

**Illinois Power Agency**  
**Forward Procurement Event:**  
**AIC and ComEd**  
**Utility-Scale Wind RFP**

**Bidder Information Webcast**  
**Wednesday, September 25, 2019**

**Anthony Star, Illinois Power Agency**

**Chantale LaCasse, NERA**

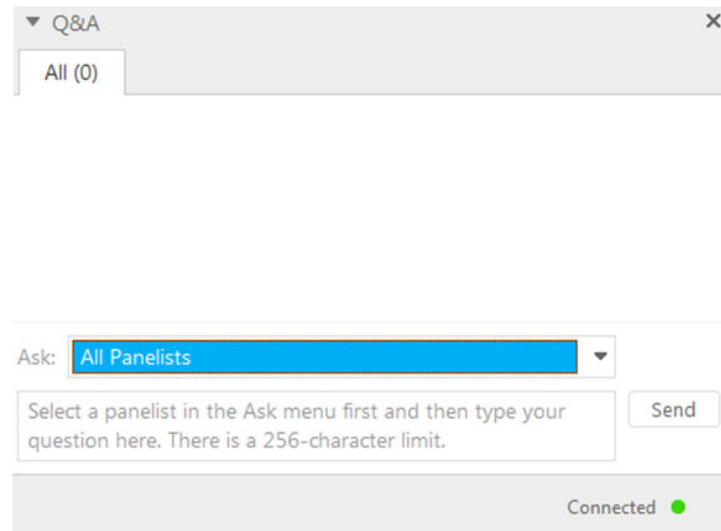
**Katie Orlandi, NERA**

**Rachel Northcutt, NERA**



# 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



The screenshot shows a web interface for asking questions. At the top, there is a tab labeled "Q&A" with a close button (X). Below the tab, there is a dropdown menu currently showing "All (0)". In the main area, there is a section labeled "Ask:" with a dropdown menu set to "All Panelists". Below this is a text input field with the placeholder text "Select a panelist in the Ask menu first and then type your question here. There is a 256-character limit." To the right of the text field is a "Send" button. At the bottom right of the interface, there is a "Connected" status indicator with a green dot.

Presentation materials and Q&As will be posted to  
[www.ipa-energyrfp.com](http://www.ipa-energyrfp.com)

# Disclaimer

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- Any statements made during this presentation describing or referring to the governing documents, including the REC Contract documents, are summaries only and are qualified in their entirety by our reference to these documents
- **These governing documents are:**
  - ◆ Public Act 99-0906
  - ◆ IPA's Initial Long-Term Plan & Commission Order (Docket No. 17-0838)
  - ◆ RFP Rules dated September 24, 2019 and appendices
  - ◆ REC Contract dated September 23, 2019
- Bidders bear full responsibility for reviewing and understanding these documents

**Please see the procurement website for all RFP documents**

**<https://www.ipa-energyrfp.com/utility-scale-wind/final-materials/>**

# Utility-Scale Wind RFP Documents

Documentation and information available on the procurement website [www.IPA-energyRFP.com](http://www.IPA-energyRFP.com)



The screenshot shows the homepage of the Illinois Power Agency website. At the top left is the IPA logo, which consists of a stylized sun icon and the letters 'IPA' in a bold, blue font. Below the logo, the text 'ILLINOIS POWER AGENCY' is displayed. In the top right corner, there is a search bar with a magnifying glass icon and the text 'Search...'. A vertical navigation menu is located on the left side of the page, listing various links: 'Home', 'Announcements', 'Fall Block Energy and Capacity', 'Brownfield', 'Low-Income Community Solar Pilot', 'Utility-Scale Wind', 'Community Renewable Generation Program', 'Calendar', 'FAQs', 'Useful Links', 'Contact Us', 'Previous RFPs', and 'Qualification Form'. The 'Utility-Scale Wind' link is circled in red. To the right of the navigation menu is a large photograph of a cornfield in the foreground with a high-voltage power line tower in the background under a blue sky with light clouds. Below the photograph, the text 'Illinois Power Agency RFPs' is written in a large, blue font, followed by 'For Electric Supply and Renewable Energy Products' in a smaller, blue font. At the bottom left of the page, there is a section titled 'Announcements' separated by a dotted line.

