

# **Illinois Power Agency**

## **Forward Procurement Event**

### **AIC, ComEd and MEC**

## **Fall 2023 Indexed REC Wind, Solar and**

## **Brownfield RFP**

## **Bidder Information Webcast**

### **Tuesday, October 03, 2023**

**Anthony Star, Illinois Power Agency**

**Benjamin Chee, NERA**

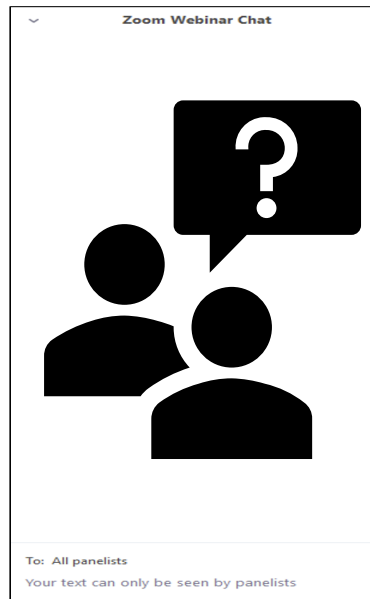
**Katie Orlandi, NERA**



# Questions

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- 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](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 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 (CEJA)
  - ◆ 2022 Long-Term Plan and ICC Order in Docket 22-0231
  - ◆ Final RFP Rules and appendices posted September 29, 2023
  - ◆ Final Indexed REC Contract posted September 29, 2023
- 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](http://www.IPA-energyRFP.com)



ILLINOIS POWER AGENCY

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## Final Materials

### FINAL Fall 2023 Indexed REC Contract Documents

- [Final Indexed REC Contract \(September 29, 2023\)](#)
  - **Form of Guaranty**
  - [\(AIC\) Form of Guaranty \(September 29, 2023\)](#)
    - [\(AIC\) Optional Changes to the Guaranty \(September 29, 2023\)](#)
  - [\(ComEd\) Form of Guaranty \(September 29, 2023\)](#)
    - [\(ComEd\) Foreign Guarantor Requirement \(September 29, 2023\)](#)
    - [\(ComEd\) Optional Changes to the Guaranty \(September 29, 2023\)](#)
  - [\(MEC\) Form of Guaranty \(September 29, 2023\)](#)
    - [\(MEC\) Optional Changes to the Guaranty \(September 29, 2023\)](#)
  - **Form of Letter of Credit**
    - [Post-Bid Letter of Credit – Option 1 \(September 29, 2023\)](#)
    - [Post-Bid Letter of Credit – Option 2 \(September 29, 2023\)](#)

# Agenda

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

# **Regulatory Background**

# Regulatory Background

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- Public Act 102-0662 (the “Climate and Equitable Jobs Act”) was signed into law and became effective on September 15, 2021
- IPA filed its 2022 Long-Term Renewable Resources Procurement Plan (“2022 Long-Term Plan”) with the Illinois Commerce Commission (“ICC”) on March 21, 2022, it was approved July 14, 2022 and published August 23, 2022
  - ◆ The Final Modified Long-Term Plan upon Reopening dated May 9, 2023 is the current 2022 Long-Term Plan approved by the Commission
- As approved by the ICC, the 2022 Long-Term Plan provides for a Fall 2023 procurement of renewable energy credits (“RECs”) from new utility-scale wind projects, new utility-scale solar projects, and new brownfield site photovoltaic projects
  - ◆ This is the fourth procurement event for Indexed RECs held under the 2022 Long-Term Plan
  - ◆ Results from the prior procurement events are available on the Previous RFPs page: <https://www.ipa-energyrfp.com/previous-rfps/>

# Long-Term Plan and RPS Budget Updates

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- The IPA released the draft 2024 Long-Term Renewable Resources Procurement Plan on August 15, 2023
  - Plan covers activities to be conducted in 2024 and 2025
  - 2024 Long-Term Plan will be filed for ICC approval on October 20, 2023; approval expected in February 2024
  - Expected to contain continuation of twice a year procurement events
- Chapter 3 of the Long-Term Plan presents projections of the RPS Budget through the 2042-43 delivery year along with a statewide view of annual expected expenses
  - The variable nature of indexed REC prices is a significant contributor to budget uncertainty
  - Extended periods of low electricity prices (and thus high indexed REC prices) could lead to budget shortfalls in future years
  - “[T]he Agency believes that legislative action will be needed to make structural changes to the RPS (particularly the Indexed REC procurement model) to reduce the risks and uncertainty identified herein.” (Section 3.4.6)

# Equity Portal and MES Resources

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## ■ **Minimum Equity Standard Page**

- The IPA created a Minimum Equity Standard (MES) webpage to provide the most up to date MES related documents, educational resources, and training materials related to MES Compliance Plans and waiver requests
  - MES Compliance and Waiver Request Training Presentation available under the header “MES Educational Resources”
  - Suppliers can access the virtual form for the submission of Compliance Plans directly here: <https://app.smartsheet.com/b/form/1e43afb8c79b448dbfo38db3862e2a36>
  - Waiver request forms are available under the header “MES Documents”.
- <https://ipa.illinois.gov/diversity-equity-and-inclusion/minimum-equity-standard.html>

