

Illinois Power Agency

Subsequent Forward Procurement Event

AIC, ComEd and MEC

Indexed REC Wind, Solar and Brownfield RFP

Bidder Information Webcast

Tuesday, March 22, 2022

Doug Stinner, Illinois Power Agency

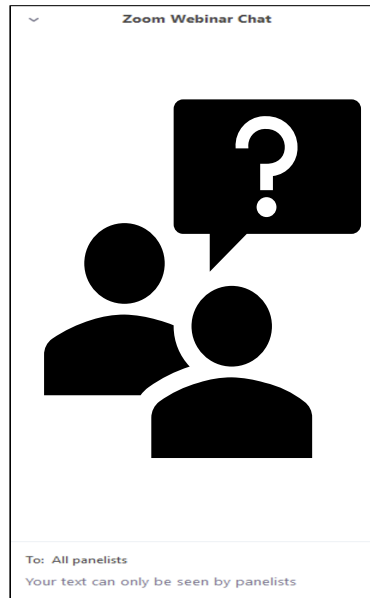
Benjamin Chee, NERA

Katie Orlandi, NERA



Questions

- To submit questions to the panelists, please click on the “Chat” icon on the bottom of your screen; the chat panel will appear on the right; type in your question and click “Enter”



Today's presentation and audio recording will be posted to: www.ipa-energyrfp.com

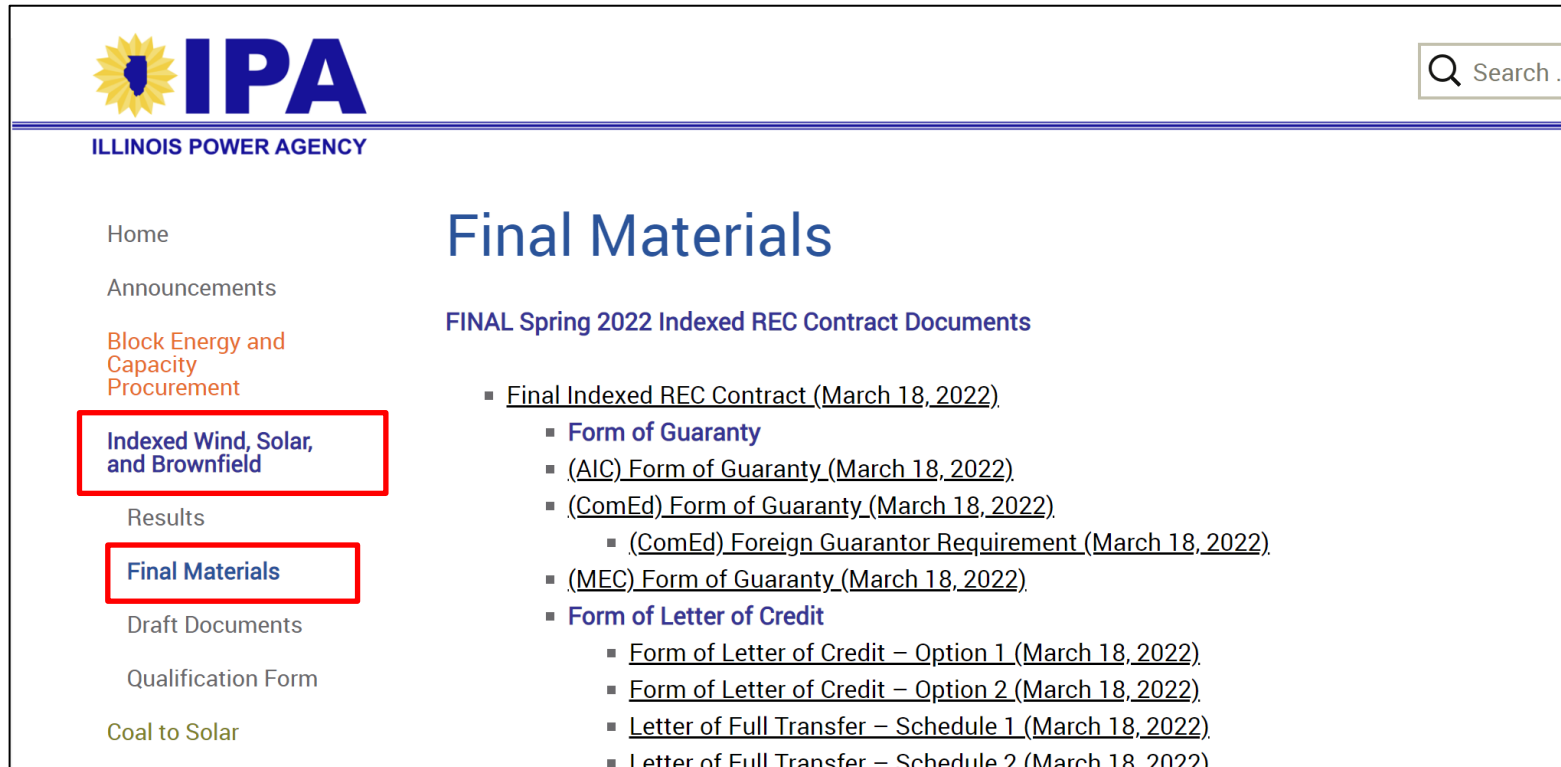
Disclaimer

- Any statements made during this presentation describing or referring to the governing documents, including the RFP and Indexed REC Agreement, are summaries only and are qualified in their entirety by our reference to these documents
- **The governing documents are:**
 - ◆ Public Act 102-0662
 - ◆ Final RFP Rules and appendices posted March 18, 2022
 - ◆ Final Indexed REC Contract posted March 18, 2022
- Bidders bear full responsibility for reviewing and understanding these documents

Please see the procurement website for all RFP documents
<https://www.ipa-energyrfp.com/indexed-wind-solar-and-brownfield/final-materials/>

Indexed REC RFP Documents

Documentation and information available on the procurement website www.IPA-energyRFP.com



The screenshot shows the homepage of the Illinois Power Agency (IPA). The logo features a sun with a blue outline and the letters 'IPA' in blue. Below the logo is the text 'ILLINOIS POWER AGENCY'. A search bar is located in the top right corner. The main navigation menu on the left includes: Home, Announcements, Block Energy and Capacity Procurement (highlighted in orange), Indexed Wind, Solar, and Brownfield (highlighted in a red box), Results, Final Materials (highlighted in a red box), Draft Documents, Qualification Form, and Coal to Solar. The main content area is titled 'Final Materials' and contains a sub-heading 'FINAL Spring 2022 Indexed REC Contract Documents'. Below this is a list of documents:

- [Final Indexed REC Contract \(March 18, 2022\)](#)
 - **Form of Guaranty**
 - [\(AIC\) Form of Guaranty \(March 18, 2022\)](#)
 - [\(ComEd\) Form of Guaranty \(March 18, 2022\)](#)
 - [\(ComEd\) Foreign Guarantor Requirement \(March 18, 2022\)](#)
 - [\(MEC\) Form of Guaranty \(March 18, 2022\)](#)
 - **Form of Letter of Credit**
 - [Form of Letter of Credit – Option 1 \(March 18, 2022\)](#)
 - [Form of Letter of Credit – Option 2 \(March 18, 2022\)](#)
 - [Letter of Full Transfer – Schedule 1 \(March 18, 2022\)](#)
 - [Letter of Full Transfer – Schedule 2 \(March 18, 2022\)](#)

Agenda

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

Background

Regulatory Background

- Public Act 102-0662 (the “Climate and Equitable Jobs Act”) was signed into law and became effective on **September 15, 2021**
- The Illinois Power Agency filed its 2022 Long-Term Renewable Resources Procurement Plan (“2022 Long-Term Plan”) with the Illinois Commerce Commission on March 21, 2022
 - ◆ The 2022 Long-Term Plan is expected to be approved in July 2022
- In the interim, the IPA Act, as amended by Public Act 102-0662, establishes a subsequent forward procurement for Indexed RECs from new Utility-Scale Wind Projects, new Utility-Scale Solar Projects, and new Brownfield Site Photovoltaic Projects

