

Illinois Power Agency June 2015 Procurement Event: Supplemental Photovoltaic Procurement (“SPV RFP”)



Bidder Information Session



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**Chicago, IL
May 14, 2015**

NERA
ECONOMIC CONSULTING

Disclaimer

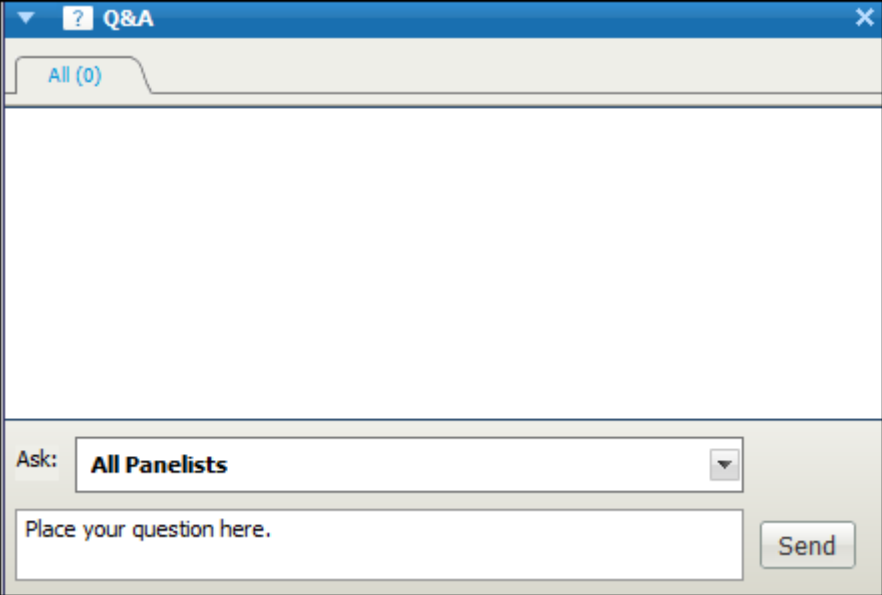
- Any statements herein or made on the call describing or referring to the documents are summaries only and are qualified in their entirety by the documents
- Final contract and RFP documents are posted to the procurement website and bidders bear full responsibility for reviewing and understanding the documents
- Governing documents include Public Act 98-0672 as well as the ICC Order and the SPV Plan in Docket No. 14-0651

Agenda

- ❑ Plan Overview
- ❑ Process and Product Overview
- ❑ Supplier Contract
- ❑ The RFP Process
- ❑ Bids and Bid Forms
- ❑ Post-Bid Process

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



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- An "Ask:" label followed by a dropdown menu showing "All Panelists".
- A text input field with the placeholder text "Place your question here."
- A "Send" button.

PLAN OVERVIEW

Regulatory Filings

- ❑ **June 28, 2014:** Illinois House Bill 2427 was signed into law as Public Act 98-0672 creating Section 1-56(i) of IPA Act
 - sets aside \$30 million for purchase of RECs from PV
- ❑ **October 28, 2014:** IPA filed its supplemental photovoltaic procurement plan (the “SPV Plan”) with the ICC
- ❑ **January 21, 2015:** the ICC issued its order approving the SPV Plan in Docket No. 14-0651 with certain modifications
- ❑ **March 3, 2015:** The final SPV Plan is posted to the IPA website with modifications set forth in the ICC Order

SPV Plan at a High Level

- Procurement of renewable energy credits from **new distributed generation solar PV** installations through three events
- Five-year contract for purchase of RECs
- RECs delivered through PJM-EIS GATS or M-RETS
- Larger systems (≥ 25 kW and $\leq 2,000$ kW) must be identified while smaller systems (< 25 kW) may be identified after selection through the bid process

Timeline and Budget

	Funds	System Size	Notes
June 2015	\$5M	Under 25 kW 25-500kW	5,000 REC maximum bid size in the under 25 kW category
November 2015	\$10M	Under 25 kW 25-500 kW 500-2,000 kW	Objective of 35% for the 25-500 kW product
March 2016	\$15M	Under 25 kW 25-500 kW 500-2,000 kW	Additional event for balance of funds as needed in Early 2017

New Systems Only

- System energized no earlier than January 21, 2015
- System energized and registered with tracking system no later than 12 months after procurement event
- If award is based on Forecast REC Quantity, systems must:
 - ◆ be identified within 6 months of procurement event
 - ◆ be energized and registered within 12 months after identification
- Extensions may be granted under certain circumstances for system to be energized or identified

Other System Characteristics

- system is of solar photovoltaic technology
- distributed renewable energy generation devices
- interconnected with a regulated utility, alternative retail electric supplier, municipal utility, or rural electric cooperative in Illinois
- behind customer side of utility meter
- registered with PJM-EIS GATS/M-RETS
- Installed by Qualified Persons