## ■ **Energy Workforce Equity Portal:** <https://energyequity.illinois.gov/>

- The IPA launched the Energy Workforce Equity Portal to help connect clean energy companies with Equity Eligible Persons looking to work in the clean energy sector in Illinois
- Developers can use this portal to advertise clean energy jobs and to search for Equity Eligible Persons seeking employment, and apply to qualify as an Equity Eligible Contractor
- The IPA hosted a training for participants to get acquainted with the portal and its various functionalities. The training is available here: <https://youtu.be/RWmuomCs8No>

# **Overview of Procurement Event**

# Highlights

## Bid Date: December 8, 2023 20-Year REC Delivery Contract Target

Utility-Scale Wind	5,600,000 RECs annually
Utility-Scale Solar	1,100,000 RECs annually
Brownfield Site Photovoltaic	127,000 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**
- Index Hub: **PJM NIHUB or MISO-IL** for Index Price Trading Hub

# Utility-Scale Wind and Solar Projects

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- Project size (> 5,000 kW AC rating)
- Located in Illinois; located in a state adjacent to Illinois and meet the public interest criteria; or Projects located in a state other than Illinois may also be eligible for Illinois RPS compliance if the energy from the Project is transmitted over a High Voltage Direct Current (“HVDC”) transmission line that meets the criteria specified in Section 1-75(c)(1)(I) of the IPA Act
- $\geq 50\%$  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, Prevailing Wage Act, Minimum Equity Standard requirements
- Must be installed by Qualified Persons for Utility-Scale Solar (not applicable to wind projects)
- Projects located entirely in an Energy Transition Community Grant Area will qualify for a price reduction during bid evaluation

# Brownfield Site Photovoltaic Projects

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- No minimum size requirement
- Located in **Illinois** and must be **entirely contained** within the brownfield site; may be co-located with a greenfield Project
- 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, Prevailing Wage Act, Minimum Equity Standard requirements
- Must be installed by Qualified Persons

# Product Requirements

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- **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: **January 2024**
  - Initial REC Delivery Deadline: **May 31, 2028**
    - increased collateral requirement: **May 31, 2030**
    - further extensions for good cause as described in the Indexed REC Contract

# 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: October 17 – October 31 (noon CPT)

- provide information using online Part 1 form
- upload completed Inserts
- upload required supporting documents
- pay Bid Participation Fee to IPA

## Part 2 Proposal: November 15 – December 01 (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 Evaluation Overview

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- Bids evaluated on a **price-only** (i.e. strike price) basis and independently for each Category of Project (i.e., wind, solar, brownfield)
- Only Bids that **meet or beat confidential benchmarks** will be considered
- **Bid Evaluation Price Adjustment** for:
  - ◆ projects that commit to greater than 10% Minimum Equity Standard (additional qualification requirements apply); and
  - ◆ utility-scale wind and solar projects located entirely within an Energy Transition Community Grant Area (see Appendix 16 to RFP Rules for list of qualifying areas)
- There will be no post-bid negotiations
- It is possible for the target for a category to be exceeded when selecting the marginal Project. In no case will a Project be selected out of price order. The evaluation and tie breaking procedure is described in the RFP Rules and Appendix 15.

# Bid Participation Fee and Supplier Fees

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- **Bid Participation Fee of \$500** is paid to the IPA by the Part 1 Date
  - ♦ A single Bid Participation Fee per Bidder and paid once for all 2023 Procurement Events
- Supplier Fees paid for **winning Projects** only to the IPA within 7 business days of ICC approval of results of the procurement event
- Estimate of Supplier Fees at this time:
  - \$0.60 per REC of the Annual Quantity of RECs
  - Supplier Fee = \$0.60 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	<b>Product and Facility Requirements</b>
3	Product Order; Term of Agreement
4	<b>Delivery Obligations</b>
5	<b>Payment And Invoicing</b>
6	<b>Reporting Requirements</b>
7	<b>Credit And Collateral Requirements; Performance Assurance</b>
8	Representations and Warranties
9	Events Of Default; Remedies
10	Force Majeure
11	Government Action
12	Governing Law
13	Assignment
14	Limitation of Liability
15	Miscellaneous

Exhibit	Topic Covered
A	• Form of Product Order
B	• Contact Information for Notices
C	• Reserved
D	• Form of Invoice
E	• Form of Security Instruments – Letters of Credit – Letters of Full Transfer – Form of Guaranty
F	• Examples – Examples of Delivery Year Requirement Calculation