Overview of Procurement Event

Highlights

Bid Date: May 06 20-Year REC Delivery Contract Target

Utility-Scale Wind	2,500,000 RECs annually
Utility-Scale Solar	2,000,000 RECs annually
Brownfield Site Photovoltaic	125,000 RECs annually

- Procures **Indexed RECs from Projects** selected through RFP
- RECs from winning Projects allocated to: **AIC, ComEd, and MEC**
- **Bid** for **each Project** includes:
 - ◆ Strike Price: **\$/MWh**
 - ◆ Full Quantity: **annual # of RECs**
 - ◆ Minimum Quantity: **annual minimum # of RECs that Seller is willing to accept as a partial award**
- Bidder selects **PJM NIHUB or MISO-IL** for Index Price Trading Hub

Project Requirements

Utility Scale Wind and Solar Projects

- Project size (> 5,000 kW AC rating)
- Located in **Illinois**; or located in states adjacent to Illinois **and** meeting the public interest criteria
- $\geq 50\%$ of Project is located on site identified in the Proposal
- **New Project** with Date of First Operation after June 1, 2017
- Project Labor Agreement Act requirements
- Prevailing Wage Act requirements
- Utility-Scale Solar must be installed by Qualified Persons (not applicable to wind projects)

Project Requirements

Brownfield Site Photovoltaic Projects

- No minimum size requirement
- Located in **Illinois** and must be **entirely contained** within the brownfield site
- Supporting documentation that demonstrates the site is either: (1) regulated by the U.S. EPA or Illinois EPA under one of the four programs listed in the Act within 25 years prior to Bid Date; or (2) is located at a permanently closed coal mine and meets applicable requirements
- **New Project** with Date of First Operation after June 1, 2017
- Project Labor Agreement Act requirements
- Prevailing Wage Act requirements
- Installed by Qualified Persons

Product Requirements

- **RECs delivered are:**
 - **RECs** that include all environmental attributes
 - **from Project** selected through RFP
 - transferred to Buyer's **PJM EIS GATS or M-RETS** account in **unretired** state through standing order
 - Must allow Buyer to comply with the **Illinois RPS**
 - Earliest Vintage Month: **June 2022**
 - Initial REC Delivery Deadline: **May 31, 2025**
 - increased collateral requirement: **May 31, 2027**
 - further extensions for good cause as described in the Indexed REC Contract

One Proposal per Project

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

Part 1 Proposal: Mar 22 – Apr 06 (noon CPT)

- provide information using online Part 1 form
- upload completed Inserts
- upload required supporting documents
- Pay Bid Participation Fee to IPA (2 acceptable electronic methods of payment)

Part 2 Proposal: Apr 22 – Apr 29 (noon CPT)

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

The Proposal submission process is entirely online

Bid Submission and Evaluation

- 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**
 - ◆ Bids evaluated on a **price-only** basis and independently for each Category of Project (i.e., wind, solar, brownfield)
- Benchmark developed using confidential methodology approved by Illinois Commerce Commission (ICC)

Bid Participation Fee

- **Bid Participation Fee of \$500** is required
 - ◆ A single Bid Participation Fee per Bidder and paid once for all 2022 Procurement Events
- **Bid Participation Fee is due** to the IPA by 12 PM (noon) on the **Part 1 Date**
- Two **electronic methods of payment**:
 - ◆ **E-Pay online**
 - ◆ **ACH Automatic Clearing House in CCD or CCD+ format**
- Payment by check is **not** an acceptable method
- For a complete set of instructions, email: [**Illinois-RFP@nera.com**](mailto:Illinois-RFP@nera.com)

Supplier Fees

- Supplier Fees paid for **winning Projects** only
- Supplier Fees must be paid to the IPA within 7 business days of ICC approval of results of the procurement event
- Estimate of Supplier Fees at this time:
 - \$0.30 per REC of the Annual Quantity of RECs
 - Supplier Fee = \$0.30 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

Article	Topic Covered
1	Definitions
2	Product and Facility Requirements
3	Term of Agreement
4	Delivery Obligations
5	Payment And Invoicing
6	Reporting Requirements
7	Credit And Collateral Requirements; Performance Assurance
8	Representations and Warranties
9	Events Of Default; Remedies
10	Force Majeure
11	Government Action
12	Governing Law
13	Assignment
14	Indemnification and Liability
15	Miscellaneous

Exhibit	Topic Covered
A	• Form of Product Order
B	• Contact Information for Notices
C	• Form of Reports and Notices (Reserved)
D	• Form of Invoice
E	• Form of Security Instruments – Letters of Credit – Letters of Full Transfer – Form of Guaranty
F	• Examples – Example of Delivery Year Requirement Calculation for Utility-Scale Solar/Brownfield Site Photovoltaic Project – Example of Delivery Year Requirement Calculation for Utility-Scale Wind Project

Agreement Basics

Seller



**has right to convey
title of RECs**



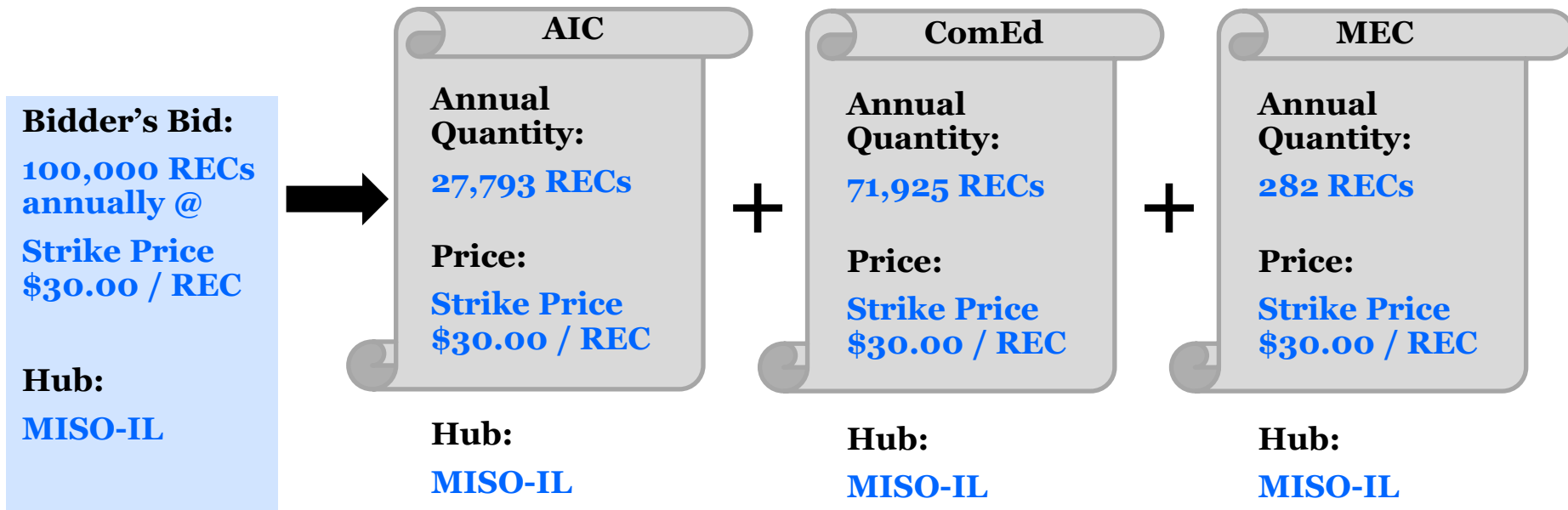
**Buyer
(Company)**



- you must be willing to sign the agreement with all 3 Companies
- RECs from winning Project are allocated among AIC, ComEd, and MEC
- contract administered separately by each applicable Company
- payment for **Delivered RECs only** (no payment for energy or capacity)