# Agenda

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- **Background**
- **Overview of Procurement Event**
- **Supplier Contract**
- **RFP Process**
- **Bids and Post-Bid Process**

# Long-Term Renewable Resources Procurement Plan

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- Long-Term Renewable Resources Procurement Plan (“Initial Long-Term Plan”):  
[https://www2.illinois.gov/sites/ipa/Pages/Renewable\\_Resources.aspx](https://www2.illinois.gov/sites/ipa/Pages/Renewable_Resources.aspx)
- Approved by the ICC on April 3, 2018 (Docket No. 17-0838)
  - ◆ Sets out the Agency’s renewables procurement activities
  - ◆ To be updated every two years
  - ◆ First update was released for public comment on August 15, 2019
- Includes open-enrollment programs and competitive procurements
  - ◆ Programs for photovoltaic distributed generation and community solar: Adjustable Block Program and Illinois Solar for All
  - ◆ Forward Competitive Procurements: Utility-Scale Wind, Low-Income Community Solar Pilot, Non-Solar Community Renewable Generation Forward Procurement, Utility-Scale Solar (completed), Brownfield Site Photovoltaics (completed)



# **Overview of Procurement Event**

# Highlights

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<b>Bid Date</b>	<b>October 24</b>
<b>Target (Annual Deliveries)</b>	<b>1,000,000 RECs</b>

- Procures **RECs from Utility-Scale Wind Projects** selected through RFP
- **Bid** for **each Project** includes:
  - ◆ Price: **\$/REC**
  - ◆ Full Quantity: **annual # of RECs**
  - ◆ Minimum Quantity: **annual minimum # of RECs that Seller is willing to accept as a partial award**
- RECs from winning Project allocated among: **AIC and ComEd**



# Project Requirements

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- Utility-Scale Wind Projects (> 2MW AC rating)
- **New Project** with Date of First Operation after June 1, 2017 and on or before October 30, 2022; the REC Contract defines Force Majeure events that can excuse delay
- Project cannot be a repowered facility
- **NOT** a generating unit whose costs are recovered through rates
- Located in **Illinois**; or: located in states adjacent to Illinois **and** meeting the public interest criteria as detailed in the Initial Long-Term Plan
- $\geq 50\%$  of Project is located on identified site

# Product Requirements

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- **RECs delivered are:**
  - **Standard RECs** that includes all environmental attributes
  - **from Project** selected through RFP
  - transferred to Buyer's **PJM EIS GATS or M-RETS** account in **unretired** state
  - Such that Buyer can comply with the **Illinois RPS**
  - Delivery of first REC to each Company on or before **January 27, 2023**

# One Proposal per Project

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

## Part 1 Proposal: Sept 25 – Oct 2 (noon CPT)

- **Online:** provide information using online Part 1 form
- **Online:** upload completed Inserts
- **Online:** upload required supporting documents
- **Send to IPA:** Bid Participation Fee

## Part 2 Proposal: Oct 10 – Oct 17 (noon CPT)

- **Online:** provide information using online Part 2 form
- **Online:** upload completed Inserts
- **Send to Companies:** bid assurance collateral (cash or letter of credit)

# Bid Submission and Evaluation

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- Bid Submission
  - ◆ Bidders enter their Bids in an **Excel spreadsheet** that will be provided by Procurement Administrator
  - ◆ Bidders will **transfer** their spreadsheet through a secure interface
- Bid Evaluation
  - ◆ considers only Bids that **meet or beat the benchmark**
  - ◆ Evaluation is on **price-only basis**
- Benchmark developed using confidential methodology approved by ICC

# Bid Participation Fee

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- **Bid Participation Fee of \$500** is required
  - A single Bid Participation Fee per Bidder for all Projects
  - A Bidder that paid the Bid Participation Fee in a prior 2019 procurement event does not need to pay again
- Bid Participation Fee is due to the **IPA** by 12 PM (noon) CPT on the **Part 1 Date**
- Two methods of payment:
  - ◆ **Check made payable to the Illinois Power Agency**
  - ◆ **E-Check payment program**
- For a complete set of instructions, email us at:  
[\*\*Illinois-RFP@nera.com\*\*](mailto:Illinois-RFP@nera.com)