# Agreement Basics

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**Seller**



**has right to convey  
title of RECs**



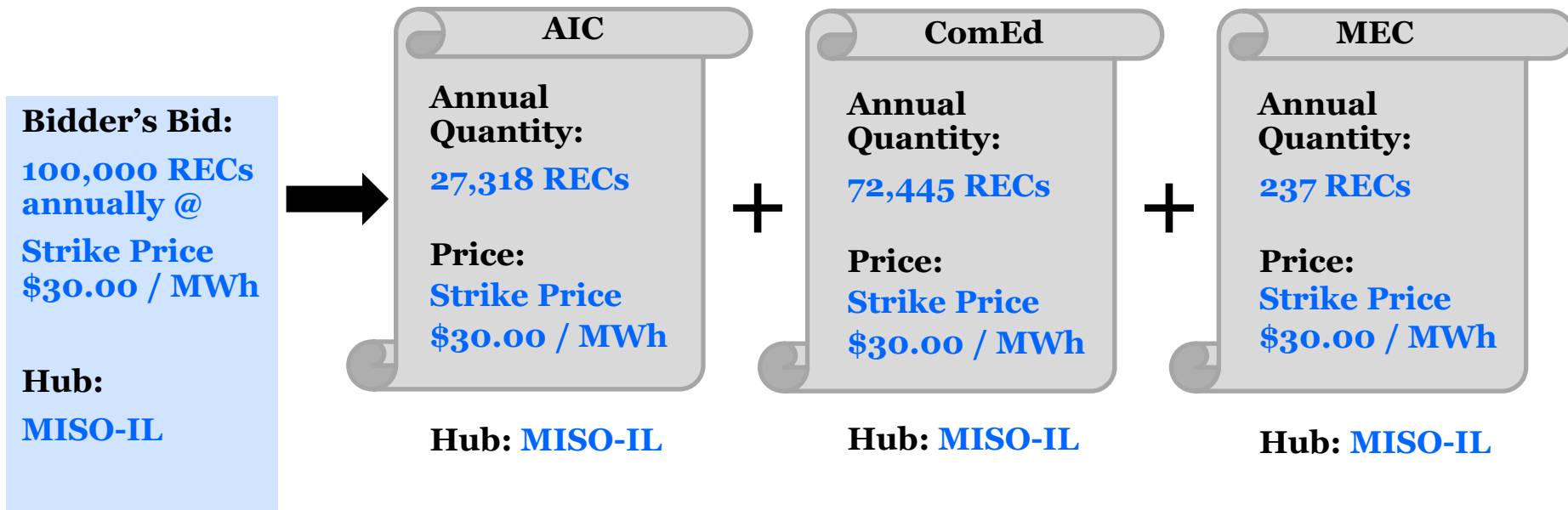
**Buyer  
(Company)**



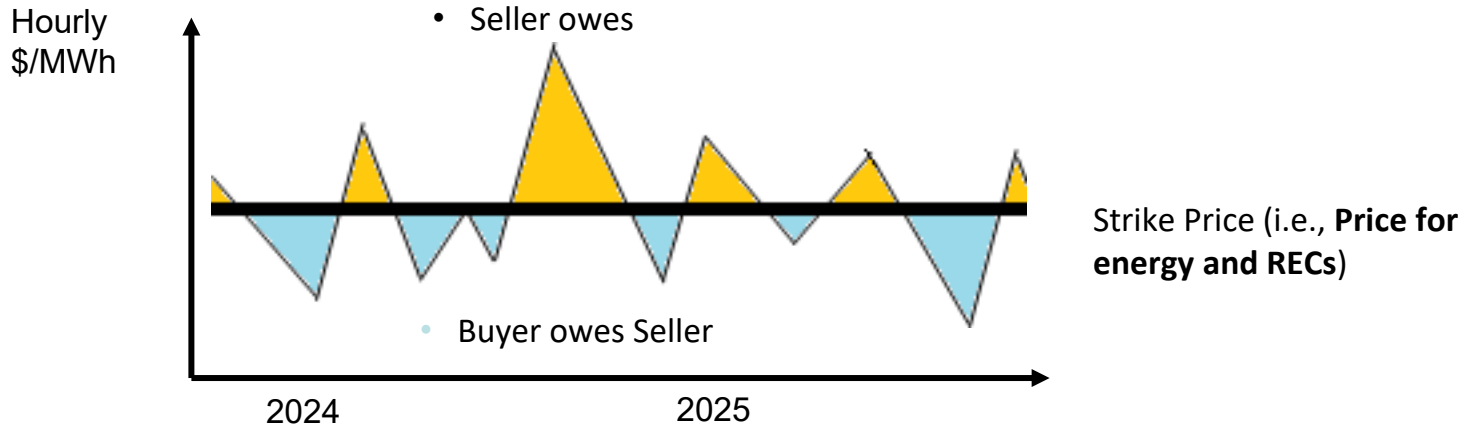
- you must be willing to sign the agreement with all 3 Companies
- RECs from winning Project are allocated among AIC, ComEd, and MEC
- contract administered separately by each applicable Company
- payment based on Delivered RECs