Contract is awarded through RFP

- **Annual Quantities** across Companies sum up to the annual quantity that Seller bids for the Project
- **Maximum Contract Quantity** is Annual Quantity x 20 years



REC Tracking Systems – Standing Order

- PJM EIS GATS and M-RETS are the tracking systems
- Seller and Buyer work together to establish a **standing order** for the selected project for the automatic recurring transfer
- Seller shall initiate the standing order request within 30 days of:
 - ◆ Project's Date of First Operation or
 - ◆ June 1, 2022 if project is already energized
- Buyer and Seller shall timely work together to remove or resume the standing order
- Based on Buyer's share of the RFP Awarded Annual Quantity
- Earliest Vintage Month: no earlier than June 2022

Credit Requirements

- Collateral Requirement is based on Annual Quantity of RECs

Utility Scale Wind	\$4 x Annual Quantity, min of \$20,000
	To delay 1st REC Delivery to May 31, 2027: \$8 x Annual Quantity; min of \$40,000
Utility-Scale Solar or Brownfield	\$10 x Annual Quantity, min of \$50,000
	To delay 1st REC Delivery to May 31, 2027: \$20 x Annual Quantity; min of \$100,000

- 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

Delivery Obligations

Initial REC Delivery Deadline

One REC must be delivered to Buyer by May 31, 2025

- Increased Collateral Requirement extends deadline to May 31, 2027
- subsequent extensions may be granted by the IPA on a **case-by-case basis** upon a demonstration of **good cause** by Seller. Provided that such are not primarily attributable to Seller, good cause may include:
 - ◆ Delays outside of Seller's control due to delays in finalizing interconnection agreements and installing interconnection facilities
 - ◆ Delays in obtaining other necessary governmental permits and approvals
 - ◆ Delays in the issuance of RECs from PJM-EIS GATS or M-RETS
- each subsequent extension will be for no more than **6 months**
- if extensions granted multiple times:
 - ◆ May 31, 2028: Seller may request contract termination and return of collateral
 - ◆ May 31, 2032: contract shall terminate, and collateral shall be returned to Seller

Acceptable Vintage Period is 241 months

◆ Delivery Term

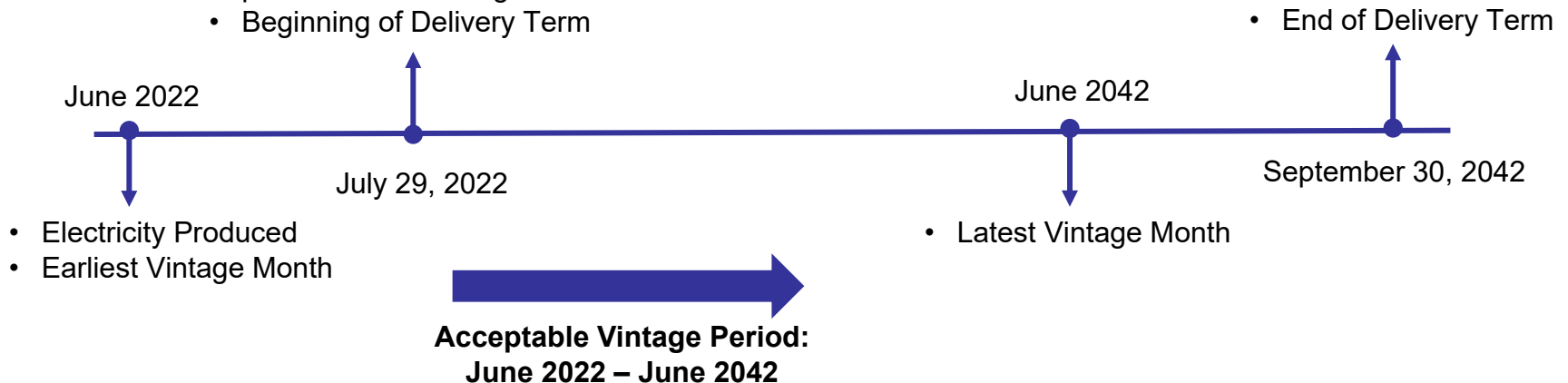
- starts on the date the 1st REC is issued by M-RETS or PJM EIS GATS
- ends last day of 3rd month after Acceptable Vintage Period

◆ Acceptable Vintage Period

- Earliest Vintage Month (no earlier than June 2022)
- Latest Vintage Month is 241st month after Earliest Vintage Month

◆ Example

- RECs (of June 2022 Vintage) are issued in M-RETS or PJM EIS GATS and Delivered to Buyer pursuant to Standing Order
- Beginning of Delivery Term



What are my Delivery Obligations ?

- **Delivery Year Requirement**
 - ◆ reflects Annual Quantity allocated to contract
 - ◆ adjusted for degradation if Project is for solar or brownfield
 - ◆ provided in Product Order when contract is executed

- **If:** (a) failure to meet Delivery Year Requirement ≥ 3 times and (b) sum of shortfall amounts \geq Annual Quantity
 - ◆ Contract is terminated
 - ◆ Collateral Requirement forfeited
 - ◆ shortfalls excused through first full Delivery Year (plus first partial Delivery Year)

- **Delivery Year Requirement** is based on REC vintage and is the max. REC quantity for payment in a Delivery Year

Ineligible and Excess RECs belong to Seller

If RECs are not eligible for payment, they are the exclusive property of Seller to be used by Seller

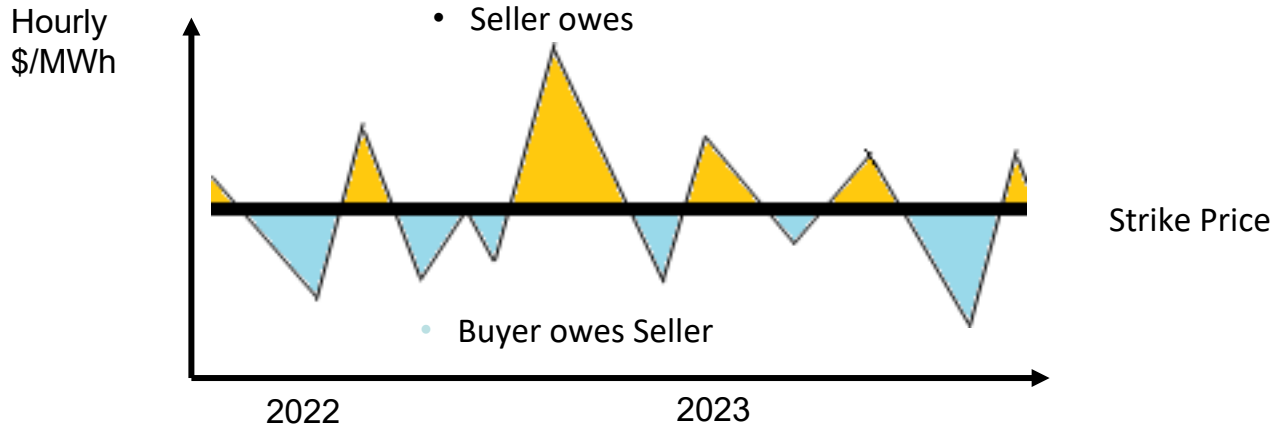
- **Ineligible RECs** outside the Acceptable Vintage Period
- **Excess RECs** in excess of the Delivery Year Requirement (based on REC Vintage of such Delivery Year)

- **Shortfall Amounts (if any)** cannot be satisfied with Ineligible RECs or Excess RECs

- If transferred to Buyer's account, then Seller shall inform and request Buyer return RECs within 60 days of such transfers
 - ◆ Buyer's failure to return RECs shall be subject to REC payment in accordance with Section 2.3(f) of REC Contract