PRODUCT AND PROCESS OVERVIEW

Products and Categories

- **Three Products:** RECs associated with systems
 - **Sub-25 Product:** below 25 kW in size
 - **25-500 Product:** ≥ 25 kW and ≤ 500 kW
 - **Over-500 Product:** > 500 kW and $\leq 2,000$ kW

- Products grouped into **Two Categories:**
 - **Sub-25 Category:** Sub-25 Product
 - **25-Plus Category:** 25-500 Product and Over-500 Product

For this first solicitation, IPA will procure only two Products: the **Sub-25 Product** and **25-500 Product**

Online Proposal Process

- ❑ **Part 1: respond to the qualification standards**
- ❑ **Part 2: make certifications; provide bid assurance collateral**

Part 1 Window (May 14–May 27)

- Online:** provide information using online Part 1 Form
- Online:** upload completed Inserts
- Online:** upload required supporting documents

Part 2 Window (June 3–June 12)

- Online:** provide information using online Part 2 Form
- Online:** upload completed Inserts
- Send to IPA:** Bid Assurance Collateral

Bids are Due on June 18!

Bid Submission and Evaluation

Bid Submission

- ❑ Bidders enter their Bids in an Excel spreadsheet provided to them at the time of their qualification
- ❑ Bidders will transfer their spreadsheet through a secure file transfer interface
- ❑ Bidders may encrypt their Bid Forms for additional security

Bid Evaluation

- ❑ The evaluation considers only Bids that meet or beat the benchmarks
- ❑ Benchmarks are developed by the procurement administrator in consultation with ICC staff, the IPA, and the procurement monitor
- ❑ Evaluation has the objective of having 50% of the RECs for the procurement event from systems less than 25 kW

SUPPLIER CONTRACT

One Contract Per System

□ **Coversheet**

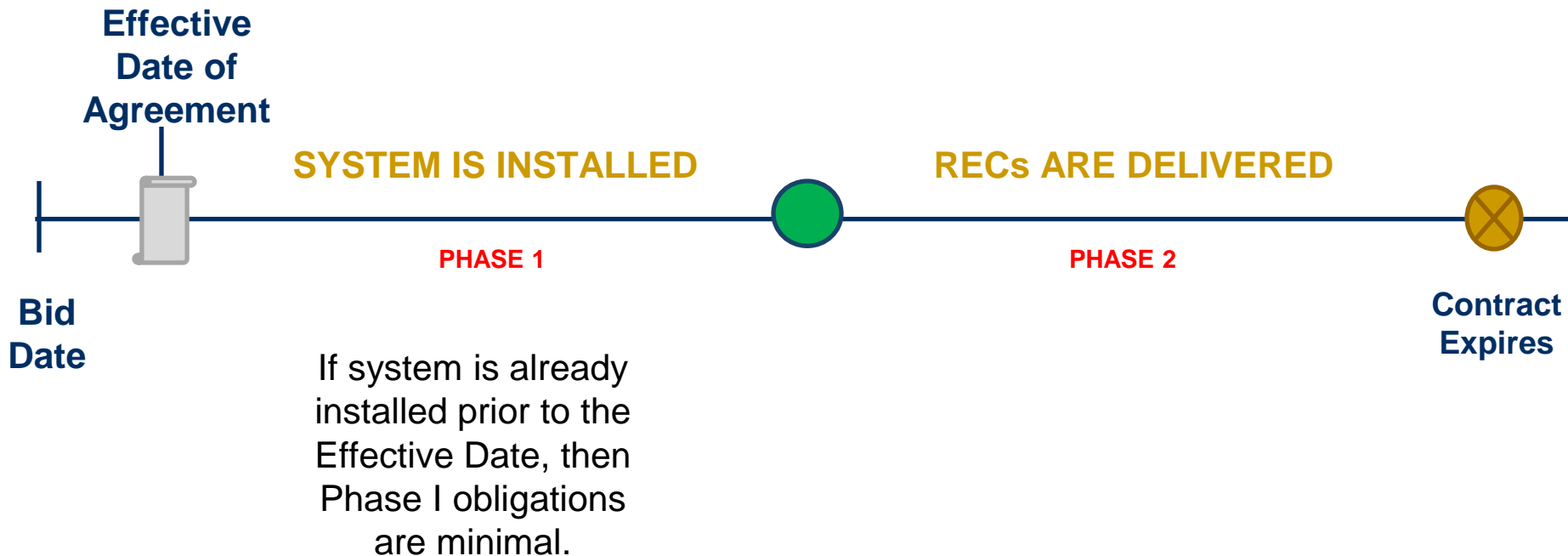
- ◆ System Identification Form: system \geq 25 kW (Exhibit A)
- ◆ System Identification Form: system $<$ 25 kW (Exhibit B)
- ◆ System Energized Notification Form (Exhibit C)
- ◆ Delivery Term Declaration Form (Exhibit D)