# 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



# Payment Mechanism and REC Price



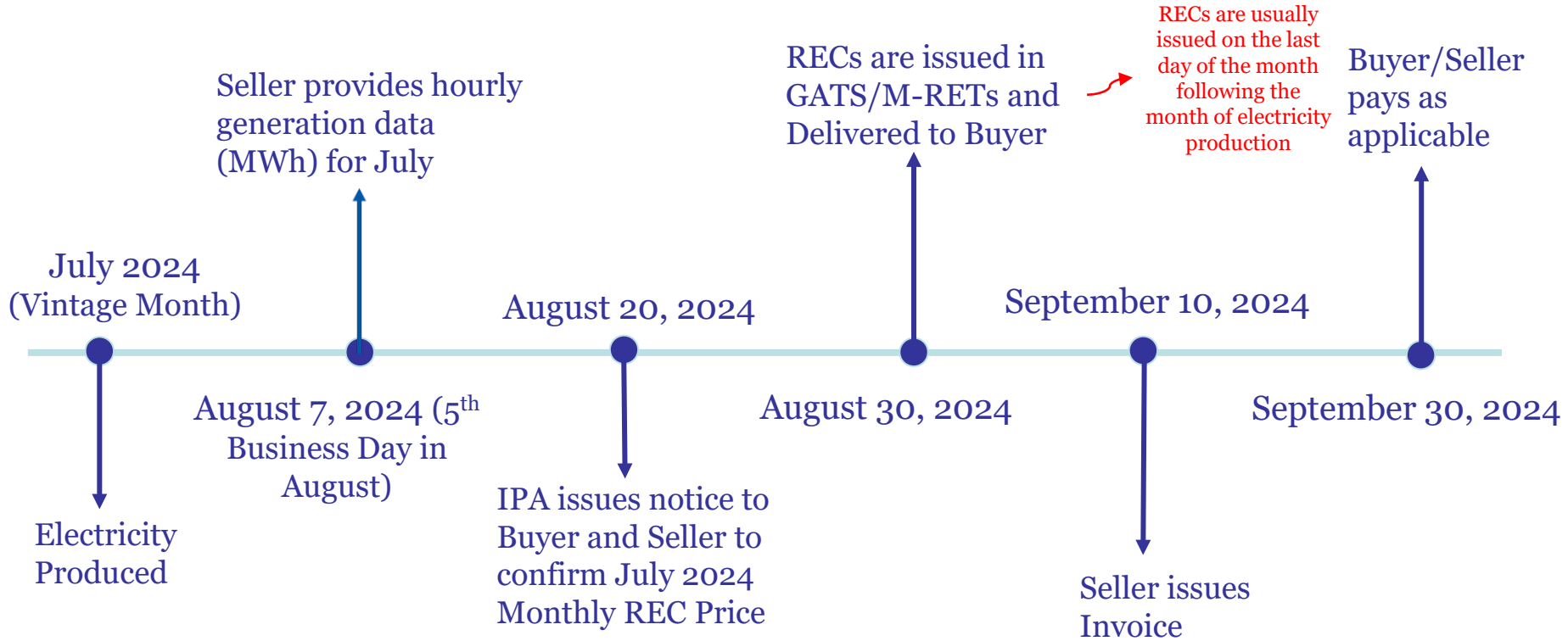
**REC Monthly Price Hourly Component** =  
(Index Price – Strike Price) x MWh generation by project during that hour

**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

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- 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

<b>Illustrative Example</b> <b>Invoice for September 10, 2024</b>	
(a) July 2024 REC Monthly Price (\$/REC) [determined by the IPA]	-2.98
(b) Quantity of July 2024 vintage RECs Delivered in August 2024	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

# REC Tracking Systems – Standing Order

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- 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
- Standing order under a contract based on the applicable Company's allocated share of the RFP Awarded Annual Quantity and Project Committed Percentage
  - ♦ **Project Committed Percentage is set immediately prior to the establishment of the Standing Order**
- Earliest Vintage Month possible is January 2024
- Seller shall initiate the standing order request within 30 days of:
  - ♦ Project's Date of First Operation or
  - ♦ January 1, 2024 if project is already energized

# Credit Requirements

- Collateral Requirement is based on Annual Quantity of RECs

<b>Utility-Scale Wind</b>	<b>\$4 x Annual Quantity, min of \$20,000</b>
<b>Utility-Scale Solar or Brownfield</b>	<b>\$10 x Annual Quantity; min of \$20,000</b>

- Unsecured Credit granted to entities that are investment grade (or that rely on guarantor that is investment grade)

<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>	<b>Collateral Threshold</b>
BBB- or above	Baa3 or above	BBB- or above	\$2,500,000

- Standard forms of Guaranty and LCs are provided as exhibits to REC Contract
- Cash posted as bid assurance collateral under the RFP may be used to meet the performance assurance requirement under the contract without needing to post additional cash separately

# Initial REC Delivery Deadline

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One REC must be delivered to Buyer by May 31, 2028