Payment and Invoicing

Payment Mechanism and REC Price



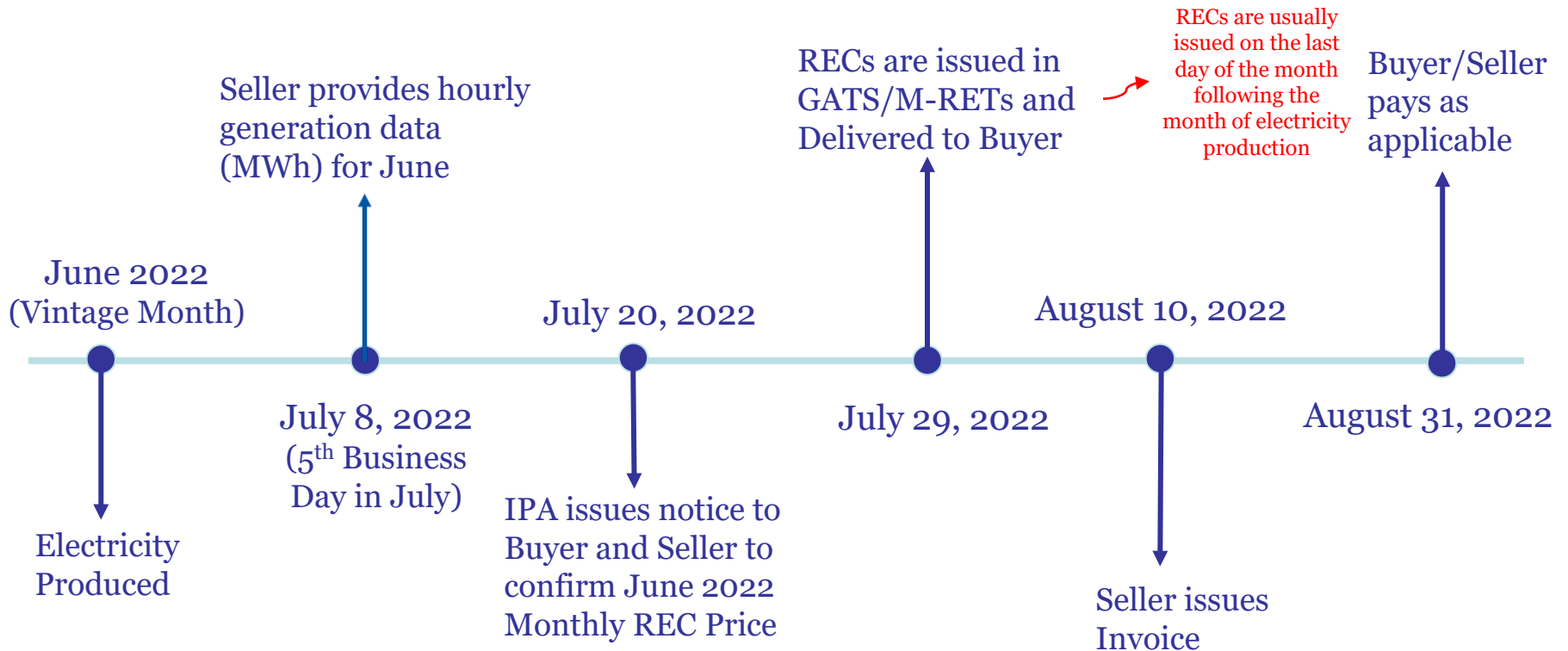
REC Monthly Price Hourly Component =
(Index Price – Strike Price) x MWh generation by project during that hour

REC Monthly Price =
$$\frac{\sum \text{REC Monthly Price Hourly Components in given Vintage month}}{\text{MWh actual generation of the Project for such Vintage month}}$$

- If the REC Monthly Price is **positive**, then Seller pays Buyer the Invoice Amount
- If the REC Monthly Price is **negative**, then Buyer pays Seller the Invoice Amount

Invoice Amount = REC Monthly Price x RECs delivered for such Vintage

Invoice - Monthly Payment



Invoice Calculation – Monthly Settlement

- Seller shall issue Monthly Invoice to Buyer, regardless of whether the REC Monthly Price is positive or negative. If price is positive, Seller may request Buyer issue an invoice to Seller for documentary purposes

Illustrative Example Invoice for August 10, 2022	
(a) June 2022 REC Monthly Price (\$/REC) [determined by the IPA]	-2.98
(b) Quantity of June 2022 vintage RECs Delivered in July 2022	80
(c) Invoice Amount [(a) x (b)] (\$)	- 238.40

- Invoice Amount shall be paid by the last business day of the month in which invoices are timely submitted
- Section 5.1 of REC Contract provides invoicing instructions

Reporting Requirements

Reporting Requirements

- Monthly Generation Report to be submitted within 5 business days after Vintage Month:
 - ◆ Hourly real time LMP at the applicable index hub
 - ◆ Hourly MWh generation data at Project Pnode

- Read-only access to be granted to Buyer and the IPA for:
 - ◆ PJM Power Meter system, or
 - ◆ MISO Market Portal

- Seller is encouraged to inform IPA once Date of First Operation has occurred to ensure REC Monthly Price Calculation can be performed on a timely basis for first Vintage month

Reporting Requirements (continued)

- Prevailing Wage Act Requirements. Seller must provide to the IPA documentation and verification demonstrating that all construction work has been performed by employees who received general prevailing rate of hourly wages. Documentation provided to the IPA:
 - ◆ 5 Business Days of: Date of First Operation (or Effective Date of Agreement if Project is already energized)
 - ◆ throughout contract term, for any applicable work performed subsequent to Seller's initial submission of documentation and verification, no later than July 15 following the end of the Delivery Year of when work is done

- Project Labor Agreement Act Requirements. If construction activities for the Project began on or after September 15, 2021:
 - ◆ PLA shall be filed with the Director of IPA within 30 days of the later of: the execution of PLA or PLA amendment (or Effective Date if energized)
 - ◆ Seller shall work constructively with the IPA to file such PLA in accordance with procedures established by the IPA

The RFP Process

RFP Process Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
Mar 20	15	16	17	18 Final Contract and RFP Documents posted
21	22 Webcast PART 1 WINDOW OPENS	23	24	25
28	29	30	31	Apr 1
4	5	6 Part 1 Date Bid Participation Fee	7	8
11	12	13	14	15
18	19	20	21 PART 1 NOTIFICATION	22 PART 2 WINDOW OPENS
25	26	27	28	29 Part 2 Date Bid assurance collateral due
May 2	3 Bidder Training	4	5	6 BID DATE
9	10	11	12 ICC decision on results	13

Bidders Must Register for an Account to Access the Online Proposal Form

The screenshot shows the 'Qualification Registration' page of the Illinois Power Agency (IPA). The page includes a search bar, a navigation menu on the left, and a main content area. Annotations highlight key steps: selecting the 'Indexed Wind, Solar, and Brownfield' category, indicating the number of projects (shown as '1' in a text box), and providing contact information (Name and Company). A separate box provides an alternative contact method via email.

IPA
ILLINOIS POWER AGENCY

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Indexed Wind, Solar, and Brownfield
Coal to Solar
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Qualification Registration Form
Previous RFPs

Search ...

Qualification Registration

The information for the [Adjustable Block Program](#) and the [Illinois Solar for All Program](#) can be found [here](#).

Use this form to register for an account to access the online forms to submit a Proposal to one of the RFPs.