□ **General Terms & Conditions**

□ **Appendices**

- ◆ A: IL State Requirements
- ◆ B: Standard Letter of Credit
- ◆ C: Host Acknowledgment
- ◆ D: Sample Invoice Form

Contract envisions obligations in 2 Phases

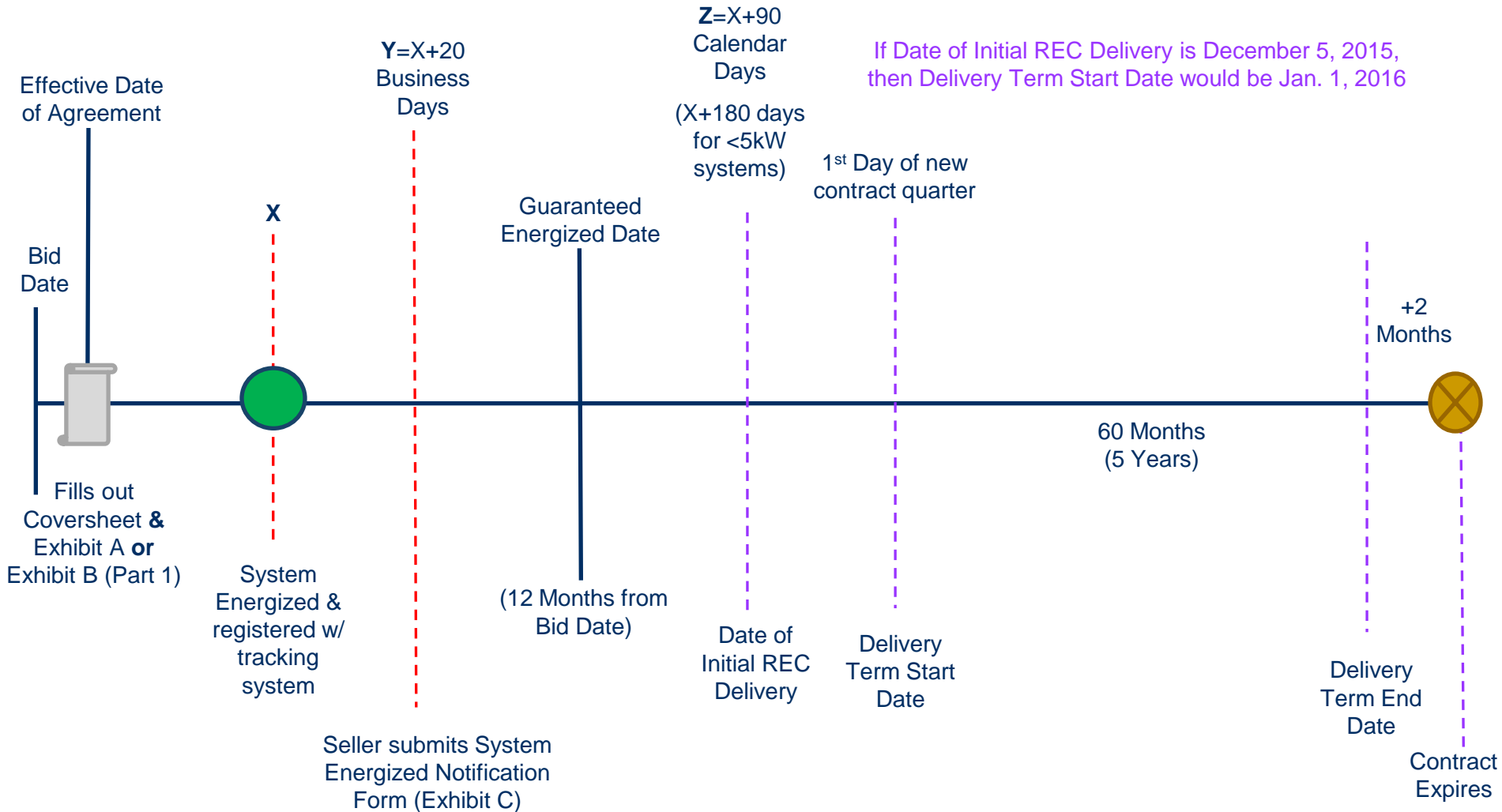


SPV Plan envisions 3 Types of Awards

- **Case 1:** Systems Identified, but not yet installed as of Bid Date
- **Case 2:** Identified Systems that are Energized and Registered between Jan. 21, 2015 and Bid Date
- **Case 3:** Speculative Bids based on Forecast REC Quantities