- Increased Collateral Requirement extends deadline to May 31, 2030
- 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 **1 year**
- Please see Section 2.4 of the REC Contract for more information

# Acceptable Vintage Period is 241 months

## ◆ Delivery Term

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

## ◆ Acceptable Vintage Period

- Earliest Vintage Month (no earlier than January 2024)
- Latest Vintage Month is 241<sup>st</sup> month after Earliest Vintage Month

## ◆ Example

- RECs (of Jan 2024 Vintage) are issued in M-RETS or PJM EIS GATS and Delivered to Buyer pursuant to Standing Order
- Beginning of Delivery Term

- End of Delivery Term



**Acceptable Vintage Period:  
Jan 2024 – Jan 2044**

# What are my Delivery Obligations ?

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- **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  $\geq 3$  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 maximum REC quantity for payment in a Delivery Year

# Ineligible and Excess RECs belong to Seller

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

- RECs not transferred due to Project Committed % (to other off-takers)
- **Ineligible RECs** outside the Acceptable Vintage Period
- **Excess RECs** in excess of the Delivery Year Requirement (based on REC Vintage of such Delivery Year)
  
- 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)(vi) of REC Contract
  
- **Excess RECs and RECs outside of the Project Committed %** may be used to reduce Shortfall Amount incurred in any prior year via a manual Transfer by Seller

# Labor-Related Requirements

## Prevailing Wage Act Requirements

- Applicable to **all** Projects
- 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:
  - 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
- Prevailing Wage Act requirements for adjacent state projects:
  - For projects located in an *adjacent state*, use published prevailing wages if available or the federal Davis-Bacon rates to comply with Illinois Prevailing Wage Act requirements
- See "Construction Activities" definition and REC Contract Section 6.2

## Project Labor Agreement Requirements

- Applicable if construction activities for the Project began on or after September 15, 2021:
  - PLA shall be filed with the Director of IPA within the later of: 30 days of the execution of PLA or PLA amendment (or Effective Date if energized) or 60 days prior to the start of the Project's construction
  - Seller shall work constructively with the IPA to file such PLA in accordance with procedures established by the IPA
  - PLA contains elements including: "provisions for minorities and women, as defined under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, setting forth goals for apprenticeship hours to be performed by minorities and women and setting forth goals for total hours to be performed by underrepresented minorities and women"
- See "Project Labor Agreement" definition and REC Contract Section 6.3

# Minimum Equity Standard Requirement

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- **NOT** applicable if the Date of First Operation of the Project as recorded by PJM-EIS GATS or M-RETS occurred prior to December 15, 2022
- MES of **10% will be fixed** throughout the life of the contract and is applicable **through Date of First Operation**
  - ◆ A forward-looking MES Compliance Plan due beginning of delivery year by June 1 (with any revisions due July 15); 1<sup>st</sup> plan due 30 days of bid approval even if no Construction Activities are performed in that delivery year
  - ◆ A Mid-Year MES Confirmation due by December 1 of a delivery year
  - ◆ A year-end MES Report due by July 15 succeeding each delivery year
- If Seller is an Equity Eligible Contractor, the MES of 10% is deemed to be met, Seller is not subject to MES reporting requirements
- See REC Contract Section 6.4 and definitions of *Equity Eligible Contractor*, *Equity Eligible Persons*, *Project Workforce*, *Construction Activities*
- See Section 2.5 of REC Contract for additional reporting requirements if Seller chooses to commit to an Equity Level (%) greater than 10% to qualify for a bid evaluation price reduction

# Other Reporting Requirements

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- 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

# **The RFP Process**

# RFP Process Calendar

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

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



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## Announcements

BEC RFP – ANNOUNCEMENT: ICC Has Approved the Results of the 2013-2014 Block Energy

## 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:

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

**First**, check “Indexed Wind, Solar, and Brownfield”

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

Name: \*

Company: \*

**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](mailto: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](mailto: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 will also be sent
- 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](#)


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Procurement Administrator  
[www.ipa-energyrfp.com](http://www.ipa-energyrfp.com)

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**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 Illinois Power Agency (IPA) website for the 'Indexed Wind, Solar, and Brownfield' procurement. The left sidebar contains a navigation menu with the following items: Home, Announcements, Capacity, Block Energy and Capacity Procurement, Indexed Wind, Solar, and Brownfield, Results, Final Materials, Draft Documents, Qualification Form (highlighted with a red box), Calendar, FAQs, Useful Links, Contact Us, and Previous RFPs. The main content area features the title 'Indexed Wind, Solar, and Brownfield' and several paragraphs of text, including a search bar at the top right. A red arrow originates from the text in the list above and points to the 'Qualification Form' link in the sidebar and the 'Qualification Form' icon in the bottom navigation bar.