Please select a category:

- Block Energy and Capacity
- Indexed Wind, Solar, and Brownfield
- Coal to Solar

For Indexed Wind, Solar and Brownfield and for Coal to Solar, please indicate the number of projects for which you are submitting a Proposal. A separate Proposal must be submitted for each project. *

1

Name: *

Company: *

First, check "Indexed Wind, Solar, and Brownfield"

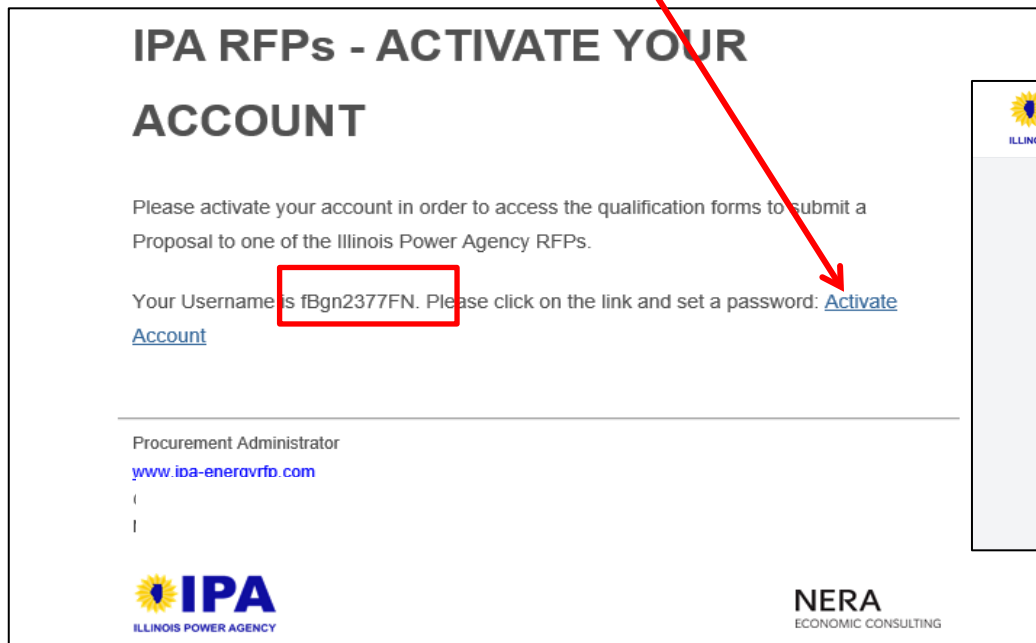
Second, indicate the number of projects for which you are submitting a Proposal. A separate Proposal must be submitted for each Project.

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

- Company name and name of contact
- Email address and phone number
- Number of projects

Activate Your Account

- A single account per company will be issued to the individual that registers for the account
- This individual will receive an email with account activation instructions from info@ipa-energyrfp.com (shown below) and a separate email with a guide with screenshots for account activation, and for completing and submitting the online form
- Click on **Activate Account** in the email body and choose a secure password





IPA RFPs - ACTIVATE YOUR ACCOUNT

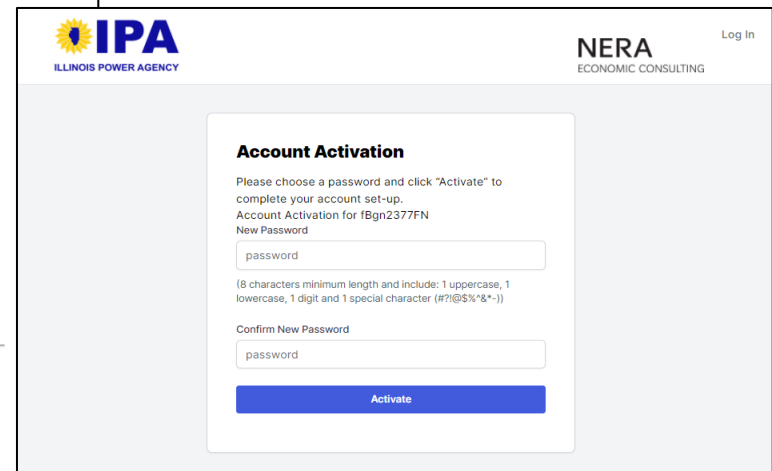
Please activate your account in order to access the qualification forms to submit a Proposal to one of the Illinois Power Agency RFPs.


Your Username is **fBgn2377FN**. Please click on the link and set a password: [Activate Account](#)


Procurement Administrator
www.ipa-energyrfp.com
(
|

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 **IPA**
ILLINOIS POWER AGENCY

 **NERA**
ECONOMIC CONSULTING Log In

Account Activation

Please choose a password and click "Activate" to complete your account set-up.
Account Activation for fBgn2377FN
New Password

(8 characters minimum length and include: 1 uppercase, 1 lowercase, 1 digit and 1 special character (#?@\$%&*~))

Confirm New Password

Access the Online Proposal Form

- Go directly to <https://forms.ipa-energyrfp.com> or access the **proposal** website through the procurement website

The screenshot displays the IPa Energy RFP website interface. At the top left is the IPa logo (ILLINOIS POWER AGENCY). A search bar is located at the top right. The main heading is "Indexed Wind, Solar, and Brownfield". Below this heading, there is a paragraph of text regarding Public Act 102-0662, followed by a paragraph detailing the quantities to be procured. A red arrow points from the text in the first list item to the "Qualification Form" link in the left sidebar and the "Qualification Form" icon in the bottom navigation bar.

Left Sidebar Navigation:

- Home
- Announcements
- Block Energy and Capacity Procurement
- Indexed Wind, Solar, and Brownfield**
- Results
- Final Materials
- Draft Documents
- Qualification Form**
- Coal to Solar
- Calendar
- FAQs
- Useful Links
- Contact Us
- Previous RFPs

Main Content:

Indexed Wind, Solar, and Brownfield

Public Act 102-0662 (the "Climate and Equitable Jobs Act") was signed into law and became effective on September 15, 2021. The IPA Act, as amended by Public Act 102-0662, establishes a subsequent forward procurement for indexed renewable energy credits ("Indexed RECs") from new utility-scale wind projects (projects over 5 MW), new utility-scale solar projects (projects over 5 MW), and new brownfield site photovoltaic projects.

The quantities to be procured are 2,500,000 Indexed RECs delivered annually from new utility-scale wind projects, 2,000,000 Indexed RECs delivered annually from new utility-scale solar projects, and 1,250,000 Indexed RECs delivered annually from new brownfield site photovoltaic projects. The procurement event will be held within 240 days after the effective date of Public Act 102-0662.

Deadlines and dates of main events are provided on the [Calendar Page](#). The schedule is subject to revision.

You may register to receive announcements for the Indexed Wind, Solar, and Brownfield RFP through the [Register Page](#) by selecting the "Indexed Wind, Solar, and Brownfield" option.

[RSVP](#) for the Indexed REC Webcast scheduled for Tuesday, March 22, 2022 at 2PM (CPT) here!

[Click here](#) to view FAQs related to the Indexed Wind, Solar, and Brownfield RFP.

A Stakeholder Workshop was held Monday, February 7, 2022 at 1PM (CPT). Materials from the Workshop including the presentation and recording are available on the [Draft Documents](#) page below.

Bottom Navigation Bar:

- Results
- Final Materials
- Draft Documents
- Qualification Form**

Submitting a Separate Proposal for each Project

- Click the icon in the top right corner to access the drop-down menu to navigate between Part 1 Forms for your different Projects

The screenshot shows the 'IPA RFPs - Qualification Forms' page. The user is logged in as 'fBgn2377FN'. A dropdown menu is open in the top right corner, showing options for 'Update Password', 'PROJECTS', and 'Log Out'. The 'PROJECTS' section lists four entities: 'Entity ABC-01', 'Entity ABC-02', 'Entity ABC-03', and 'Entity ABC-04'. A red box highlights the 'Entity ABC-01' option, and a callout points to it with the text 'Second, select a Project to access the online Part 1 Form for that Project'. Another red box highlights the user profile icon in the top right, with a callout that says 'First, click on this icon'. Below the main heading, there is a button for 'Indexed Renewable Energy Credit Part 1 Form'.

Note: The Projects for this example entity are identified as “ENTITY ABC-01 – ENTITY ABC-04” in the drop-down menu.

It is **VERY IMPORTANT** for a Bidder to prepare a key internally to identify which number corresponds with which Project.