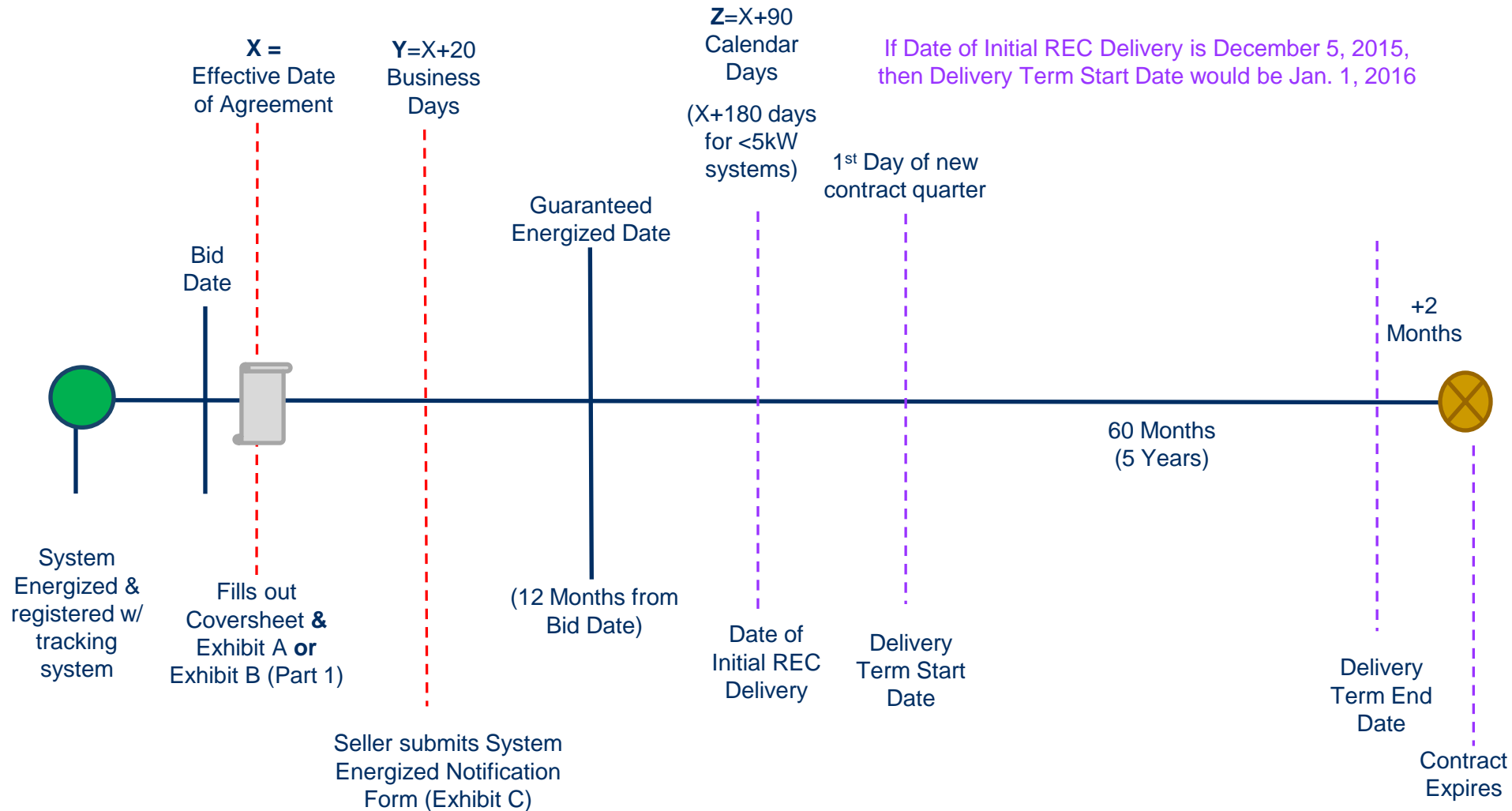
Timeline of Events

Case 1: System Identified, but not Energized



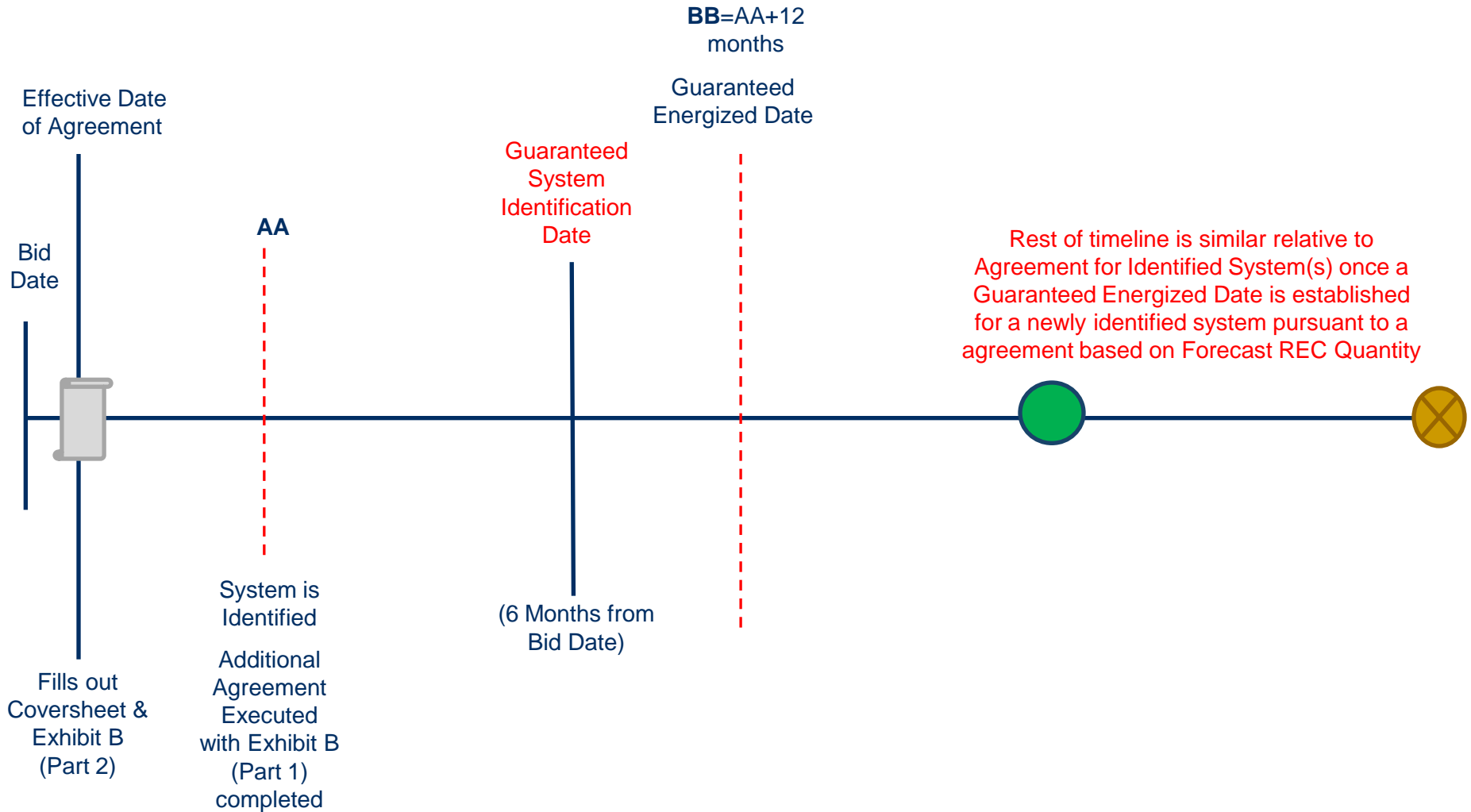
Timeline of Events

Case 2: System Energized Prior to Bid Date



Timeline of Events

Case 3: Award of Forecast REC Quantity



Cover Sheet & System Identification Form is to be completed upon Bid Award

By 3 business days after ICC approval of the results from procurement event, parties must execute contract:

- **Cover Sheet** contains **counterparty information**
- **System Identification Form** contains **planned system information**
 - Exhibit A (for systems ≥ 25 kW)
 - Exhibit B (for systems < 25 kW)
 - Complete Ex. B Part 1: Identified System
 - Complete Ex. B Part 2: Forecast REC Quantity
- **Illinois State Requirements** (Appendix A.1-A.5)

Credit Requirement is Simple

By 14 calendar days after ICC approval of the results from procurement event, Seller provides performance assurance collateral:

- Identified System: \$8 x Maximum Contract Quantity
- Forecast REC Quantity: \$16 x Maximum Contract Quantity (reduces upon system identification)
- **Cash** or **Letter of Credit** (Appendix B to Contract)
- Performance Assurance refunded with first REC payment

System Energized Notification Form

- By 20 business days after system has been energized and registered with tracking system, Seller provides to IPA **System Energized Notification Form (Ex C)**
 - ◆ provides system as-built information
 - ◆ certifies that system is new and installed by qualified persons
 - ◆ must be accepted by IPA before initial REC Delivery
- **Delivery Term Declaration Form (Ex D)** is completed by IPA after Date of Initial REC Delivery and specifies:
 - ◆ Delivery Term Start Date
 - ◆ Delivery Term End Date