# **Proposal Requirements**

# Part 1 Proposal Overview

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- 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)

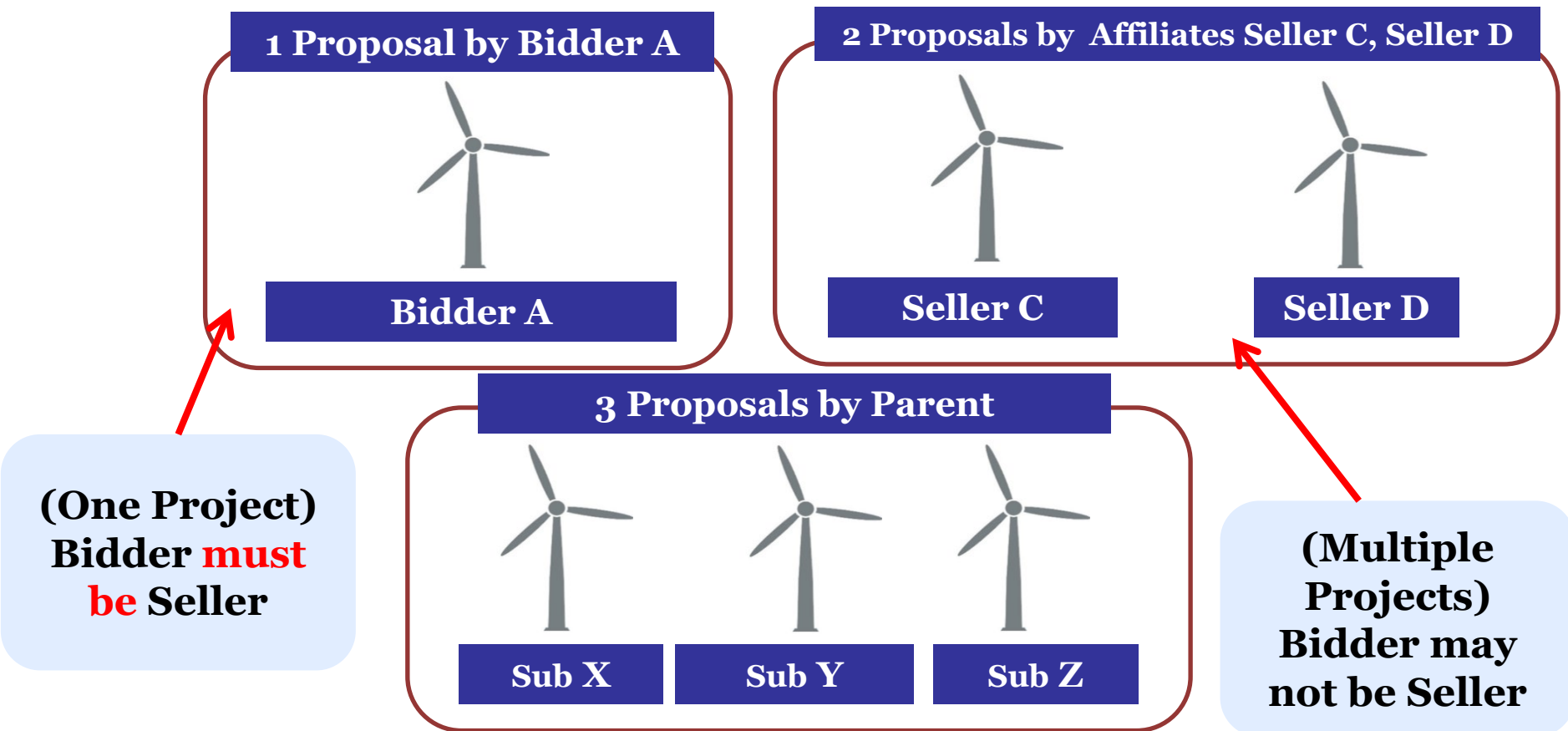
## FINAL Fall 2023 Indexed REC RFP Documents

- Final Indexed REC RFP Rules (September 29, 2023)
- Appendix 2: Illustrative Part 1 Form (September 29, 2023)
  - Part 1 Form: P1 Inserts Utility-Scale Wind Projects (September 29, 2023)
  - Part 1 Form: P1 Inserts Utility-Scale Solar Projects (September 29, 2023)
  - Part 1 Form: P1 Inserts Brownfield Site Photovoltaic Projects (September 29, 2023)
  - Part 1 Processing (September 29, 2023)

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: Basic Information

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- **Name and Status of the Project.**
- **Identity and Contact Information for the Seller.**
- **Officer of the Seller.** Individual who makes all representations required in the Part 1 Proposal and in the Part 2 Proposal for the Seller
- **Identity and Contact Information for the Bidder.**
- **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
- **Equity Eligible Contractor.** Seller must indicate if they are an Equity Eligible Contractor (a business that is majority-owned by Equity Eligible Persons, or a nonprofit or cooperative organization that is majority-owned by Equity Eligible Persons, or is a natural person that is an Equity Eligible Person offering personal services as an independent contractor)
  - ◆ If yes, the Bidder must provide: (i) the Equity Eligible Contractor Insert with information about the business structure of the Seller and to identify the EEPs; and (ii) an Equity Eligible Person Insert for each EEP with information about the individual and evidence of their qualified status as an EEP