# Supplier Fees

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- Supplier Fees paid for **winning Projects** only
- Supplier Fees must be paid to the IPA within 7 business days of Commission approval of results of the procurement event
- Estimate of Supplier Fees at this time:
  - \$0.21 per REC
  - Supplier Fee = \$0.21 x **Annual Quantity** of RECs
- Confirmation of final Supplier Fee no later than two (2) business days prior to the Bid Date



# **Supplier Contract**

# REC Contract: Structure

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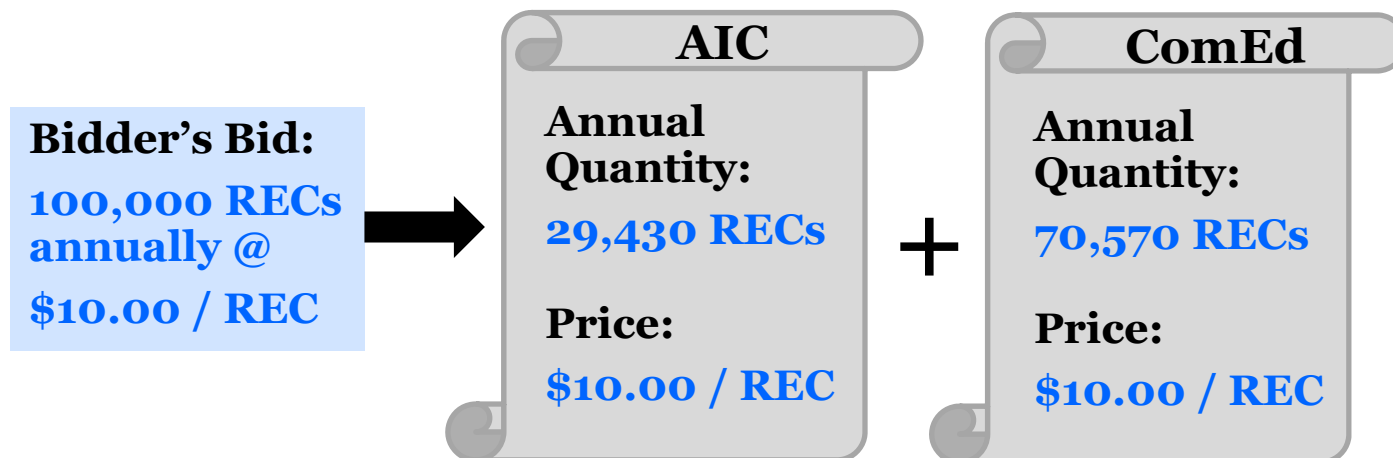
- REC Contract:
  - ◆ Cover Sheet
  - ◆ Exhibit A: Example on Delivery Year Requirement
  - ◆ Exhibit B: Form of Guaranty
  - ◆ Exhibit C: Letter of Credit Forms
  - ◆ Exhibit D: ABA-EMA-ACORE REC Purchase & Sale Agreement (Master REC Agreement)
  
- Cover Sheet is the main body that includes:
  - ◆ specific terms related to project requirements, delivery obligations, payment terms
  - ◆ pricing and quantity details
  - ◆ modifications to the Master REC Agreement



# Contract is awarded through RFP

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- **Annual Quantities** across Companies sum up to the annual quantity that Seller bids for the Project
- **Maximum Contract Quantity** is Annual Quantity x 15 years



# Contract includes a 15-Year Delivery Term

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- **Delivery Term** is for 15 years of REC deliveries
  - ◆ Date the first REC is Delivered must occur on or before **January 27, 2023**
  
- Delivery Term is divided into **Delivery Years**
  - ◆ Starts in June and ends in May of following year
  - ◆ Delivery obligations are for each Delivery Year
  
- Each Delivery Year is divided into **Delivery Months**
  - ◆ Invoices due by 10<sup>th</sup> day after each Delivery Month
  - ◆ Payments due by end of month of receipt of timely invoices