For Forecast REC Quantity, time is allowed to identify systems

- **Forecast REC Quantity**
 - **Exhibit B Part 2** to be completed after Bid Date
- Once System is identified, an **Additional Agreement** for such newly identified system is executed
 - **Exhibit B Part 1** to be completed in such Additional Agreement
- Once the Additional Agreement is executed, the applicable contractual obligations would follow any Agreement associated with an “Identified System”

Seller Delivers RECs and invoices Buyer on Quarterly Basis



THE RFP PROCESS

Calendar – RFP Schedule

11-May	12-May	13-May	14-May	15-May
		Final REC Purchase and Sale Agreement posted	Final RFP Docs issued Webcast PART 1 WINDOW OPENS	
18-May	19-May	20-May	21-May	22-May
25-May	26-May	27-May	28-May	29-May
		PART 1 DATE		
1-June	2-June	3-June	4-June	5-June
	Part 1 Notification	PART 2 WINDOW OPENS		
8-June	9-June	10-June	11-June	12-June
				PART 2 DATE Bid Assurance Collateral Due
15-June	16-June	17-June	18-June	19-June
	Bidder Training		Bid Date	

Calendar – Post Bid Process

15-June	16-June	17-June	18-June	19-June
	Bidder Training		Bid Date	
22-June	23-June	24-June	25-June	26-June
Procurement Administrator and Procurement Monitor Submit Report to ICC		ICC Decision		
29-June	30-June	1-July	2-July	3-July
Contracts Fully Executed				
6-July	7-July	8-July		
		Performance Assurance Collateral Due		

Website is a Central Source of Information

Home

Announcements

Standard Products
Section

Renewable Energy
Resources Section

Supplemental PV
Procurement Section

Calendar

Ask a Question

Register

FAQs

Related Links

Previous RFPs

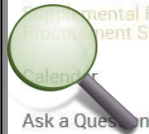
Qualification Form



www.IPA-energyrfp.com



- Home
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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



Register for an Account



- Home
- Announcements
- Standard Products Section
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- Qualification Forms**

Qualification Forms

You must be logged in to access the online Forms.

If you have an account, please [log in here](#).

If you do not have an account, please [register here](#).

Register for an Account

Qualification Registration

Name: *

Company: *

Position/Title:

E-Mail: *

Phone Number: *

Alternate Phone Number:

Fax Number:

Please select a category:
 Standard Products
 Renewables
 Supplemental PV

Complete the qualification registration form, indicating “Supplemental PV” for the category.

Part 1 Proposal

□ **Bidders**

- Provide contact information
- Provide information regarding the system(s) and/or forecast quantities
- Make certifications

□ **Part 1 Proposals consist of:**

- Information submitted through the **online Part 1 Form**
- **Supporting documents** (uploaded to the online form)
- **Inserts** (uploaded to the online form)

1. Contact Information

1. **Legal Name and Address of the Bidder**
2. **Representative of the Bidder.** Individual authorized to act on behalf of the Bidder
 - A Bidder may designate three (3) additional Representatives by completing the **Representative Insert #P1-1**
 - **All Representatives** will receive all correspondence from the Procurement Administrator
3. **Role.** The Bidder is asked to describe its role in the development and operation of the systems

2. Identified Systems (sub-25 Category or 25-Plus Category)

1. **System Characteristics.** The Bidder describes each identified system by completing the **Worksheet Insert #P1-2**:
 - a. Size of the system (DC output rating in kilowatts, no more than 500 kW in size)
 - b. Location of the system or systems (in Illinois)
 - c. Interconnecting distribution company (electric utility, an alternative retail electric supplier, a municipal utility, or a rural electric cooperative located in Illinois)
 - d. Energized Date (on or after January 21, 2015 but no later than twelve (12) months after the Bid Date. If this date is not known, enter June 18, 2016)
 - e. Parties involved in the development of the system: System Owner, Host (owns or controls the site where system is installed), Customer, Seller
2. **Documentation for System Characteristics.** The Bidder provides documentation to support the reported system characteristics by completing the **Backup Insert #P1-3**

3. Forecast Quantities (sub-25 Category only)

- Quantity.** The Bidder provides the forecast quantity of RECs
 - the sum of the forecast quantity and the RECs associated with the identified systems must be at least 500 RECs
 - the sum of the forecast quantity and the RECs associated with the identified systems cannot exceed 5,000 RECs
- Aggregator.** The Bidder must identify one Seller as being an Aggregator (and the signatory to the SPV Contract for the forecast quantity)
- Certifications.** The Bidder must provide certifications from the Seller by completing the **P1 Speculative Certification Insert #P1-4**