The screenshot shows the 'EDITING FORM AS ENTITY ABC-01' page. The page title is 'ILLINOIS POWER AGENCY SPRING 2022 INDEXED RENEWABLE ENERGY CREDIT RFP'. A red box highlights the 'EDITING FORM AS ENTITY ABC-01' text in the top right corner, with a callout that says 'The menu in the bottom right corner displays the project corresponding to the Part 1 Form that is being edited'. Below the title, there is a 'Save and Continue' button and a 'Log Out' button. The page content includes information about Public Act 102-0662 and the definition of Indexed Renewable Energy Credit.

Navigating the Online Form

- As you navigate through the form to complete each section, additional required fields may appear depending on your response to items and questions
- Some sections that are specific to the Category of a Project will not display until an election has been made in Section 2

2. Project Information

First Item: Category.

THE BIDDER MUST PROVIDE THE CATEGORY OF THE PROJECT, NAMELY WHETHER THE PROJECT IS A UTILITY-SCALE WIND PROJECT, UTILITY-SCALE SOLAR PROJECT, OR A BROWNFIELD SITE PHOTOVOLTAIC PROJECT.

PLEASE SPECIFY THE CATEGORY OF THE PROJECT.

Utility-Scale Wind Utility-Scale Solar Brownfield Site Photovoltaic

Please be sure to answer each question to ensure that the form displays all the required fields and uploads to complete your Proposal

Submitting Information for Multiple Projects

- Some information is only required to be submitted by the Bidder **once** as indicated in the form
- This information that is applicable across all projects should be submitted with the **first** project for which a proposal is submitted

The information that is required to be submitted only once should be provided with the first project for which a proposal is submitted.

8. Bid Participation Fee

If a Bidder is presenting Proposals for multiple Projects, the Bidder is only required to submit the information required by this section once, in a Part 1 Proposal for one of the Projects.

Has the Bidder already completed this section in the earliest submitted Proposal for another Project under this Indexed REC RFP?

Yes No

9. Option to Provide Comments

If the Bidder is presenting Proposals for multiple Projects, the Bidder may only submit the materials for this section once.

Has the Bidder already provided comments to the letters of credit under this Indexed REC RFP?

Yes No

Proposal Requirements

Part 1 Proposal Overview

- A “**Bidder**” is the entity that submits the Proposal; the “**Seller**” is the entity that will sign the Indexed 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 or emailed)
 - ◆ **Inserts** (uploaded to the online form or emailed)

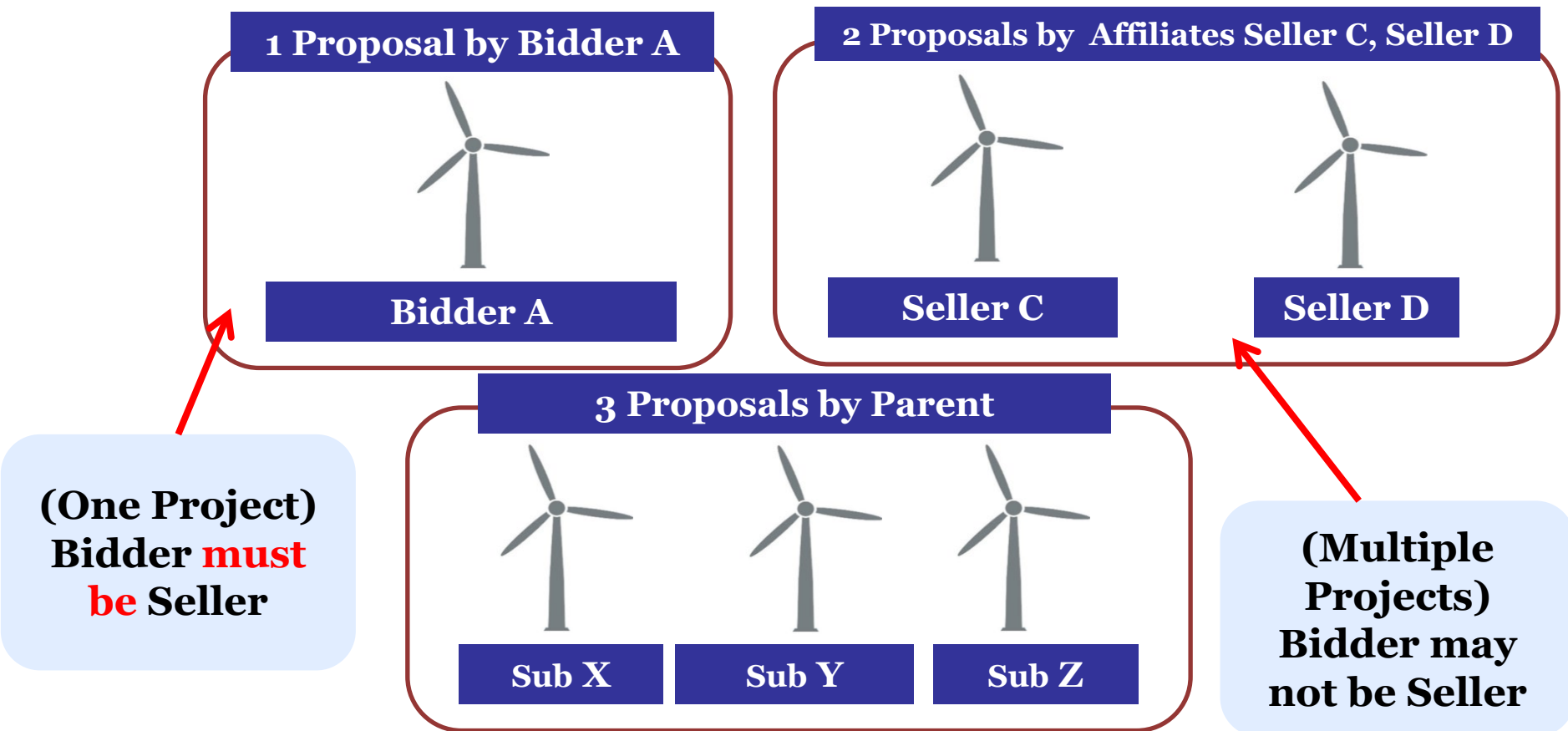
FINAL Spring 2022 Indexed REC RFP Documents

- Final Indexed REC RFP Rules (March 18, 2022).
- Appendix 2: Illustrative Part 1 Form (March 18, 2022).
 - P1 Form: P1 Inserts Utility-Scale Wind Projects (March 18, 2022).
 - P1 Form: P1 Inserts Utility-Scale Solar Projects (March 18, 2022).
 - P1 Form: P1 Inserts Brownfield Site Photovoltaic Projects (March 18, 2022).

Part 1 Inserts are grouped by Category of project (wind, solar, or brownfield)

Roles of Sellers and Bidders

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



Section 1: Contact Information

- **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

Section 2: Project Information

■ **Basic Information:**

- ◆ Name and Category of Project
- ◆ System Size (AC rating) in MW
 - Must be > 5 MW for utility-scale wind and utility-scale solar
 - No minimum size requirement for brownfield site photovoltaic projects
- ◆ Date of First Operation (actual or expected)
 - Projects that started operations prior to June 1, 2017 are not eligible
- ◆ **Optional:** A bidder may submit evidence to support a higher capacity factor than 45% for utility-scale wind or 30% for utility-scale solar and brownfield

Section 2: Project Labor Agreement(s)

If construction activities for the Project began prior to September 15, 2021 this requirement does not apply to the Project.