# What are my Delivery Obligations ?

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- The obligation is the **Delivery Year Requirement, which is the Annual Quantity** for Delivery Year except:
  - ◆ First and Last Delivery Years will be pro-rated if Delivery Term does not begin on June 1<sup>st</sup>
  - ◆ First 365 days: Requirement can be reduced up to 50%
  
- **If:** (a) you fail to meet the Delivery Year Requirement in any 3 or more Delivery Years **and** (b) the amount of shortfalls equals or exceeds the Annual Quantity
  - ◆ Contract with that Company is terminated
  - ◆ Collateral Requirement forfeited

# Flexible Vintage allows for Banking of RECs

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- RECs delivered in any Delivery Year:
  - ◆ must allow Buyer to comply with Illinois RPS
  - ◆ must be from Project (no Replacement RECs)
  - ◆ need not be from same Delivery Year as long as REC is based on electricity generation anytime in the **15-year Delivery Term and 2 additional months** before the Delivery Term
- **Excess RECs** are the property of the Seller
  - ◆ Seller may sell excess RECs elsewhere
  - ◆ Deliver in future Delivery Year to meet subsequent Delivery Year Requirement
  - ◆ Deliver in last Delivery Year up to Maximum Contract Quantity

# Credit Requirements

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- Collateral Requirement is based on Annual Quantity of RECs
  - ◆ **\$4.00** x Annual Quantity of RECs
  - ◆ Collateral Requirement is subject to \$20,000 minimum
- Unsecured Credit granted to entities that are investment grade (or that rely on guarantor that is investment grade)

S&P	Moody's	Fitch	Collateral Threshold
BBB- or above	Baa3 or above	BBB- or above	\$2,500,000

- ◆ Standard forms of the Guaranty and Letter of Credit are provided as exhibits to REC Contract



# **The RFP Process**

# Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
Final REC contract posted Sept 23	RFP issued 24	Webcast PART 1 WINDOW OPENS 25	26	27
30	Oct 1	Part 1 Date Bid Participation Fee 2	3	4
7	8	PART 1 NOTIFICATION 9	PART 2 WINDOW OPENS 10	11
14	15	16	Part 2 Date Bid assurance collateral due 17	Bidder Training 18
21	22	23	BID DATE 24	25
28	29	ICC Decision 30	31	Nov 1

# Registering for an Account

**IPA**  
ILLINOIS POWER AGENCY

Home  
Announcements  
Fall Block Energy and Capacity  
Brownfield  
Low-Income Community Solar Pilot  
Utility-Scale Wind  
Community Renewable Generation Program  
Calendar  
FAQs  
Useful Links  
Contact Us  
Previous RFPs  
Qualification Form

## 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 [request login credentials here](#)

## Register for an Account

Alternatively, email [Illinois-RFP@nera.com](mailto:Illinois-RFP@nera.com) with:

- Company name
- full name of contact
- phone and alternate number
- email address
- Interest in Utility-Scale Wind RFP
- Number of Projects

Separate accounts for different Projects



# Login Credentials Timing

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- At this time, bidders that requested **login credentials** should have received them
  - Login credentials are issued to a **single individual**
  - Bidders with **multiple Projects** should have received enough accounts for each Project to have its own account
- **New/Additional Projects:** Do not delay requesting accounts for new Projects – please allow one business day for the receipt of login credentials from the Procurement Administrator

# Username Displayed on Tool Bar

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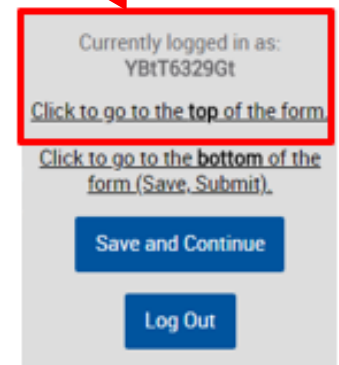
## Utility-Scale Wind Part 1 Form

### ILLINOIS POWER AGENCY FALL 2019 UTILITY-SCALE WIND RFP PART 1 FORM

**Bidders can tell which account you are currently signed in as by checking the **floating sidebar** in the bottom right-hand corner of your screen.**

Pursuant to Illinois Public Act 99-0906, the Illinois Power Agency (“IPA”) filed a Long-Term Renewable Resources Procurement Plan (“Long-Term Plan”), which provides for a procurement event for 1,000,000 renewable energy credits (“RECs”) delivered annually from new utility-scale wind projects for the portfolios of Ameren Illinois Company (“AIC”) and Commonwealth Edison Company (“ComEd”) through a Utility-Scale Wind RFP. Each of AIC and ComEd is referred to as a “Company”.

