 Form](#)
  - Supporting *documents* (can be uploaded to the form)
  - Inserts to upload (can be uploaded to the form)
  - Payment of *Bid Participation Fee* to the IPA
1. Contact Information

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

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

4. **Designation of Nominees.** The Representative or the Officer may name up to three Nominees *(Nominee Insert, #P1-2)*
   - 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 ALL participants
  - paid once for all 2015 Procurement Events

- 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](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

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").

2. **Credit Ratings for the Entity.**

  ✓ Bidders can comment on changes to the Letters of Credit
4. & 5. Company-Specific Requirements

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

- **Information to Prepare the applicable Supplier Contract Documents.**
  - Ameren Contract Insert, #P1-3
  - ComEd Contract Insert, #P1-6

- **Representations of the Officer of the Bidder.** Officer of the Bidder makes a number of certifications – all certifications in one place
  - Ameren Certifications Insert, #P1-4
  - ComEd Certifications Insert, #P1-7

✓ Officer of the Bidder can also provide with the Part 1 Proposal the certifications required by the Part 2 Proposal (P2 Certifications Insert)

✓ Additional requirements for Bidders in special circumstances (sections 6 & 7)
Contract Inserts to the Part 1 Form

- The applicable REC contract documents are prepared by the Company for Bidders with Bids identified as winning Bids 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 will be asked by the Procurement Administrator to 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 the Bidder has winning Bids.
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 a first request for additional information
- **Notification by email** to the entire Bidder Team (Representative and Nominees)
- Documents delivered via **secure electronic file transfer**

<table>
<thead>
<tr>
<th>Part 1 Date</th>
<th>12 PM CPT on April 1, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1 Notification</td>
<td>6 PM CPT on April 6, 2015</td>
</tr>
</tbody>
</table>
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 code 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 *(Certifications Inserts, #P2-1 for Ameren and #P2-2 for ComEd)*

- **Part 2 Proposal consists of:**
  - Information submitted through the [online Part 2 Form](#)
  - Signed certifications (scan can be uploaded)
  - 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**

<table>
<thead>
<tr>
<th>Part 2 Date</th>
<th>12 PM (noon) CPT on April 13, 2015</th>
</tr>
</thead>
</table>
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

- Each Pre-Bid LC is sent to the Company directly

- Pre-Bid Letter of Credit in an amount of $2 REC of the quantity the Bidder intends to bid subject to a $10,000 minimum
  - Maximum for ComEd is $99,540
  - Maximum for Ameren is $60,424

- Pre-Bid Letter of Credit expires no earlier than May 11, 2015; 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
  - 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 (by email)** for bid submission

**Bid Date** | Between 10 AM and 12 PM (noon) CPT on Apr. 16, 2015
Post-Bid Process: ICC Decision

- April 16: 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

- April 20: Procurement Administrator and the Procurement Monitor each submits a confidential report to ICC

- **April 22**: The ICC will decide whether to accept or reject the results of each procurement event
Post-Bid Process: Contract and Supplier Fees

- 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 submits original executed guaranty for receipt by Ameren

- 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

- **Payment of the Supplier Fee** to the IPA is due seven business days after being notified of Commission decision

- Pre-Bid Letter of Credit may be drawn upon if Supplier Fees not paid by the deadline
Bids and Bid Forms
Bidders May Bid on Two Products per Company

- Bidders may bid on two Products per Company:
  - Illinois and Adjoining State Solar Photovoltaic ("IAP")
  - Other State Solar Photovoltaic ("OSP")

- A Bidder may bid on any number of products and may bid on all products

- For each product, a Bidder may bid on a number of RECs not to exceed the Target of 49,770 RECs for ComEd and 30,212 RECs for Ameren
### Different Type of REC Products

<table>
<thead>
<tr>
<th>Product</th>
<th>Location and Type of Eligible Renewable Energy Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois and Adjoining State Solar Photovoltaic</td>
<td>A solar photovoltaic resource physically located in the state of Illinois, Wisconsin, Iowa, Missouri, Kentucky, Indiana, or Michigan</td>
</tr>
<tr>
<td>Other State Solar Photovoltaic</td>
<td>A solar photovoltaic resource physically located in a state other than Illinois, Wisconsin, Iowa, Missouri, Kentucky, Indiana, or Michigan</td>
</tr>
</tbody>
</table>
**Bid in the REC RFP**

- A **Bid** is a price for a REC of a particular product

<table>
<thead>
<tr>
<th>Illinois and Adjoining State Solar Photovoltaic</th>
<th>Other State Solar Photovoltaic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid (Price)</td>
<td>Bid (Price)</td>
</tr>
<tr>
<td>$10</td>
<td></td>
</tr>
<tr>
<td>1,000</td>
<td>RECs Bid (Number)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>RECs Bid (Number)</td>
<td>RECs Bid (Number)</td>
</tr>
</tbody>
</table>

- A Bidder may indicate the number of RECs of a product offered at a given price
The General Information tab has information about the products – and contact information that the Bidder fills out.

---

**Bid Form**

- **Template Information:**
  - In addition to the 'General Information' sheet, this Bid Form contains the following two (2) sheets:
    - 1) Ameren REC Bids
    - 2) ComEd REC Bids

**Bidder Information:**

<table>
<thead>
<tr>
<th>Company Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td></td>
</tr>
<tr>
<td>Phone Number</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
</tbody>
</table>

*Bidder information is incomplete. All fields are mandatory.*
### Section 2. Bids and number of RECs at given Bid price (All bids are $, all RECs are whole numbers)

<table>
<thead>
<tr>
<th>Illinois and Adjoining State</th>
<th>Solar (IAP)</th>
<th>Solar (OSP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bid ($/REC)</td>
<td>RECs Bid (#)</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Ameren Bid Entry**

**ComEd Bid Entry**
Bid Evaluation Procedure

1. **First Step:** Bids that fail to meet the benchmarks are eliminated

2. **Second Step:** Selection of RECs follows the priorities of the Act
   - **Priority** is given first to cost effectiveness, then location
   - **Appendix 6** of the REC Rules provides a step-by-step guide
   - The Target and the Budget will not be exceeded
Questions?

To submit questions to the presenters, please locate the “Q&A” on the right hand side of your screen, and select “All Panelists” in the “Ask” box; type in your question and click “Send” to submit your question.
Contact: Illinois-RFP@nera.com