# Section 2: Project Information

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- 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)

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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](mailto: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 Indexed 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.2.3 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: Equity Commitments

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## ■ **Minimum Equity Standard.**

- ◆ MES requirements do not apply to a Project if the Date of First Operation for the Project was prior to December 15, 2022
- ◆ If the Seller is an Equity Eligible Contractor, these requirements are deemed to have been met and the requirements also do not apply
- ◆ For all other Projects, the Officer of the Seller must acknowledge a Minimum Equity Standard of 10% will apply to the Project and there are reporting requirements under the contract

## ■ **Optional! Equity Level commitment.**

- ◆ This option is not applicable if construction activities for the Project have begun as of the submission of the Part 1 Proposal
- ◆ Seller may commit to an Equity Level (%) greater than the MES of 10% to qualify for the bid evaluation price reduction described in Paragraph I.2.11 of the RFP Rules
  - ◆ Seller must make certifications detailed in Paragraph IV.3.2 of the RFP Rules;
  - ◆ Narrative description to ensure that the higher Equity Level (%) commitment will be met (see paragraph IV.3.2 of RFP Rules for bulleted list of requirements);
  - ◆ Letter(s) of intent or evidence of current employment related to 50% times the Equity Level (%) times the projected number of workers (see Appendix 14 for minimum requirements)

# Section 4: Requirements for Utility-Scale Wind and Utility-Scale Solar

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- **Location Information.**
  - ◆ Complete address for the Project
- **Projects located in a state adjacent to Illinois** and meet the public interest criteria in the Act must 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://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/Il-rps-adjacent-state-facility-determination-eligibility-15-Aug-2022.xls>
  - ◆ Please complete the required fields as instructed in the spreadsheet and email the form to [IPA.ContactUs@Illinois.gov](mailto:IPA.ContactUs@Illinois.gov)
- **Energy Transition Community Grant Area.**
  - ◆ Confirm whether the Project site is located entirely within an Energy Transition Community Grant Area that was identified by the Illinois Department of Commerce & Economic Opportunity (provided in Appendix 16 to the RFP Rules)
  - ◆ If yes, the boundary of the Energy Transition Community Grant Area must be provided in the Project site map
- **Project site map.**
  - ◆ Map of the Project site must clearly show the location of the Project

# Section 5: Project Site for Brownfield Site Photovoltaic Projects

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## ▪ **Location Information.**

- ◆ Complete address for the Project **in Illinois**
- ◆ Map of the Project site clearly showing the site 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"> <li>• a site assessment, remedy decision, cleanup plan, or similar document</li> </ul>
US EPA under the Corrective Action Program of the federal Resource Conservation and Recovery Act (“RCRA”), as amended	<ul style="list-style-type: none"> <li>• a demonstration of the U.S. EPA requiring corrective action such as a permit application, administrative order, court order, or similar document</li> </ul>
IEPA Solid Waste Program	<ul style="list-style-type: none"> <li>• a solid waste permit</li> <li>• a construction or operating permit under 35 Ill. Adm. Code subchapter j</li> <li>• an initial operating permit application submitted to the IEPA required by 35 Ill. Adm. Code subchapter j</li> </ul>
IEPA Site Remediation Program	<ul style="list-style-type: none"> <li>• a Site Investigation Report, Remedial Action Plan, Remedial Action Completion Report, or No Further Remediation Letter</li> </ul>

- ◆ Document must be dated no earlier than 25 years prior to Bid Date  
**(December 8, 2023)**
- ◆ Additional requirements for Projects regulated by the IEPA Site Remediation Program described in paragraph IV.5.5.

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

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- 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 6: 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; <b>and</b>                      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; <b>or</b>                      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 <b>lease agreement or easement</b>	■ an <b>executed option</b> with a unilateral right to lease or purchase Project site
■ a <b>memorandum of understanding</b> regarding OR a <b>letter of intent</b> to enter in an agreement for a lease, an easement, an exclusive option, or sale of Project site	■ <b>another document</b> 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 7: Representations

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- ◆ 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. Projects that are not located in Illinois must demonstrate, at minimum, wage parity with the prevailing wage requirements in Illinois.