The Part 1 Proposal consists of the online Part 1 Form and attachments that are uploaded to the application website (or sent to the Procurement Administrator via email). Before completing the Part 1 Form for the Utility-Scale Wind RFP, please review the RFP Rules and the Renewable Energy Credit Agreement (“REC Contract”) so that you understand the conditions under which the Utility-Scale Wind RFP will be conducted. These documents are available on the procurement website, [www.ipa-energyrfp.com](http://www.ipa-energyrfp.com).



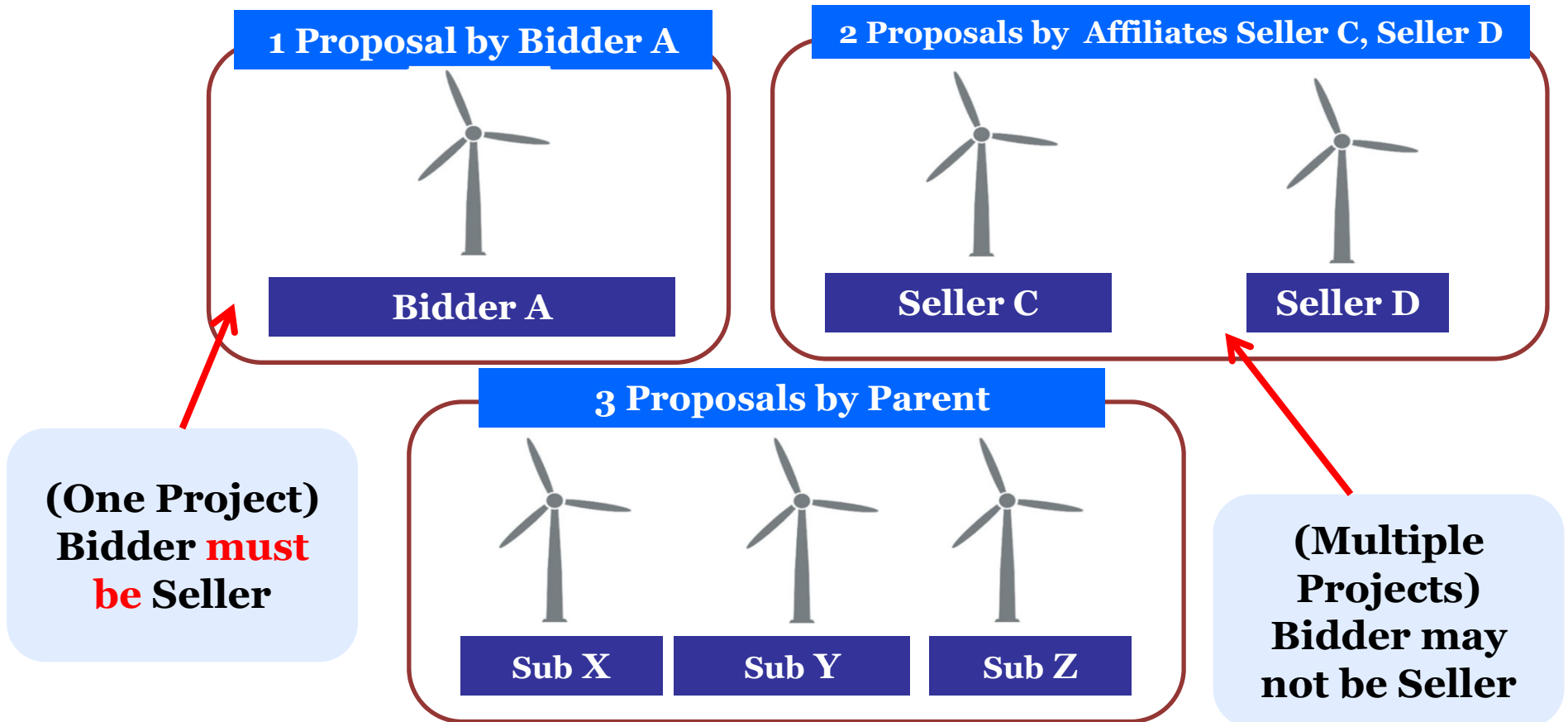
# Part 1 Proposal is required per Project