4. Representations and Additional Requirements

1. **Representations.** Each Seller is required to make certifications. The Bidder must provide these certifications for each Seller by completing the **P1 Certifications Insert #P1-5**
2. **Comments on Changes to the Letter of Credit.** The Bidder may provide comments on or propose modifications to the Standard Pre-Bid Letter of Credit and the Standard Post-Bid Letter of Credit. A Bidder provides these comments by completing the **LC Comment Insert #P1-6**

Part 1 Proposal Process

- ❑ Part 1 Proposals are 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 are received before noon
 - Next business day otherwise
- ❑ Bidders generally have until the Part 1 Date or **two (2) business days** to respond to a first request for additional information
- ❑ **Notification by email** to all Representatives
- ❑ Documents delivered via **secure electronic file transfer**

Part 1 Date	12 PM CPT on May 27, 2015
Part 1 Notification	6 PM CPT on June 2, 2015

Part 2 Proposal has 2 Parts

□ **Bidders**

- Provide any update to their contact information
- Make certifications
- Provide the information to prepare the SPV Contract (**Optional**)

□ **Part 2 Proposals consist of:**

- Information submitted through the **online Part 2 Form**
- **Inserts: Cash Certification Insert #P2-1, P2 Certifications Insert #P2-2** and optionally **Contract Insert #P2-3** (uploaded to the online form)
- Bid Assurance Collateral delivered to the IPA
- Bids

The entire Part 2 Proposal (excluding Bids) must be received no later than 12 PM (noon) CPT on June 12, 2015

Bid Assurance Collateral Must be Sufficient to Support Bids

- ❑ Bidders must submit Bid Assurance Collateral either as a **Pre-Bid Letter of Credit or cash**
 - Pre-Bid Letter of Credit must be in the standard form or incorporate only modifications accepted by the IPA
 - Bidders may provide special instructions for the return of the Pre-Bid LC
 - Three methods for providing cash
- ❑ The Bid Assurance Collateral must be sent to the **IPA** directly
- ❑ Bid Assurance Collateral must be in an amount equal to:
 - \$8/REC for forecast quantities
 - \$4/REC for identified systems

kW Size to REC Conversion

- Assumed Capacity Factor is 14.38%
- Example:
 - System Size is 100kW (DC rating)

Number of RECs

= $(100 \text{ kW} / 1000) \times 14.38\% \times 8760 \text{ hrs} \times 5 \text{ yrs}$

= 630 RECs approximately

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
 - Two tabs with general information, one tab per Product
 - Bid Forms duly filled out must be submitted to the Procurement Administrator via **secure electronic file transfer**
 - Bidder phones Procurement Administrator to confirm receipt of 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 Forms **must be received between 8 AM and 12 PM (noon) on the Bid Date**

Bid Date	Between 8 AM and 12 PM CPT on June 18, 2015
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Post-Bid Process: ICC Decision

- ❑ **June 18:** 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 Inserts for preparation of the SPV contract
- ❑ **June 22:** Procurement Administrator and the Procurement Monitor each submits a confidential report to ICC
- ❑ **June 24:** The ICC decides whether to accept or reject the results of the procurement event

Post-Bid Process: Contract

- ❑ Within **3 business days** of ICC approval of the results from procurement event, contract execution formalities must be completed
 - The IPA prepares Cover Sheet and System Identification Form and sends contract to Sellers for execution
 - In addition, Sellers are to complete and provide Illinois State Requirements (Appendix A)
- ❑ Within **14 calendar days** of ICC approval of the results of the procurement event, Seller provides cash or letter of credit to fulfill Performance Assurance requirements

BIDS AND BID FORMS

Bid Format

▣ Sub-25 Product

- Minimum bid size 500 RECs (maximum bid size 5,000 RECs for June procurement event)
- Identified systems or forecast quantity or both
- Uniform price for each bid

▣ 25-500 Product

- Minimum bid size 500 RECs
- Identified systems only
- Each System may be priced individually

Bid Form

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

Appendix 4 Supplemental Photovoltaic RFP Bid Form - General Information Thursday, June 18, 2015	
Template Information:	
In addition to this 'General Information' sheet, this Bid Form contains the following two (2) sheets:	
<ul style="list-style-type: none"> 1) sub-25 kW Bids 2) 25-500 kW Bids 	
Bidder Information:	
Name of Seller	
Contact Name	
Phone Number	
Email	
Bidder information is incomplete. All fields are mandatory.	
Product Information:	
A REC is a Standard REC and represents all environmental attributes for 1 MWh of energy from a renewable source.	
There are two different Products each corresponding to the size of the system that generated RECs.	
The two (2) products are defined below:	
1	sub-25 kW RECs generated from systems less than 25 kW in size. There are two types of sub-25 kW bids: (i) RECs bid from identified systems; (ii) forecast quantities.
2	25-500 kW RECs generated from systems 25 kW in size or greater and 500 kW in size or less.