# Sections 8-9 of Part 1 Proposal

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- **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 2023 procurement event

# Optional! Section 10: Comments on Credit Instruments

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- 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

A preliminary list of modifications that are acceptable to each Company are available with the FINAL Fall 2023 Indexed REC Contract Documents:

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

# Optional! Section 10: Comments on Credit Instruments

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- 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 Fall 2023 Indexed REC RFP Documents:**

**<https://www.ipa-energyrfp.com/indexed-wind-solar-and-brownfield/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 31, 2023</b>
<b>Part 1 Notification</b>	<b>November 14, 2023</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 **November 14, 2023** (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

# 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**

- **Online Part 2 Form:**

- ◆ 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 and may elect for cash to be retained should the Project be associated with a winning Bid and approved by the Commission
  - If letter of credit is elected, Bidder must confirm if transmission will be by electronic means or overnight delivery service
- ◆ A Bidder that provided evidence that the Project Labor Agreement(s) for a Project were filed with the Director of the IPA **must submit evidence that the IPA has determined the Project Labor Agreement(s) for the Project meet the requirements under the IPA Act and the Project Labor Agreement Act**
- ◆ Provide **Indicative Quantity** for Project (annual number of RECs)

<b><i>Part 2 Proposal Excluding Bids Must be Received by</i></b>	
<b>Part 2 Date</b>	<b>12 PM CPT on December 1</b>

# Bid Assurance Collateral Amount

- Bid Assurance Collateral is a function of the size of the Project (rounded up to the nearest \$100)

Company	Bid Assurance Collateral Amount	
	Wind	Solar and Brownfield
AIC	\$1,600/MW	\$5,500/MW
ComEd	\$4,000/MW	\$13,000/MW
MEC	\$400/MW	\$1,000/MW

- For example, the Bid Assurance Collateral required for a 200MW Wind Project would be:
  - ♦ \$320,000 ( $\$1,600 \times 200\text{MW}$ ) to AIC; AND \$800,000 ( $\$4,000 \times 200\text{MW}$ ) to ComEd; AND \$80,000 ( $\$400 \times 200\text{MW}$ ) to MEC
- 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 (Continued)

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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
  
- 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
  
- Cash posted as bid assurance collateral under the RFP may be used to meet the performance assurance requirement under the contract without needing to post additional cash separately

# **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**
  - ◆ 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: December 8</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 for a Project 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	Equity Commitment (% or N/A)	Energy Transition Community Grant Area (Yes or N/A)	Project Size (MW)	Max Bid Size (# of RECs)	Strike Price (\$/MWh)	Full Quantity (# of RECs)	Minimum Quantity (# of RECs)	Index Hub (MISO-IL Hub or PJM-NIHUB)
Sample Wind Seller Entity 1	ABC-01	10%	N/A	100.00	394,200	100.00	300,000	250,000	MISO-IL Hub

- The Bidder must select an Index Hub, either MISO-IL Hub or PJM-NIHUB, for each Project

# Bid Evaluation Independent for each Category

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- Bids with strike prices that fail to meet or beat the benchmark are eliminated
- Adjustments are made to strike prices for purposes of ranking for:
  - ♦ Any project that commits to greater than 10% Minimum Equity Standard  
Reduction is equal to  $1\% \times \text{the lowest strike price for that Category} \times \text{the ratio of (a) the Equity Level (\%) for that Project to (b) ten percent (10\%)}$
  - ♦ Utility-scale wind and solar projects located entirely within an Energy Transition Community Grant Area  
Reduction is equal to  $10\% \times \text{the lowest strike price for that Category}$
- Bids are ranked from lowest to highest in order of strike price incorporating adjusted strike prices
- In order of strike price, or adjusted strike price, the full quantities of the projects with the lowest strike prices, or adjusted strike prices, are selected until all projects are selected or until selecting the project with the next highest strike price, or adjusted strike price, (the “marginal project”) would exceed the target
- If the remaining target is less than the minimum quantity for the marginal project, the marginal project is selected at the minimum quantity if this would result in exceeding the target for that category by no more than 50%

**Appendix 15 to the RFP Rules** provides an overview of the bid evaluation procedure and an example of the strike price adjustments

# 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 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

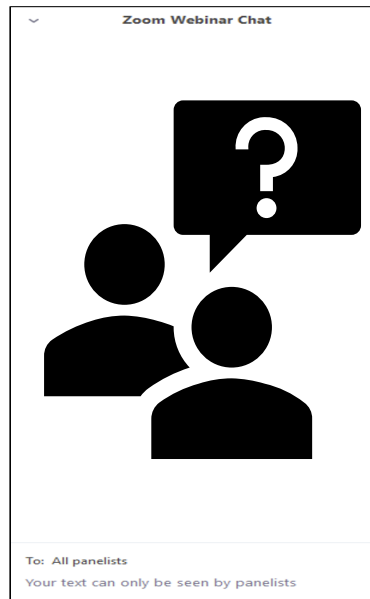
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- Each Company sends electronically to the Seller partially executed contract documents
- Seller countersigns, sends back contract documents electronically, and fulfills creditworthiness requirements
  - Instructions regarding contract execution procedures will be provided to qualified bidders with the Part 1 Notification
- **Collateral Requirement** is due within 8 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 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](http://www.ipa-energyrfp.com)

# Contact Us

- Contact us at [Illinois-RFP@NERA.com](mailto:Illinois-RFP@NERA.com)
- All questions and answers will be posted to the FAQ section of the RFP website without identifying information
- Oct 3- Oct 30: If you would like to schedule a call with the Procurement Administrator, please send an email to the above address with the subject line, “[Call Request: Indexed REC RFP](#)”