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- A “**Bidder**” is the entity that submits the Proposal; the “**Seller**” is the entity that will sign the REC Contract if the Project is selected
- **A Part 1 Proposal consists of:**
  - ◆ Information submitted through the online Part 1 Form
  - ◆ Supporting documents (uploaded to the online form)
  - ◆ Inserts (uploaded to the online form)
- For Bidders presenting multiple Projects, information common to all Projects (e.g., Representatives) need only be submitted **once**

# Roles of Sellers and Bidders

- **Seller:** signatory to the REC Contract
- **Bidder:** entity submitting the Proposal



# 1. Contact Information

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- **Contact Information for the Seller.**
- **Contact Information for the Bidder.**
- **Officer of the Seller.** Individual who makes all representations required in the Part 1 Proposal and in the Part 2 Proposal for the Seller
- **Representatives.** Individuals authorized to act on behalf of the Bidder and Seller
  - ◆ One Representative must be designated in the online form
  - ◆ Three (3) additional Representatives may be named
  - ◆ If multiple Projects, all Representatives **must be the same** across Projects

## 2. Project Information

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- Basic Information:
  - ◆ **Name of Project**
  - ◆ **Project Size** (AC rating) in MW
  - ◆ **Date** of First Operation (actual or expected)
  
- Project Location:
  - ◆ **Complete address**
  - ◆ **Map** of the Project site
  - ◆ **Projects located in a state adjacent to Illinois** must meet public interest criteria in the Act
    - Methodology explained in Chapter 4 of the Initial Long-Term Plan
    - Evaluation spreadsheet to be completed available here:  
<https://www2.illinois.gov/sites/ipa/Documents/2018ProcurementPlan/IL-RPS-Adjacent-State-Facility-Determination-Eligibility-Revised%20-October-12-2018.xls>

## 2. Project Information (cont'd)

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- Fully executed Interconnection Agreement, if available
- If not available, the Bidder must demonstrate site control for an area of at least 40 acres times the Project size and must describe the development milestones achieved
  - **Document to demonstrate site control**
    - Different documents are accepted
    - If document provided for site control is a letter of intent or a memorandum of understanding, then it must satisfy specific minimum requirements provided as an appendix to the RFP Rules
    - Bidder must indicate if document names an affiliate
    - Further information required if document does not include number of acres controlled by Owner
  - **Contact Information for each Owner** for which documentation is provided
- Description of stage of development

# Additional Part 1 Proposal Requirements

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- **Representations.** The Seller makes a number of certifications
  - Regarding the Project: meets requirements in RFP Rules; is not located outside Illinois and adjacent states, etc.
  - Regarding the Seller: accepts the terms of the REC Contract, is aware of the collateral requirements under the REC Contract, etc.
  
- **Financial Information.** If the Seller or its Guarantor is rated by one or more of the major rating agencies (S&P, Moody's, or Fitch) then all available credit ratings must be provided
  
- **Bid Participation Fee** of \$500 is required of Bidders that have not paid this fee in 2019



# Optional! 6. Comments on Letters of Credit

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- Bidders may:
  - ◆ provide comments on or **propose modifications** to the **Post-Bid** Letter of Credit (Exhibit C of the REC Contract)
  - ◆ provide comments on or **propose modifications** to the Standard **Pre-Bid** Letter of Credit for each Company
  
- Bidders **intending to use the letters of credit as financial guarantees** under the REC Contract can thus propose any changes to the letters of credit that their financial institutions may require