- ◆ **If construction activities have begun as of submission of the Part 1 Proposal, but not prior to September 15, 2021**, the Bidder provides evidence the Project Labor Agreement(s) have been filed with the Director of the IPA by email to IPA.PLA@Illinois.gov
- ◆ **If construction activities have not begun as of submission of the Part 1 Proposal**, the Seller:
 - ◆ Certifies the Project will be built by General Contractors that have entered into a Project Labor Agreement, as this term is defined in the Indexed REC Contract, prior to construction; and
 - ◆ Acknowledges the requirements under the Index REC Contract and the terms and conditions as defined by the Project Labor Agreements Act and the IPA Act (terms and conditions specified in paragraph IV.2.1 of the Indexed REC RFP Rules)

Evidence that the IPA has determined that the Project Labor Agreement for the Project meets the requirements under the IPA Act and the Project Labor Agreement Act is due with the Part 2 Proposal

Section 3: Project Site for Utility-Scale Wind and Utility-Scale Solar

- **Location Information.**
 - ◆ Complete address for the Project
 - ◆ Map of the Project site clearly showing the location of the Project
 - ◆ Project must be located in Illinois or a state adjacent to Illinois

- **Projects located in a state adjacent to Illinois** must meet public interest criteria in the Act and be pre-approved by the IPA to be eligible for Illinois RPS compliance
 - ◆ Evaluation spreadsheet to be completed is available under the header “Adjacent State Facility Eligibility” on the IPA website: https://www2.illinois.gov/sites/ipa/Pages/Renewable_Resources.aspx
 - ◆ Please complete the required fields as instructed in the spreadsheet and email the form to IPA.ContactUs@Illinois.gov

Section 4: Project Site for Brownfield Site Photovoltaic Projects

▪ **Location Information.**

- ◆ Complete address for the Project **in Illinois**
- ◆ Map of the Project site clearly showing the location of the Project
- ◆ Project must be entirely contained within the brownfield site, and Projects that are co-located with another facility on a greenfield site must disclose this fact

▪ **Project site.**

1. Project site must be regulated by the US EPA or Illinois EPA under one of four Programs in the Act (listed on the next slide); **OR**
2. Project site is located at the site of a coal mine that has permanently ceased coal production, permanently halted any re-mining operations, and is no longer accepting any coal combustion residues; has both completed all clean-up and remediation obligations under the federal Surface Mining and Reclamation Act of 1977 and all applicable Illinois rules and any other clean-up, remediation, or ongoing monitoring to safeguard the health and well-being of the people of the State of Illinois, as well as demonstrated compliance with all applicable federal and State environmental rules and regulations, including, but not limited, to 35 Ill. Adm. Code Part 845 and any rules for historic fill of coal combustion residuals, including any rules finalized in Subdocket A of Illinois Pollution Control Board docket R2020-019

Supporting Documentation for Projects Regulated by one of the Programs

Program	Documentation that meets requirements
US EPA under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (“CERCLA”), as amended	<ul style="list-style-type: none"> a site assessment, remedy decision, cleanup plan, or similar document
US EPA under the Corrective Action Program of the federal Resource Conservation and Recovery Act (“RCRA”), as amended	<ul style="list-style-type: none"> a demonstration of the U.S. EPA requiring corrective action such as a permit application, administrative order, court order, or similar document
IEPA Solid Waste Program	<ul style="list-style-type: none"> a solid waste permit
IEPA Site Remediation Program	<ul style="list-style-type: none"> a Site Investigation Report, Remedial Action Plan, Remedial Action Completion Report, or No Further Remediation Letter

- ◆ Document must be dated no earlier than 25 years prior to Bid Date **(May 6, 2022)**
- ◆ Additional requirements for Projects regulated by the IEPA Site Remediation Program

Additional Requirements for IEPA Site Remediation Program

- **The Bidder must demonstrate actual blight or contamination of the Project site by providing one of the following:**
 - i. proof that the Project site is also regulated by one of the other three programs on the prior slide; or
 - ii. demonstration of contamination at the Project site and determination of the need for remediation activities through a site assessment from the U.S. EPA Targeted Brownfields Assessment; or
 - iii. additional documents from the IEPA Site Remediation Program:
 - If available, Remedial Action Completion Report and a No Further Remediation Letter
 - If not available, Bidder certifies that such documents have not been issued by the IEPA Site Remediation Program

Supporting Documentation for Projects Located at the Site of a Permanently Closed Coal Mine

- Certify the coal mine has permanently ceased coal production, permanently halted any re-mining operations, and is no longer accepting any coal combustion residues

- **Demonstrate that the Project site meets the definition under the Act:**
 - i. a copy of the permit(s) for coal mining operation including a copy of the reclamation plan approved by the Department of Natural Resources;
 - ii. a copy of the Department of Natural Resources decision approving the permit(s); and
 - iii. documented confirmation that reclamation Phases I, II, and III have been completed for the Project site by providing evidence that the entirety of the performance bond for the Project site has been released
 - Sufficient evidence of performance bond release at the completion of Phase III includes, but is not limited to, a screenshot from the Illinois Mine Permits map showing the Phase III Status is “Released” or other documentation, if appropriate
 - Permit(s) must cover the Project site, which may be a portion of the coal mine

Section 5: Additional Project Information

Project Maturity

- ◆ If available, the Bidder must provide one of the following:

PJM Interconnection	MISO Interconnection	Electric Distribution Utility
<p>1. The Queue/OASIS ID; and 2. a copy of the completed System Impact Study</p>	<p>1. Project Number and a copy of Preliminary System Impact Study under Definitive Planning Phase 1 (“DPP 1”) under the DPP-2020-Cycle 1 or a later study cycle; or 2. Project Number and a copy of the fully executed interconnection agreement</p>	<p>A fully executed interconnection agreement</p>

- ◆ If these are not available or if the Bidder cannot provide a document that shows that the Project is further in the interconnection process, the Bidder must:
 - Describe stage of development of the Project applicable to the point of interconnection and to the size of the Project; and
 - Demonstrate control for a portion of the Project site as described in the RFP Rules

Additional Project Information (cont'd)

■ Project Maturity (through site control)

- ◆ The size of the Project determines the area for which site control must be demonstrated:
 - At least **40 acres times the Project size for a utility-scale wind project**
 - At least **4 acres times the Project size for a utility-scale solar project**
 - At least **3 acres times the Project size for a brownfield site photovoltaic project**
 - Further information required if the documentation provided to show site control does not include the area controlled by an Owner

Accepted documentation to demonstrate site control:

■ an executed lease agreement or easement	■ an executed option with a unilateral right to lease or purchase Project site
■ a memorandum of understanding regarding OR a letter of intent to enter in an agreement for a lease, an easement, an exclusive option, or sale of Project site	■ another document demonstrating the right to develop the Project on the site

Additional information may be required by the Procurement Administrator depending on the results of the evaluation of the documents provided

Section 6: Representations

- ◆ The Seller makes a number of certifications:
 - **Regarding the Project:** meets requirements in RFP Rules; has or will have a single revenue quality meter, there will be no substitution for another Project, Project is not repowered facility, etc.
 - **Regarding the Seller:** accepts the terms of the Indexed REC Contract, is aware of the collateral requirements under the Indexed REC Contract, etc.

- ◆ Seller, including its contractors and subcontractors, rendering services under the Indexed REC Contract will comply with the requirements of the **Prevailing Wage Act**, including but not limited to, all wage requirements and notice and record keeping duties

- ◆ Bidder and Seller are not in violation of the **Displaced Energy Workers Bill of Rights** as provided under Section 10-25 of the Energy Community Reinvestment Act (20 ILCS 735/) at the time of the submission of the Part 1 Proposal
 - The Energy Community Reinvestment Act is available here:
<https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=4222&ChapterID=5>

Sections 7-8 of Part 1 Proposal

- **Financial Requirements.** 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 a Bid Participation Fee pursuant to participation in a prior 2022 procurement event

Optional! Section 9: Comments on the Post-Bid Letters of Credit

- Bidders may provide comments on or **propose modifications** to the **Post-Bid** Letters of Credit and Letters of Full Transfer (Exhibit E of the Indexed REC Contract)
- Bidders **intending to use the letters of credit as financial guarantees** under the Indexed REC Contract can thus propose any changes to the letters of credit that their financial institutions may require