Price per System but Constraints on Bids Because of “Uniform Price” (sub-25)

Section 1.										
SUMMARY OF RECS BID										
		Sub-25 Bids			All Bids					
Total Quantity		4,924			9,408					
Cost		\$ 83,098.00			131,068					
		COMPLETE								
Section 2.										
Identified Systems										
PREPOPULATED										
System Number	1	2	3	4	5					
Name of System	System A	System B	System C	System D	System E					
Size of System (kW)	20.00	24.00	24.00	24.00	12.00					
REC quantity	126	151	151	151	76					
Bid in \$/REC	\$ 15.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00					
Total RECs at price	450	529	529	529	529					
	INCOMPLETE - Minimum Bid is \$00 RECs at a given price	COMPLETE	COMPLETE	COMPLETE	COMPLETE					
Section 3.										
Forecast Quantities										
	Speculative Bid -1	Speculative Bid -2	Speculative Bid -3	Speculative Bid -4	Speculative Bid -5	Speculative Bid -6	Speculative Bid -7	Speculative Bid -8	Speculative Bid -9	Speculative Bid -10
REC quantity	1,331	2,614	324							
Bid in \$/REC	\$ 20.00	\$ 17.00	\$ 15.00							
Total RECs at price	1331	2614	450							
	COMPLETE	COMPLETE	INCOMPLETE - Minimum bid of 500 RECs at a given price							

Price per System (25-500)

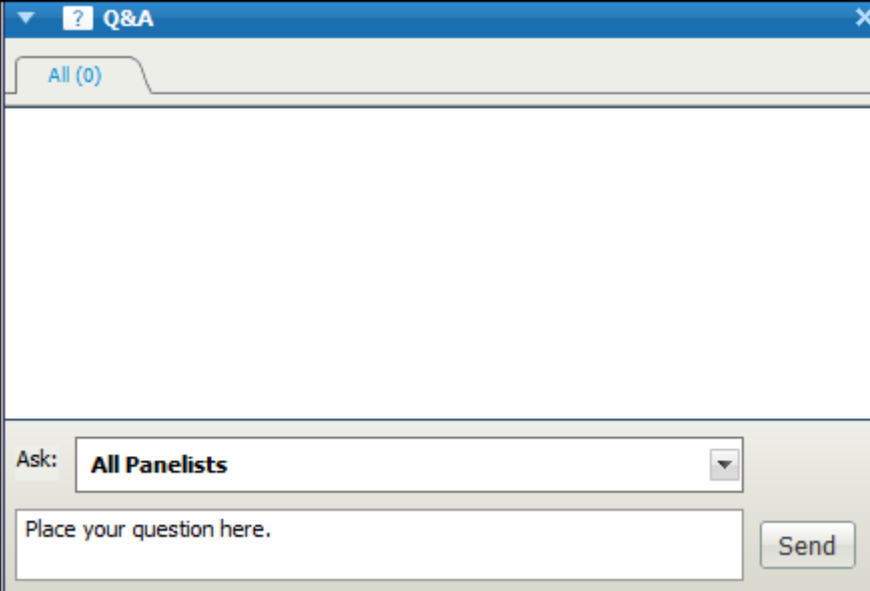
Section 1.		SUMMARY OF RECS BID			
			25-500 kW Bids	All Bids	
	Total Quantity		4,484	9,408	
	Cost	\$	47,970.00	131,068	
			COMPLETE		
Section 2. Identified Systems		PREPOPULATED			
	System Number	6	7	8	9
	Name of System	System F	System G	System H	System I
	Size of System (kW)	27.00	450.00	210.00	25.00
	REC quantity	170	2834	1323	157
	Bid in \$/REC	\$ 11.00	\$ 10.00	\$ 12.00	\$ 12.00

Bid Evaluation Procedure

1. **First Step:** Bids that fail to meet the benchmarks are eliminated
2. **Second Step:** Selection of RECs
 - Bids are ranked in order of price per REC until all Bids have been ranked or until the budget is exhausted
 - If the budget is exhausted, and there are RECs that are not selected, the highest priced Over-25 system Bids are replaced with the lowest priced Sub-25 systems until the objective of having 50% of RECs be procured from Sub-25 systems is reached (or vice-versa should the imbalance work in the opposite direction)
 - **The Budget for this procurement event will not be exceeded**
 - Appendix 5 of the SPV Rules provides a step-by-step guide

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Contact Us

Email: Illinois-RFP@nera.com

Ask a Question online:

www.IPA-energyrfp.com