**The lists of modifications that are currently acceptable  
are posted here:**

<https://www.ipa-energyrfp.com/utility-scale-wind/final-materials/>

# Part 1 Proposal Process

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- Part 1 Proposals are evaluated promptly when the Bidder clicks **SUBMIT** in the online Part 1 Form
- While the Procurement Administrator evaluates the Part 1 Proposal, the Bidder will be temporarily **locked out of its account for that Project**
- Procurement Administrator will evaluate the proposals and provide notices to bidders noting any deficiencies
- Bidders generally have until the Part 1 Date or **two (2) business days**, whichever is later, to respond to a **first** request for additional information

<b>Part 1 Date</b>	<b>12 PM CPT on October 02, 2019</b>
<b>Part 1 Notification</b>	<b>October 09, 2019</b>

# Part 1 Notification

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- A Bidder is notified whether the Project has qualified pursuant to a successful Part 1 Proposal by **October 09, 2019** (the Part 1 Notification Date)
- **Contents**
  - ◆ Part 1 Notification letter
  - ◆ Customized Bid Form
  - ◆ Instructions for completing, encrypting, and submitting the Bid Form
  - ◆ Invitation to training session on the bid submission procedure
  - ◆ Confidential information for submission of the Bid Form, including a username, a password, and a security code unique to that Bidder

# Part 2 Proposal is Due in Two Packages

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- **Part 2 Proposal consists of:**

- ◆ Information submitted through the **online Part 2 Form**
- ◆ Signed certifications (email or upload)
- ◆ Submission of **bid assurance collateral**
- ◆ Bids

- **Bidders**

- ◆ Provide any update to the contact information for the Representatives
- ◆ Provide **Indicative Quantity** for Project (annual number of RECs)
- ◆ Elect form of bid assurance collateral (cash or letter of credit); if cash is elected, Bidder must acknowledge conditions under which cash may be drawn
- ◆ Provide information for preparing the contracts

***Part 2 Proposal Excluding Bids Must be Received by***

**Part 2 Date**

**12 PM CPT on October 17**

# Bid Assurance Collateral

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- **Bid Assurance Collateral** must be in the form of cash or a Pre-Bid Letter of Credit provided to each Company separately
- Bid Assurance Collateral is a function of the Project size (rounded to nearest MW) and is subject to a ceiling

Company	Amount	Ceiling
<b>AIC</b>	\$1,600/MW	\$1,200,000
<b>ComEd</b>	\$4,000/MW	\$2,800,000

- If a Bidder presents Proposals for multiple Projects, such Bidder may submit a single Pre-Bid Letter of Credit or effect a single wire transfer to a Company in the amount required for all Projects
- **Certifications regarding confidentiality** made in the Part 2 Proposal, including not disclosing information relating to the Proposal for a Project publicly or to any other party, will **remain in place until the Commission renders its decision** on the results of this procurement event

# Bid Assurance Collateral Requirements

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- **Cash**
  - ◆ W-9 for entity to which cash is returned
  - ◆ Draft request for return of the cash
  - ◆ Cash insert for each Company
  
- The **Pre-Bid Letter of Credit** for a Company must be either:
  - ◆ in standard form; or
  - ◆ incorporate only modifications acceptable to that Company and posted to the procurement website
  
- **Instructions** for submission of bid assurance collateral provided with the Part 1 Notification or upon request from Procurement Administrator



# **Bid and Post-Bid Process**

# Instructions for Bid Submission

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- The **Bid Form** is the exclusive method for the submission of Bids
  - ◆ The Procurement Administrator provides each Bidder with a custom Bid Form to use for all Projects that qualify
  - ◆ A Bid Form incompletely or inconsistently filled out will not be evaluated
- Bid Forms duly filled out must be submitted to the Procurement Administrator via **secure bid transfer site**
  - ◆ When the Bid Form is submitted, phone the Procurement Administrator
  - ◆ You must be available during the Cure Deficiency Period
- **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

<b>Bid Date: October 24</b>	
<b>Bid Window</b>	<b>10AM-12PM CPT</b>
<b>Cure Deficiency Period</b>	<b>12PM-1PM CPT</b>