- **Form of Letter of Credit**

- [Post-Bid Letter of Credit – Option 1 \(March 18, 2022\)](#)
- [Post-Bid Letter of Credit – Option 2 \(March 18, 2022\)](#)
- [Letter of Full Transfer – Schedule 1 \(March 18, 2022\)](#)
- [Letter of Full Transfer – Schedule 2 \(March 18, 2022\)](#)
- [Letter of Full Transfer – Schedule 3 \(March 18, 2022\)](#)
 - [Preliminary Acceptable Modifications to the Post-Bid Letter of Credit \(Option 1\) and Schedules 1-3 \(March 21, 2022\)](#)
 - [Preliminary Acceptable Modifications to the Post-Bid Letter of Credit \(Option 2\) and Schedules 1-3 \(March 21, 2022\)](#)

Preliminary lists of modifications that are acceptable to each Company are posted with the FINAL Spring 2022 Indexed REC Contract Documents:

<https://www.ipa-energyrfp.com/indexed-wind-solar-and-brownfield/final-materials/>

Optional! Section 9: Comments on Pre-Bid Letters of Credit

- Bidders may provide comments on or **propose modifications** to the Standard **Pre-Bid** Letter of Credit for each Company
- There are two versions of the Standard Pre-Bid Letter of Credit for a Company with different terms:
 - **Electronic Version** accommodates transmission by the issuing bank by electronic means (Appendices 5-7)
 - **Hardcopy Version** accommodates transmission by the issuing bank via overnight delivery service (Appendices 8-10)
- Each of the Electronic Versions and Hardcopy Versions of the Pre-Bid Letters of Credit have been posted in separate zip files

A preliminary list of modifications that are acceptable to each Company are grouped by Electronic Version and Hardcopy Version and posted with the FINAL Spring 2022 Indexed REC RFP Documents:

<https://www.ipa-energyrfp.com/indexed-wind-solar-and-brownfield/final-materials/>

Required Signatures

- Some Inserts to the Part 1 Form or to the Part 2 Form require a signature.
- The Bidder may complete all Inserts at one time and submit these with the Part 1 Proposal for **early processing**
- Inserts may be
 - printed, signed, scanned, and uploaded to the form; **Or**
 - submitted with a **digital signature along with an additional document or information that verifies the identity of the signatory** (i.e. a certification of completion (DocuSign), Final Audit Report (Adobe Sign), use of a document signing certificate)

Part 1 Proposal Process

- 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

Part 1 Date	12 PM CPT on April 6, 2022
Part 1 Notification	April 21, 2022

Submitting Proposals for Multiple Projects

- If you are submitting Part 1 Forms for multiple Projects, **any Part 1 Forms not yet submitted will remain open for editing**

The screenshot displays the NEPA ECON user interface. On the left, the IPAA logo (Illinois Power Agency) is visible. The main content area shows a confirmation message: "Indexed Renewable Energy Credit Part 1 Form - Submission Confirmation". The message states: "Your Indexed Renewable Energy Credit Part 1 Form was successfully submitted. Your account will be locked while the Procurement Administrator reviews your submission. An acknowledgement of your submission was sent by email. Please [click here](#) to log out." On the right, a user profile dropdown menu is open, showing the user is logged in as "FBGN2377FN". Below the user information, there is a "PROJECTS" section with a list of entities: "Entity ABC-01", "Entity ABC-02", "Entity ABC-03", and "Entity ABC-04". The "Entity ABC-01" option is highlighted in grey, indicating it is the selected project.

Projects for which a Part 1 Form has been submitted will be locked while the Procurement Administrator reviews your submission and appear in **grey** in the drop-down menu

This means if you complete a proposal for a project, you do not need to wait to submit until you have completed all of your proposals.

Part 1 Notification

- A Bidder is notified whether the Project has qualified pursuant to a successful Part 1 Proposal by **April 21, 2022** (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
 - ◆ Instructions for providing bid assurance collateral to the Companies
 - ◆ **Instructions related to contract execution procedures**

Part 2 Proposal is Due in Two Packages

■ 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
- ◆ 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; if letter of credit is elected, Bidder must confirm if transmission will be by electronic means or overnight delivery service
- ◆ Provide information for preparing the contracts

Part 2 Proposal Excluding Bids Must be Received by

Part 2 Date

12 PM CPT on April 29

Project Labor Agreement(s) – Part 2

Proposal Requirement

- A Bidder that provided evidence that the Project Labor Agreement(s) for a Project were filed with the Director of the IPA by email to IPA.PLA@Illinois.gov with the Part 1 Proposal:
 - Must submit evidence that the IPA has determined that the Project Labor Agreement(s) for the Project meets the requirements under the IPA Act and the Project Labor Agreement Act with the Part 2 Proposal

Bid Assurance Collateral

- **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 up to the nearest MW) and is subject to a ceiling

Company	Amount		Ceiling		
	Wind	Solar and Brownfield	Wind	Solar	Brownfield
AIC	\$1,600/MW	\$5,500/MW	\$2,700,000	\$5,500,000	\$350,000
ComEd	\$4,000/MW	\$13,000/MW	\$6,875,000	\$13,000,000	\$850,000
MEC	\$400/MW	\$1,000/MW	\$425,000	\$1,000,000	\$50,000

- 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

Bid Assurance Collateral Requirements

- **Cash**
 - ◆ W-9 for entity to which cash is returned
 - ◆ Draft request for return of the cash
 - ◆ Cash insert for each Company

- Two versions of the standard form of **Pre-Bid Letter of Credit** for each Company
 - ◆ **Electronic Versions**, Appendices 5-7, must be submitted to the Companies by electronic means
 - ◆ **Hardcopy Versions**, Appendices 8-10, must be submitted to the Companies by overnight delivery service

- A Pre-Bid Letter of Credit for a Company must be in standard form; or incorporate only modifications acceptable to that Company, applicable specifically to either the Electronic Version or Hardcopy Version, and posted to the procurement website

Bid and Post-Bid Process

Instructions for Bid Submission

- 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**
 - ◆ 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

Bid Date: May 6	
Bid Window	10AM-12PM CPT
Cure Deficiency Period	12PM-1PM CPT

Three Elements of a Bid

- A Bid has three elements:
 - ◆ A Strike Price (\$/MWh) that will be used for purposes of payment under the Indexed REC Contract
 - ◆ A “full quantity” of RECs that represents the annual quantity that the Seller is offering to deliver under the terms of the Indexed 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)	Strike Price (\$/MWh)	Full Quantity (# of RECs)	Minimum Quantity (# of RECs)
Sample Wind Seller Entity 1	ABC-01	100.00	394,200	100.00	390,000	290,000

- ◆ Quantity is subject to a maximum calculated on the basis of a 45% capacity factor for utility-scale wind projects and a 30% capacity factor for utility-scale solar and brownfield photovoltaic projects unless the Bidder provides evidence to support a higher capacity factor for the Project in the Part 1 Proposal
- ◆ In the bid form, the Bidder must select an Index Hub (MISO-IL Hub or PJM-NIHUB) that corresponds to the Bid for the Project

Bid Evaluation Independent for each Category

- 1. First Step:** Bids with strike prices that fail to meet or beat the benchmark for a category are eliminated
- 2. Second Step:** Bids in each category are ranked from lowest to highest in order of strike price. In order of strike price, full quantities of Projects with the lowest strike prices are selected. Either: the marginal Project is 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 (27.793% to AIC, 71.925% to ComEd, and 0.282% to MEC)

Post-Bid Process: ICC Decision

- 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 Indexed 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

- Each Company sends electronically to the Seller partially executed contract documents
- Seller countersigns, sends back contract documents electronically, and fulfills creditworthiness requirements
 - Instructions regarding contract execution procedures will be provided to qualified bidders with the Part 1 Notification
- **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

- To submit questions to the panelists, please click on the “Chat” icon on the bottom of your screen; the chat panel will appear on the right; type in your question and click “Enter”



Today's presentation and audio recording will be posted to: www.ipa-energyrfp.com

Contact: Illinois-RFP@nera.com