# Three Elements of a Bid

- A Bid has three elements:
  - ◆ A price per REC that represents the price at which the Seller is willing to deliver RECs
  - ◆ A “full quantity” of RECs that represents the annual quantity that the Seller is offering to deliver under the terms of the REC Contract
  - ◆ A “minimum quantity” that represents the minimum annual quantity of RECs that the Seller is willing to accept as a partial award

Name of Seller	Project Tag	Project Size (MW)	Max Bid Size (# of RECs)	Price (\$/REC)	Full Quantity (# of RECs)	Minimum Quantity (# of RECs)
Sample Seller 1	SMP-01	100.00	394,200	30.00	390,000	290,000

- ◆ Quantity also subject to a maximum calculated on the basis of a 45% capacity factor

# Bid Evaluation Procedure

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- 1. First Step:** Bids that fail to meet or beat the benchmarks are eliminated
- 2. Second Step:** Full quantities of Projects are selected in price order. Either: marginal project selected for at least the minimum quantity; or: Target is unfilled
- 3. Third Step:** Projects with Bids approved by the Commission are allocated to each Company (29.43% to AIC, and 70.57% to ComEd)

# Post-Bid Process: ICC Decision

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- Procurement Administrator expects to notify Bidders by 6 PM CPT **on the Bid Date** whether they have Projects with Bids identified as winning Bids to the ICC (earlier if practicable, later as circumstances warrant)
- If not already done, Bidders with Projects that have Bids identified as winning Bids must provide the information for preparation of the REC Contracts by the Companies
- **Within 2 business days of Bid Date:** Procurement Administrator and the Procurement Monitor each submits a confidential report to the ICC
- **Within 2 business days of Report:** The ICC decides whether to accept or reject the results

# Post-Bid Process: Contract and Supplier Fees

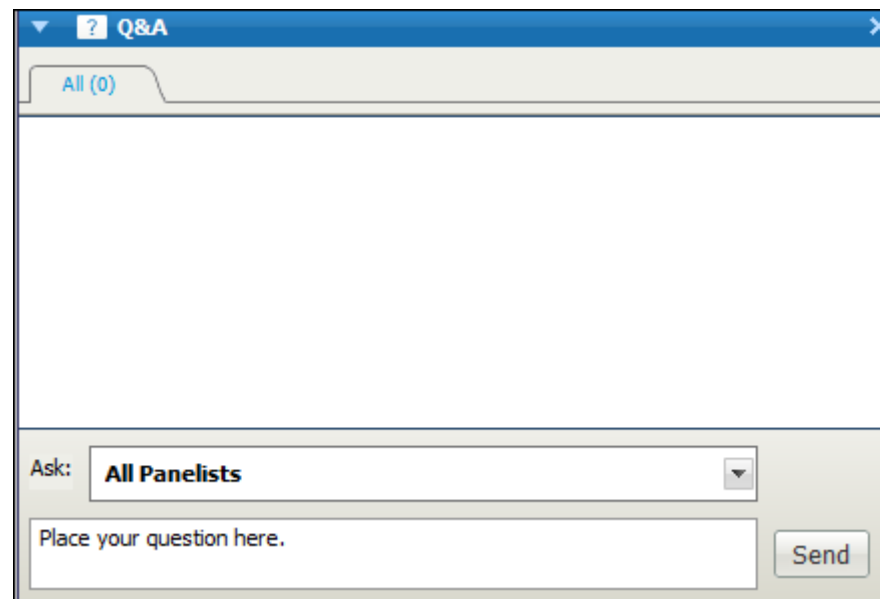
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- Each Company sends electronically to the Seller partially executed contract documents
- Seller countersigns, sends back contract documents electronically, and fulfills creditworthiness requirements
- **Collateral Requirement** is due within 5 business days of approval of the results by the Commission
- **Payment of the Supplier Fees** to the IPA is due within 7 business days of approval of the results by the Commission
- Bid assurance collateral may be drawn upon if Supplier Fees are not paid within 7 days of approval of the results by the Commission

# Questions?

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